



TONIC

東力實業控股有限公司
Tonic Industries Holdings Limited

ANNUAL REPORT 年報 2006

(STOCK CODE 股份編號: 0978)



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CORPORATE INFORMATION 公司資料

DIRECTORS

EXECUTIVE DIRECTORS

Mr. LING Siu Man, Simon (*Chairman and Managing Director*)
Mr. LEE Ka Yue, Peter
Mr. WONG Ki Cheung
Ms. LI Fung Ching, Catherine
Mr. AU Wai Man
Mr. LIU Hoi Keung, Gary
Mr. LAM Kwai Wah

NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

Mr. WONG Wai Kwong, David
Mr. PANG Hon Chung (Independent), (*Chairman of Audit Committee*)
Mr. CHENG Tsang Wai (Independent)
Dr. CHUNG Hing Wah, Paul (Independent)
(appointed on 26 June 2006)
Mr. HO Fook Hong, Ferdinand (Independent)
(resigned on 1 April 2006)

REGISTERED OFFICE

P.O. Box 309 GT, Ugland House,
South Church Street
George Town, Grand Cayman
Cayman Islands, British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit B, 10th Floor, Summit Building
30 Man Yue Street, Hung Hom, Kowloon, Hong Kong

COMPANY SECRETARY

Mr. LIU Hoi Keung, Gary, Msc. FCCA, CPA

LEGAL ADVISORS

Richards Butler
Gallant Y.T. Ho & Co.

董事

執行董事

凌少文先生 (主席兼董事總經理)
李嘉渝先生
黃其昌先生
李鳳貞女士
區偉民先生
廖開強先生
林桂華先生

非執行董事及審核委員會

黃偉光先生
彭漢中先生 (獨立) · (審核委員會主席)
鄭曾偉先生 (獨立)
鍾慶華博士 (獨立)
(於二零零六年六月二十六日獲委任)
何福康先生 (獨立)
(於二零零六年四月一日辭任)

註冊辦事處

P.O. Box 309 GT, Ugland House,
South Church Street
George Town, Grand Cayman
Cayman Islands, British West Indies

總辦事處及主要營業地點

香港九龍紅磡民裕街30號
興業工商大廈10樓B室

公司秘書

廖開強先生 · Msc. FCCA, CPA

法律顧問

齊伯禮律師行
何耀棣律師事務所

CORPORATE INFORMATION 公司資料

AUDITORS

Ernst & Young

REMUNERATION COMMITTEE

Mr. CHENG Tsang Wai (*Chairman*)

Mr. PANG Hon Chung

Ms. LI Fung Ching, Catherine

EXECUTIVE COMMITTEE

Mr. LING Siu Man, Simon (*Chairman*)

Mr. WONG Ki Cheung

Ms. LI Fung Ching, Catherine

Mr. AU Wai Man

Mr. LIU Hoi Keung, Gary

Mr. LAM Kwai Wah

PRINCIPAL BANKERS

Hang Seng Bank Limited

The Hong Kong and Shanghai Banking Corporation Limited

China Construction Bank Corporation

The Standard Chartered Bank Limited

SHARE REGISTRARS AND TRANSFER OFFICE

In Hong Kong

Tengis Limited

26/F, Tesbury Centre

28 Queen's Road East

Hong Kong

In Cayman Island

Butterfield Fund Services (Cayman) Limited

PO Box 705, George Town, Grand Cayman

Cayman Islands, British West Indies

WEBSITE

www.tonic.com.hk

www.irasia.com/listco/hk/tonic

STOCK CODE

978

核數師

安永會計師事務所

薪酬委員會

鄭曾偉先生 (主席)

彭漢中先生

李鳳貞女士

執行委員會

凌少文先生 (主席)

黃其昌先生

李鳳貞女士

區偉民先生

廖開強先生

林桂華先生

主要往來銀行

恒生銀行有限公司

香港上海滙豐銀行有限公司

中國建設銀行股份有限公司

渣打銀行有限公司

股份登記過戶處

於香港

登捷時有限公司

香港

皇后大道東28號

金鐘匯中心26樓

於開曼群島

Butterfield Fund Services (Cayman) Limited

PO Box 705, George Town, Grand Cayman

Cayman Islands, British West Indies

網址

www.tonic.com.hk

www.irasia.com/listco/hk/tonic

股票編號

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CHAIRMAN'S STATEMENT 主席報告



LING Siu Man, Simon
Chairman & Managing Director

凌少文
主席兼董事經理

DEAR SHAREHOLDERS,

On behalf of the Board of Directors ("the Board"), I am pleased to present the annual results of Tonic Industries Holdings Limited for the year ended 31 March 2006.

BUSINESS REVIEW AND OUTLOOK

For the Year under review, the Group achieved a revenue of approximately HK\$2,392 million. EBITDA and profit attributable to shareholders were HK\$117 million and HK\$19 million respectively, as compared with HK\$119 million (restated) and HK\$28 million (restated) last year.

During the Year, the Group diversified into high margin products including DVD recorders, portable DVD players, Global Positioning System (GPS), Digital Video Broadcast products (DVB) and cable set top boxes. The Group is committed to investing continuously in the research and development of new products including iPod and Xbox accessories, and various combos of DVD/VCR/DVD+RW/LCD-TV/CRT-TV, and new products will be launched in the coming year.

致各股東

本人謹代表董事會欣然提呈東力實業控股有限公司截至二零零六年三月三十一日止年度的全年業績。

業務回顧及展望

本集團於回顧年度錄得營業額約2,392,000,000港元。未扣除利息、稅項、折舊及攤銷前的盈利及股東應佔溢利分別為117,000,000港元及19,000,000港元，去年則分別為119,000,000港元（重列）及28,000,000港元（重列）。

過去一年，本集團將業務分散至DVD錄影機、可攜式DVD播放機、全球定位系統(GPS)、數碼影像廣播產品(DVB)及有線電視機頂盒等邊際利潤較高的產品。本集團不斷致力投資於研發新產品，包括iPod及Xbox的配件，以及多款集DVD/VCR/DVD+RW/液晶顯示屏(LCD)電視/顯像管(CRT)電視功能於一身的產品，而新產品將於來年推出市場。

CHAIRMAN'S STATEMENT 主席報告

The Group's cable set top box business in China matured in early 2006. China has been catching on fast with digital broadcasting since the country's State Administration for Radio Film and Television announced plans to migrate from the analog broadcast mode to the digital mode within the next few years. Analog service will be obsolete by 2015. Cable set top boxes are now sold at affordable prices and their sales are braced by their compatibility with the new advanced digital broadcasting system and pre-pay SIM card technology enabling new applications.

The expanded factory buildings in Shi Pai have provided the Group with extra production capacity. Labour cost and sub-contracting charges in Shi Pai are also relatively lower than other regions in Dongguan. The factory will be up to 50 – 60% utilised in 2006/07 and will reach full operation in few years.

The business of the Home Appliance Division performed well during the year and contributed a favourable margin to the Group. The Division accounted for approximately 10% of the Group's total revenue. The Japan and USA offices, which focused on the Group's own brand business, were closed during the year. The freed resources will be injected into the Group's OEM/ODM business in the coming years.

During the year under review, high interest rate squeezed the Group's margin and put pressure on our financial resources. In combat, the management will realign the Group's production facilities and find ways to reduce its reliance on external financial resources. It will plan investment in production meticulously.

2006 marked the 30th Anniversary of the Group. Since the Group started in 1976 as a consumer audio products manufacturer and trader, the Group has established a solid foundation and expanded its business horizons over the years. The anniversary is also a time to look forward and the Group has a comprehensive product road map which aim is to ensure sustainable growth and maintain the competitive advantages of the Group. With material costs stabilising and demand for digital products continuously increasing, we are optimistic about the future of our business.

本集團於中國的有線電視機頂盒業務已於二零零六年初漸見成熟。自國家廣播電影電視總局公布於未來數年將由模擬廣播模式轉換至數碼模式的計劃後，中國一直緊貼數碼廣播的發展步伐。模擬式廣播服務將會於二零一五年前被淘汰。現時，有線電視機頂盒已以可負擔的價格出售，亦因其可兼容配備高新數碼廣播系統及嶄新預付智能卡技術，令銷售得到廣泛支持。

隨著位處石排鎮廠房大樓的擴展，本集團的產能得以提升。石排鎮的工人成本及加工費亦相對東莞其他地區為低。於二零零六／零七年度，廠房的使用率將達致50至60%，並預計將可於未來數年提升至十足營運。

年內，家用電器產品部門業務表現理想，為本集團帶來可觀的利潤。該部門佔本集團總收益約10%。專注本集團自有品牌的日本及美國辦事處已於年內關閉，騰出的資源將會於未來數年用於發展本集團的原設備製造／原設計製造業務。

於回顧年度，高息率削弱了本集團的利潤，並使本集團的財務資源受壓。為解決上述問題，管理層將重整本集團的生產設施，以及尋求方法降低對外部財政資源的依賴。本集團在規劃生產投資時，將會審慎行事。

於二零零六年，本集團步入創業30週年。回顧本集團於一九七六年創立，主要從事消費影音產品的生產及貿易，經過多年努力，本集團扎下了穩固根基，業務範圍亦大大擴展。在歡慶過往成就的同時，展望未來，集團的產品佈局完備，確保業務能持續增長，以及維持其競爭優勢。隨著原料成本漸趨穩定，加上數碼產品的需求不斷上升，本集團對業務前景感到樂觀。

CHAIRMAN'S STATEMENT 主席報告

FINAL DIVIDEND

The Board of Directors recommended the payment of a final cash dividend of HK1 cent (year ended 31 March 2005: HK1 cent) per share.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 18 September 2006 to 20 September 2006, both days inclusive, during which no transfer of shares will be effected. To qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 15 September 2006.

APPRECIATION

On behalf of the Group, I would like to extend my special thanks to our employees for their continuous contribution and hard work, to our customers and business partners for co-operating with and supporting the Group, and to my fellow board members for their dedication to good governance of the Company. We will continue to improve the results of the Company and generate better returns for our shareholders.

On behalf of the Board

Ling Siu Man, Simon

Chairman & Managing Director

Hong Kong, 18 July 2006

末期股息

董事會建議派發末期現金股息每股1港仙(截至二零零五年三月三十一日止年度: 1港仙)。

暫停辦理股東登記手續

本公司將於二零零六年九月十八日至二零零六年九月二十日(包括首尾兩日)暫停辦理股東登記手續,期間不會登記任何股份過戶。為確保可享有擬派的末期股息,所有過戶文件連同有關股票最遲須於二零零六年九月十五日下午四時三十分前交回本公司香港股份過戶登記處登捷時有限公司,地址為香港皇后大道東28號金鐘匯中心26樓。

致謝

本人謹代表本集團衷心感謝員工的貢獻及辛勤工作,以及客戶及業務夥伴一直以來與本集團通力合作及予集團的支持。本人亦就董事會成員盡心監管本公司深表謝意。集團將繼續改善與公司業績,為股東帶來更佳回報。

代表董事會

主席兼董事總經理

凌少文

香港,二零零六年七月十八日

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Mr. LING Siu Man, Simon, aged 56, is the Chairman and Managing Director of the Company. Mr. Ling founded the business of the Group in 1976 and has over 29 years experience in the electronics industry. Mr. Ling is responsible for the strategic planning, corporate policy, and marketing aspects of the Group.

Mr. LEE Ka Yue, Peter, aged 59, was appointed to the Board following the investment of EHL in the Company in June 1997. He is responsible for advising on the financial and corporate policies of the Group as well as overseeing overall coordination between EHL and the Group. He is also an executive director of EHL and has over 34 years experience in the timepiece and jewellery businesses as well as in the consumer electronics industry.

Mr. WONG Ki Cheung, aged 56, joined the Group in 1976 and is responsible for the Group's overall management, purchasing and materials control functions. He has over 26 years experience in the electronics component industry.

Ms. LI Fung Ching, Catherine, aged 52, joined the Group in 1976 and is responsible for the management of the accounting, treasury and administrative functions of the Group. She has over 26 years experience in the electronics industry.

Mr. AU Wai Man, aged 61, is the Group's engineering consultant. He is responsible for the research and development of the Group's new products. Prior to joining the Group in 1995, he has over 26 years experience in electronics product engineering.

Mr. LIU Hoi Keung, Gary, aged 41, joined the Group in 1997 and is responsible for the financial management and company secretarial matters of the Group. He is an associate of Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. He also holds a Master of Science degree from The University of Hong Kong. Prior to joining the Group, he has over nine years experience in accounting, auditing and taxation.

執行董事

凌少文先生，56歲，本公司主席兼董事總經理。凌先生於一九七六年創辦本集團的業務，擁有逾29年電子業經驗。凌先生負責本集團的策略計劃、公司政策及市場推廣工作。

李嘉渝先生，59歲，繼聯洲國際於一九九七年六月投資本公司後獲委任加入董事會，出任本集團的財務及公司政策顧問，並負責監察聯洲國際與本集團間的整體統籌工作。彼亦為聯洲國際的執行董事，擁有逾34年鐘錶、首飾及消費電子產品業經驗。

黃其昌先生，56歲，於一九七六年加入本集團，負責本集團整體管理、採購及物料控制工作。彼於電子配件業擁有逾26年經驗。

李鳳貞女士，52歲，於一九七六年加入本集團，負責本集團的會計、庫務及行政管理工。彼於電子業擁有逾26年經驗。

區偉民先生，61歲，本集團工程顧問，負責為本集團研究及開發新產品。彼於一九九五年加入本集團前，已擁有逾26年電子產品工程經驗。

廖開強先生，41歲，於一九九七年加入本集團，負責本集團財務管理及公司秘書事務。廖先生為香港會計師公會會員及英國特許公認會計師公會資深會員。彼亦持有香港大學理學碩士學位。彼於加入本集團之前，已擁有逾九年的會計、審計及稅務經驗。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Mr. LAM Kwai Wah, aged 41, joined the Group in 1998 and is mainly responsible for the Group's marketing activities in Europe. He has over 20 years experience in marketing of electronics products and home appliances. Mr. Lam obtained a higher certificate in marketing and sales management from The Hong Kong Polytechnic University.

NON-EXECUTIVE DIRECTOR

Mr. WONG Wai Kwong, David, aged 48, has over 24 years experience in finance, accounting, corporate and taxation affairs. He is a fellow of The Association of Chartered Certified Accountants, and an associate of Hong Kong Institute of Certified Public Accountants, the Australian Association of Practising Accountants and the Australian Association of Secretaries and Managers. He is a director of Incutech Investment Ltd and an executive director of EHL, both of which are companies listed on the Main Board of the Stock Exchange. Mr. Wong is also a non-executive director of seven other Hong Kong listed companies.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. PANG Hon Chung, aged 55, holds a master's degree in business administration, and is a member of the Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants. Mr. Pang has extensive experience in business management and is a director and the general manager of Lotus International Limited. He is also a director of Graneagle Holdings Limited, a company listed on the Main Board of the Stock Exchange.

Mr. CHENG Tsang Wai, aged 50, has over 28 years experience in the garment industry and is a director and major shareholder of Vicka Limited which is a sweater manufacturing company.

Dr. CHUNG Hing Wah, Paul (appointed on 26 June 2006), aged 60, has over 35 years' experiences with public service in administration, operation, discipline, nursing and management. He also has over 15 years' experiences in training and development and management consultancy with various local and PRC Mainland providers and corporations. Apart from being appointed as the consultant or principal consultant of many major local and PRC training providers, he is also the director and principal consultant of PC Consultancy Ltd. Dr. Chung holds degrees of MBA and DBA.

林桂華先生，41歲，於一九九八年加入本集團，主要負責本集團於歐洲市場之業務推廣。彼於電子產品及家庭電器市場推廣方面積逾20年經驗。彼持有香港理工大學頒授之市場推廣及銷售管理高級證書。

非執行董事

黃偉光先生，48歲，擁有逾24年財務、會計、公司管理及稅務各方面經驗。彼為英國特許公認會計師公會資深會員，並為香港會計師公會、澳大利亞會計師公會及澳大利亞秘書及管理人員學會的會員。彼分別為Incutech Investment Ltd及聯洲國際（兩者均為於聯交所主板上市的公司）的董事及執行董事。黃先生亦為另外七間香港上市公司的非執行董事。

獨立非執行董事

彭漢中先生，55歲，持有工商管理碩士學位，亦為英國特許公認會計師公會及香港會計師公會會員。彭先生具有豐富商業管理經驗，現為安達國際有限公司董事兼總經理。彼亦為騰馳實業有限公司（一間於聯交所主板上市的公司）之董事。

鄭曾偉先生，50歲，鄭先生於成衣業積逾28年經驗，為毛衣生產公司緯興有限公司之董事及主要股東。

鍾慶華博士（於二零零六年六月二十六日獲委任），60歲，擁有逾35年公共服務之行政、營運、紀律、護理及管理經驗。彼亦擁有超過15年於不同本地及中國內地機構及公司之培訓及發展及管理諮詢範疇之經驗。除被眾多主要本地及中國培訓機構委任為顧問或首席顧問之外，彼亦為PC Consultancy Ltd.之董事及首席顧問。鍾博士持有管理及行政碩士和管理及行政博士學位。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Mr. HO Fook Hong, Ferdinand (resigned on 1 April 2006), aged 58, holds a bachelor's degree in science and a master's degree in business administration from The University of Hong Kong and has been admitted as a solicitor of the Supreme Courts of Hong Kong, England and Wales and Singapore. Mr. Ho also serves as an independent non-executive director of Winsor Industrial Corporation Limited and Winsor Properties Holdings Limited, both of which are companies listed on the Main Board of the Stock Exchange.

SENIOR MANAGEMENT

Mr. YEUNG Hon Po, aged 58, is the production director of Dongguan Xin Lian Digital Technology Co., Ltd. Mr. Yeung is responsible for the management and manufacturing operations of the Company in Dongguan Shi Pai Factory. He has over 38 years experience in the production of electronic products and he joined the Group in 1978.

Mr. CHUI Wing Kwong, aged 57, is the general manager of Gold Beam Developments Limited. Mr. Chui joined the Group after the acquisition by the Group of the new factory at Qi Shi in 1998. Mr. Chui is responsible for the overall management of the Dongguan Qi Shi factory. Mr. Chiu has over 31 years experience in the manufacturing of audio, plastic and metal products.

Mr. KWOK Yiu Wa, aged 41, is the production manager of Tonic Electronics Limited. He is mainly responsible for the management and manufacturing operations of the Company in Dongguan Tang Xia Factory. He is also responsible for the automation department in the factory. Mr. Kwok has over 18 years of manufacturing experience of electronic products and he joined the Group in 1988.

Ms. TAM Wing Ki, Samantha, aged 30, is the director of Tonic Appliances Limited. She joined the Group in 1998 and is responsible for the management and marketing of the home appliances division. She received her Bachelor of Business Administration degree from the University of Michigan (Ann Arbor) and Master of Science degree in Engineering Business Management from the University of Warwick.

何福康先生 (於二零零六年四月一日辭任)，58歲，持有香港大學理學士學位及工商管理碩士學位，曾為香港、英格蘭與威爾斯及新加坡最高法院的認可律師。何先生亦為南聯實業有限公司及南聯地產控股有限公司之獨立非執行董事，該兩間公司均於聯交所主板上市。

高級管理人員

楊漢波先生，58歲，東莞鑫聯數碼科技有限公司生產部總監。楊先生負責本公司於東莞石排廠房的管理及生產運作，擁有逾38年生產電子產品經驗，於一九七八年加入本集團。

徐榮光先生，57歲，金萊發展有限公司總經理。徐先生在本集團於一九九八年收購位於企石的新廠後加入本集團。徐先生負責東莞企石廠的整體管理事務，並擁有逾31年生產音響、塑膠及金屬產品經驗。

郭耀華先生，41歲，東力電子有限公司生產部主管。主要負責本公司於東莞塘廈廠房的管理及生產運作，亦負責廠內自動化部門之事務。郭先生於一九八八年加入本集團，現擁有逾18年生產電子產品經驗。

譚詠琪小姐，30歲，東力家用電器有限公司董事。譚小姐於一九九八年加入本集團，負責管理家庭電器用品部門及有關之推廣事務。彼為美國密芝根大學商學院之工商管理學士及英國華威大學之工程業務管理理學碩士。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS DEVELOPMENT

The Group had successfully transformed the business from making analogue audio products to digital video products after investing heavily in research and developments. The popular demand of digital products such as DVD during the last few years has proved that we are heading towards the right direction. Our current products road map covered a wide variety of digital products which we believe will also be very popular in the coming years. DVD recorder with its superb features and quality is destined to replace VCR in the near future. Since small size LCD TV could be installed in the bath room and kitchen in every household and DVB products capable of receiving digital broadcast signal will be a must in 5 to 10 years all over the world, the Group would therefore benefit from the tremendous sales of these products.

WORKING CAPITAL

In early 2006, the Group expanded its cable set top box business. Sales of set top box were particularly strong between January and March 2006, accounting for almost 7% of the Group's total revenue. In addition, sales orders for April to June 2006 were also encouraging. As a result, inventory level and trade creditor level were higher than those of last year. DK Digital GmbH fully settled its outstanding debts to the Group and no bad debts provision was required for the year. After the completion of the new Shi Pai factory, we expect capital expenditure to decrease in the coming years.

LIQUIDITY RESOURCES

The Group had on 23 March 2006 signed a 3 year term loan facility agreement for HK\$150,000,000 with a syndicate of 7 international and local banks. The loan is on HIBOR basis and repayable by installment starting 18 months after the date of the loan agreement. This syndicated loan was used to fully repay the syndicated loan obtained on 3 December 2003, with the approximately HK\$27 million balance to serve the Group's working capital requirements. Under the terms of the loan agreement, Mr. Ling Siu Man, Simon, the Chairman and Managing Director of the Group, is required to maintain at least 40% shareholding of the Company, be the single largest shareholder and be actively involved in the management and business of the Group, otherwise it will constitute as default.

業務發展

集團投放大量資源於研發，成功地將業務由製造「模擬」音響產品轉為生產「數碼」影像產品。而過往數年間數碼產品(如DVD)的需求殷切，足以證明本集團的發展方向正確。本集團現時的產品佈局覆蓋多種數碼產品，而我們相信該等產品於未來數年會深受市場歡迎。隨着DVD錄影機的先進功能及質素不斷提升，其取代VCR將指日可待。由於小型LCD電視可安裝於每個家庭的浴室及廚房，而可接收數碼廣播訊號的數碼廣播產品於5至10年內亦將成為全球各地必備的產品，因此，該等產品的龐大銷量將令本集團受惠。

營運資金

於二零零六年初，本集團將業務擴展至有線電視機頂盒。機頂盒的銷量於二零零六年一月及三月尤其強勁，約佔本集團總收益的7%。此外，二零零六年四月至六月期間所接獲的銷售訂單亦令人鼓舞。因此，存貨水平及貿易應付款項較去年同期上升。DK Digital GmbH已悉數向本集團償還其債項，因而本年度毋須為此作出壞賬撥備。石排鎮新廠房竣工後，本集團預期來年的資本性開支將會減少。

流動資源

本集團於二零零六年三月二十三日與7間國際及本地銀行組成的銀團簽訂為期三年的貸款協議，總額為150,000,000港元。該筆貸款的利息乃按香港銀行同業拆息計算，於簽訂貸款協議日期後18個月起分期償還。該筆銀團貸款已用作悉數償還於二零零三年十二月三日取得的銀團貸款，而餘額約27,000,000港元則用作本集團的營運資金。根據貸款協議條款，本集團主席兼董事總經理凌少文先生須持有本公司最少40%股權、作為單一最大股東，並積極參與本集團的管理及業務事宜，否則將被視作違反貸款協議。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 March 2006, the Group had total borrowings of approximately HK\$461 million, of which HK\$425 million was bank borrowings and HK\$36 million was for obligations under finance leases. The Group's borrowings are denominated in Hong Kong dollars and bear interest mainly on HIBOR basis. Bank balances and cash on hand, mainly denominated in Hong Kong dollars, amounted to HK\$100 million. Gearing ratio was 71%, calculated based on net borrowings over shareholder funds.

The Group is not exposed to material currency fluctuation risks, as most of its receivables are in US dollars and payable in Hong Kong and US dollars. The Group purchases forward contracts with bank to hedge against confirmed US dollar receipts. Except for a few customers whom we offer credit on an open account basis, we transact business with all other customers on letter of credit at sight basis.

INVESTMENTS IN LISTED SECURITIES

The Group has invested in securities of certain listed companies in Hong Kong. During the year, certain investments were disposed of with a gain of HK\$356,000 as compared with HK\$20 million last year. The Group continues to recognise the investment securities on short-term basis and record it based on market value.

EMPLOYEES RELATIONS

As at 31 March 2006, the Group had 150 employees stationed in Hong Kong and 8,000 employees in the PRC factories and office. Total salaries and wages for the year amounted to approximately HK\$129 million. The Group normally reviews staff salaries and wages annually on the basis of staff performance and market conditions. The Group also provides year-end incentive, discretionary bonuses, provident fund, medical insurance and training to staff. Worker welfare is determined with reference to prevailing labor laws in Hong Kong and China.

於二零零六年三月三十一日，本集團借款總額約為461,000,000港元，當中425,000,000港元及36,000,000港元分別為銀行借貸及融資租賃承擔。本集團的借款以港元結算，利息主要按香港銀行同業拆息計算。銀行結存及現金達100,000,000港元，主要以港元結算。資產負債比率為71%，乃按借款淨額除以股東資金計算。

由於本集團大部分應收款項以美元結算，而應付款項以港元及美元結算，故所面對外匯波動風險不大。本集團已向銀行購買遠期合約，以對沖已確認之美元收入款項。除向數名客戶以記賬方式提供信貸外，本集團與所有其他客戶均以即期信用證進行交易。

投資上市證券

本集團投資於若干香港上市公司的證券。年內，已出售若干投資並取得356,000港元的收益，去年則為20,000,000港元。本集團將繼續以短期基準確認投資證券，並以市值列賬。

僱員關係

於二零零六年三月三十一日，本集團在香港僱用員工150名，中國的廠房及辦公室則僱有8,000名員工。年內薪金及工資支出總額約為129,000,000港元。本集團一般會根據員工的工作表現及市場情況每年檢討薪酬及工資。本集團亦會向其員工提供年終獎金、酌情花紅、公積金、醫療保險及培訓。員工福利乃參照香港及中國的現行勞工法例釐訂。

REPORT OF THE DIRECTORS 董事會報告

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The subsidiaries engage in the design, manufacture and trading of consumer electronic products and components and home appliance products. There were no changes in the nature of the Group's principal activities during the year.

Details of the principal activities of the Company's subsidiaries are set out in note 18 to the financial statements.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2006 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 35 to 127.

No interim dividend was paid to shareholders during the year (2005: Nil). The directors recommend the payment of a final dividend of HK1 cent per share (2005: HK1 cent per share) in cash to shareholders whose names appear on the register of members on 20 September 2006. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the balance sheet.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 32(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

董事會謹此提呈截至二零零六年三月三十一日止年度董事會報告及本公司與本集團的經審核財務報表。

主要業務

本公司的主要業務為投資控股。附屬公司從事消費電子產品與零件及家庭電器產品設計、製造及銷售業務。本集團的主要業務性質於年內並無變動。

本公司各附屬公司的主要業務詳情載於財務報表附註18。

業績及股息

本集團截至二零零六年三月三十一日止年度的溢利及本公司與本集團於該日的財務狀況載於第35至127頁財務報表內。

年內並無向股東派發任何中期股息(二零零五年：無)。董事會建議向於二零零六年九月二十日名列股東名冊的股東派發末期現金股息每股1港仙(二零零五年：每股1港仙)。該建議已載入財務報表內作為資產負債表內權益部分項下之保留溢利分配。

儲備

本公司及本集團於年內的儲備變動詳情分別載於財務報表附註32(b)及綜合權益變動表。

REPORT OF THE DIRECTORS 董事會報告

DISTRIBUTABLE RESERVES

In the opinion of the directors, the Company's reserves available for distribution represent the share premium account, contributed surplus and retained profits. At 31 March 2006, the Company's reserves available for cash distribution and/or distribution in specie amounted to HK\$139,164,000, including the share premium account, of which HK\$9,529,000 has been proposed as a final dividend for the year. Under the Companies Law (2002 Revision) of the Cayman Islands, the share premium account of the Company, in the amount of HK\$59,098,000, is available for distribution or dividends to shareholders, subject to the provisions of its memorandum and articles of association and provided that immediately following the distribution of dividends, the Company is able to pay its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers in aggregate accounted for approximately 45% of the total revenue of the Group and the largest customer accounted for approximately 15% of the total revenue of the Group.

During the year, the five largest suppliers in aggregate accounted for approximately 34% of the total purchases of the Group and the largest supplier accounted for approximately 11% of the total purchases of the Group.

As far as the directors are aware, neither the directors, their associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")), nor any shareholders which, to the knowledge of the directors, own more than 5% of the Company's issued share capital, had any interest in the five largest customers or suppliers.

FIVE YEAR FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on page 128. This summary does not form part of the audited financial statements.

可供分派儲備

董事會認為，本公司可供分派的儲備指股份溢價賬、繳入盈餘及保留溢利。於二零零六年三月三十一日，本公司可作現金及／或實物分派用途的儲備為139,164,000港元（包括股份溢價賬），其中9,529,000港元已建議用作派付本年度末期股息。根據開曼群島公司法（二零零二年修訂本），除公司組織章程大綱和細則條文另有規定者外，本公司可將股份溢價賬59,098,000港元分派予股東或以股息的形式向股東派發，惟在緊隨派發股息後，本公司須有能力償還其在日常業務中到期的債項。

主要客戶及供應商

年內，五大客戶合共佔本集團總收入約45%，而最大客戶則佔本集團總收入約15%。

年內，五大供應商合共佔本集團總採購額約34%，而最大供應商則佔本集團總採購額約11%。

據董事會所知，各董事、彼等之聯繫人士（定義見香港聯合交易所有限公司證券上市規則（「上市規則」）以及據董事所知擁有本公司已發行股本5%以上的任何股東，概無於五大客戶或供應商中擁有任何權益。

五年財務資料概要

本集團於過往五個財政年度的已刊發業績及資產與負債概要（摘錄自經審核財務報表，並在適當情況下重列／重新分類）載於第128頁。該概要並非經審核財務報表的任何部分。

REPORT OF THE DIRECTORS 董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

There were no movements in Company's share capital during the year. Details of movements in the Company's share options during the year, together with the reason therefor, are set out in note 31 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

EXECUTIVE DIRECTORS:

Ling Siu Man, Simon (*Chairman and Managing Director*)
Lee Ka Yue, Peter
Wong Ki Cheung
Li Fung Ching, Catherine
Au Wai Man
Liu Hoi Keung, Gary
Lam Kwai Wah

NON-EXECUTIVE DIRECTORS:

Wong Wai Kwong, David
Pang Hon Chung*
Cheng Tsang Wai*
Chung Hing Wah, Paul* (appointed on 26 June 2006)
Ho Fook Hong, Ferdinand* (resigned on 1 April 2006)

* Independent non-executive directors

物業、廠房及設備

本集團於年內的物業、廠房及設備變動詳情載於財務報表附註14。

股本及購股權

年內，本公司股本並無變動。於年內本公司的購股權變動詳情及其原因載於財務報表附註31。

優先購買權

本公司的組織章程細則或開曼群島法例並無有關本公司須向現有股東按比例發售新股的優先購買權規定。

董事

於本年度及截至本報告日期止，本公司之董事如下：

執行董事：

凌少文 (主席兼董事總經理)
李嘉渝
黃其昌
李鳳貞
區偉民
廖開強
林桂華

非執行董事：

黃偉光
彭漢中*
鄭曾偉*
鍾慶華* (於二零零六年六月二十六日獲委任)
何福康* (於二零零六年四月一日辭任)

* 獨立非執行董事

REPORT OF THE DIRECTORS 董事會報告

In accordance with article 116 of the Company's articles of association, Mr. Wong Ki Cheung, Ms. Li Fung Ching, Catherine, Mr. Liu Hoi Keung, Gary, and Mr. Pang Hon Chung will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

In accordance with article 99 of the Company's articles of association, Dr. Chung Hing Wah, Paul will retire and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

The terms of office of the non-executive directors are the periods from their dates of appointment to their retirement by rotation in accordance with the Company's articles of association.

The Company has received annual confirmations of independence from Mr. Ho Fook Hong, Ferdinand, Mr. Pang Hon Chung and Mr. Cheng Tsang Wai, and confirmation of independence from Dr. Chung Hing Wah, Paul (newly appointed on 26 June 2006). Except for Mr. Ho Fook Hong, Ferdinand, who has resigned on 1 April 2006, the Company still considers them to be independent as at the date of this report.

DIRECTORS' BIOGRAPHIES

Biographical details of the directors of the Group are set out on pages 7 to 9 of the annual report.

DIRECTORS' SERVICE CONTRACTS

All the executive directors, other than Mr. Lee Ka Yue, Peter, and Mr. Lam Kwai Wah, have entered into service contracts with the Company for terms of three years commencing from 1 October 2003. Mr. Lam Kwai Wah has entered into a service contract with the Company for a term of three years commencing from 27 September 2004.

Save as disclosed above, none of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

根據本公司的組織章程細則第116條，黃其昌先生、李鳳貞女士、廖開強先生及彭漢中先生均將於應屆股東週年大會上退任，惟彼等符合重選資格，並願意膺選連任。

根據本公司的組織章程細則第99條，鍾慶華博士將於應屆股東週年大會上退任，惟彼符合重選資格，並願意膺選連任。

根據本公司的組織章程細則，非執行董事的任期由彼等獲委任之日起至輪席告退之日止。

本公司已接獲由何福康先生、彭漢中先生、鄭曾偉先生發出的年度獨立性確認書及鍾慶華博士（最近於二零零六年六月二十六日獲委任）發出的獨立性確認書。除何福康先生（已於二零零六年四月一日辭任）外，截至本報告日期，本公司仍然認為彼等乃獨立人士。

董事履歷

本集團董事之履歷詳情載於本年報第7至9頁。

董事服務合約

除李嘉渝先生及林桂華先生外，所有執行董事均與本公司訂有服務合約，由二零零三年十月一日起計，為期三年。林桂華先生與本公司訂立之服務合約，自二零零四年九月二十七日起計，為期三年。

除上文披露者外，擬於應屆股東週年大會膺選連任的董事，概無與本公司或其任何附屬公司訂有本集團如不作出賠償（法定賠償除外）則不能於一年內終止的服務合約。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to the directors' duties, responsibilities and performance and the results of the Group.

董事酬金

董事袍金須經股東於股東大會上批准。其他酬金則由本公司董事會參考董事之職務、責任，以及本集團之表現及業績釐訂。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2006, the interests of the directors in the share capital of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

董事擁有之股份及相關股份權益及淡倉

於二零零六年三月三十一日，董事於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股本中，擁有須記錄於本公司根據證券及期貨條例第352條規定存置之登記冊，或根據上市發行人董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益如下：

A) LONG POSITIONS IN ORDINARY SHARES OF THE COMPANY

A) 本公司普通股之好倉

Name of director	董事姓名	Nature of interest	權益性質	Number of ordinary shares held	所持普通股數目	Percentage of the Company's issued share capital	佔本公司已發行股本百分比
Ling Siu Man, Simon	凌少文	Corporate (note)	公司(附註)	476,830,173		50.04	
Wong Ki Cheung	黃其昌	Personal	個人	1,749,000		0.18	
Li Fung Ching, Catherine	李鳳貞	Personal	個人	2,142,000		0.22	
Liu Hoi Keung, Gary	廖開強	Personal	個人	8,000		—	
Pang Hon Chung	彭漢中	Personal	個人	2,000,000		0.21	
				<u>482,729,173</u>		<u>50.65</u>	

Note: These shares were held by Success Forever Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Ling Siu Man, Simon.

附註：該等股份由於英屬處女群島註冊成立之公司Success Forever Limited持有。該公司的全部已發行股本由凌少文先生實益擁有。

REPORT OF THE DIRECTORS 董事會報告

B) ASSOCIATED CORPORATION

At 31 March 2006, Ling Siu Man, Simon personally held 2,850 non-voting deferred shares of HK\$100 each of Tonic Electronics Limited, a subsidiary of the Company.

The interests of the directors in the share options of the Company are separately disclosed in note 31 to the financial statements.

Save as disclosed above, as at 31 March 2006, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' interests and short positions in shares and underlying shares" above and in the share option scheme disclosures in note 31 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 37 to the financial statements, no contract of significance to which the Company or any of its subsidiaries was a party in which any director had a material interest, whether directly or indirectly, subsisted at the end of the year or any time during the year.

SHARE OPTION SCHEME

Concerning the share options granted to the directors and employees, as detailed in note 31, the directors do not consider it appropriate to disclose a theoretical value of the options granted because in the absence of a readily available market value of the share options on the shares of the Company, the directors were unable to arrive at an assessment of the value of these share options.

B) 相聯法團

於二零零六年三月三十一日，凌少文個人持有本公司附屬公司東力電子有限公司每股面值100港元之無投票權遞延股份共2,850股。

董事於本公司購股權的權益於財務報表附註31另作披露。

除上文披露者外，於二零零六年三月三十一日，各董事概無於本公司或其任何相聯法團之股份、相關股份或債券中，擁有須根據證券及期貨條例第352條規定記錄，或根據上市發行人董事進行證券交易的標準守則須知會本公司及聯交所之權益或淡倉。

董事購買股份或債券之權利

除上文「董事擁有之股份及相關股份權益及淡倉」及財務報表附註31購股權計劃披露事項所披露者外，於年內任何時間概無向任何董事或彼等各自之配偶或未成年子女賦予權力，以藉購入本公司股份或債券而獲益，亦無任何該等權力獲行使；而本公司、其控股公司或其任何附屬公司亦無涉及任何安排，致使董事可於任何其他法人團體獲得該等權利。

董事於重大合約中之權益

除財務報表附註37披露者外，於年終或年內任何時間，本公司或其任何附屬公司概無訂有任何董事於當中擁有直接或間接重大權益的重大合約。

購股權計劃

就向董事或僱員授出購股權事項上（詳情載於附註31），董事認為在並無本公司股份購股權市場價值的情況下，披露所授出購股權之理論價值並不恰當，因此董事未能評估該等購股權的價值。

REPORT OF THE DIRECTORS 董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 March 2006, the following parties having the interests of 5% or more of the issued share capital of the Company were recorded in the register of interests kept by the Company pursuant to Section 336 of the SFO:

主要股東及其他人士於股份及相關股份之權益

於二零零六年三月三十一日，根據本公司按證券及期貨條例第336條而存置之權益登記冊所記錄，擁有本公司已發行股本5%或以上權益之人士如下：

Name 名稱	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
Success Forever Limited (note 1) (附註1)	Directly beneficially owned 直接實質擁有	476,830,173	50.04
Eco-Haru Mfr. Holdings Limited ("Eco-Haru") (note 2) (附註2)	Directly beneficially owned 直接實質擁有	181,651,303	19.06
Glorious Concept Limited ("Glorious Concept") (note 2) (附註2)	Directly beneficially owned 直接實質擁有	12,753,000	1.34
EganaGoldpfeil (Holdings) Limited ("EganaGoldpfeil") (note 2) 聯洲國際集團(「聯洲」) (附註2)	Through controlled corporations 透過受控法團	194,404,303	20.40
Peninsula International Limited ("Peninsula") (note 3) (附註3)	Through controlled corporations 透過受控法團	194,404,303	20.40

Notes:

- 1) The entire issued share capital of Success Forever Limited is beneficially owned by Mr. Ling Siu Man, Simon, as disclosed in the section "Directors' interests and short positions in shares and underlying shares" above.
- 2) The entire issued share capital of Eco-Haru and Glorious Concept is beneficially owned by EganaGoldpfeil.
- 3) The issued share capital of EganaGoldpfeil is held as to 37.22% by Peninsula.

附註：

- 1) 按上文「董事擁有之股份及相關股份權益及淡倉」一節所披露，Success Forever Limited全部已發行股本由凌少文先生實益擁有。
- 2) Eco-Haru及Glorious Concept全部已發行股本由聯洲實益擁有。
- 3) Peninsula持有聯洲已發行股本之37.22%。

REPORT OF THE DIRECTORS 董事會報告

Save as disclosed above, as at 31 March 2006, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the connected and continuing connected transactions of the Company are set out in note 37 to the financial statements.

The independent non-executive directors of the Company have reviewed and confirmed that the continuing connected transactions set out in note 37 to the financial statements have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CONTINUING DISCLOSURE REQUIREMENTS UNDER CHAPTER 13 OF THE LISTING RULES

In compliance with the continuing disclosure requirements under Rule 13.21 of Chapter 13 of the Listing Rules, the directors of the Company reported the details of the following loan agreement which included conditions relating to the specific performance obligations of the controlling shareholder of the Company.

除上文披露者外，於二零零六年三月三十一日，並無任何人士（其權益已載於上文「董事擁有之股份及相關股份權益及淡倉」一節之本公司董事除外）於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須予登記之權益或淡倉。

關連交易及持續關連交易

本公司的關連交易及持續關連交易詳情載於財務報表附註37。

本公司的獨立非執行董事已審閱及確認，財務報表附註37所載之關連交易乃(i)於本集團的一般及日常業務過程；(ii)按正常商業條款或不遜於本集團給予獨立第三方的條款；及(iii)根據監管該等交易之相關協議，按對股東及本公司而言誠屬公平合理，以及符合彼等整體利益之條款訂立。

買賣或贖回本公司上市證券

年內，本公司或其任何附屬公司並無買賣或贖回本公司的上市證券。

遵守上市規則第13章之持續披露規定

為遵守上市規則第13章第13.21條之持續披露規定，本公司董事申報下列以本公司控股股東須履行特定責任作為條件之貸款協議詳情。

REPORT OF THE DIRECTORS 董事會報告

During the year, the Group signed a term loan facility agreement for a syndicated loan of HK\$150 million for a period of three years. Under the terms of the agreement, the chairman of the Company, Mr. Ling Siu Man, Simon, being the single largest shareholder and is actively involved in the management and business of the Group, is required to maintain at least 40% of the beneficial interests in shareholdings in the Company.

Under the terms of the agreement, the chairman of the Company, Mr. Ling Siu Man, Simon, being the single largest shareholder and is actively involved in the management and business of the Group, is required to maintain at least 40% of the beneficial interests in shareholdings in the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report, being the latest practical date prior to the date of this report.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Chairman

Ling Siu Man, Simon

Hong Kong
18 July 2006

年內，本集團為一筆150,000,000港元為期三年之銀團貸款訂立一份有期貸款信貸協議。根據該協議之條款，本公司主席凌少文先生（作為單一最大股東及積極參與本集團管理及業務）須於本公司股權維持最少40%實益權益。

根據該協議之條款，作為單一最大股東以及積極參與本集團管理及業務之本公司主席凌少文先生須於本公司股權維持最少40%實益權益。

足夠公眾持股量

根據本公司可取得的公眾資料所示，以及就董事所知，於本報告日期（即本報告日期前之最後可行日期），本公司全部已發行股本最少25%乃由公眾人士持有。

核數師

安永會計師事務所任滿告退，於應屆股東週年大會將提呈一項決議案，續聘其為本公司核數師。

代表董事會

主席

凌少文

香港
二零零六年七月十八日

CORPORATE GOVERNANCE REPORT 企業管治報告

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE

The Board of Directors ("Board") considers that good corporate governance of the Company is central to safeguarding the interests of the shareholders of the Group and enhancing the performance of the Group. The Board is committed to ensure a high standard of corporate governance. The Company's corporate governance practices are based on the principles ("Principles"), code provisions ("Code Provisions") as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules").

The Company has applied the Principles and the Code Provisions and complied with the CG Code during the financial year ended 31 March 2006, except the Code Provisions (i) A.2.1 in respect of separate roles of Chairman and Chief Executive Officer, and (ii) A.4.2 in respect of retirement of Directors by rotation at least once every three years.

Set out below are the status and details of compliance by the Company of the CG Code for the year ended 31 March 2006.

THE BOARD

BOARD COMPOSITION

The Board has in its composition a balanced of skills and experience appropriate for the requirements of the business of the issuer. The Board has a balanced mix Directors, i.e. 7 Executive Directors, 1 Non-Executive Director and 3 Independent Non-Executive Directors. The list of all Directors is set out under "Corporate Information" on page 2 and the biographies of the Directors are set out on pages 7 to 9 of this annual report, which demonstrates a diversity of skills, expertise, experience and qualifications.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

Save as disclosed hereon, to the best of knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationship with each other.

遵從企業管治常規守則

本公司董事會(「董事會」)深信,本公司達致良好企業管治,乃保障本集團股東利益及提升集團表現之核心元素。董事會在確保高水準企業管治方面不遺餘力。本公司的企業管治常規,是以香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(「企業管治守則」)內之原則(「原則」)及守則條文(「守則條文」)作為基礎。

於截至二零零六年三月三十一日止財政年度內,本公司已應用相關的原則及守則條文,並已遵守企業管治守則,惟以下守則條文除外:(i)第A.2.1條,有關主席及行政總裁之職能區分;及(ii)第A.4.2條,有關董事須最少每三年輪值告退一次。

下文載述本公司於截至二零零六年三月三十一日止年度遵行企業管治守則的狀況及詳情。

董事會

董事會組織構成

董事會的成員組合已兼顧上市公司業務所需的技能與經驗。董事會擁有均衡的董事組合,即七位執行董事、一位非執行董事及三位獨立非執行董事。全體董事名單載於本年報第2頁的「公司資料」一節,而董事簡歷則載於本年報第7至9頁。從董事簡歷可見,他們具備了廣泛技能、專長、經驗及資歷。

董事名單(按分類表示)亦於本公司根據上市規則不時刊發之所有公司通訊內披露。

除本報告披露者外,據董事所知,董事會各成員之間並無財務、業務、家庭或其他重大/相關關係。

CORPORATE GOVERNANCE REPORT 企業管治報告

During the year ended 31 March 2006, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors. Mr. Ho Fook Hong, Ferdinand, Independent Non-Executive Director of the Company resigned on 1 April 2006. Dr. Chung Hing Wah, Paul was appointed as an Independent Non-Executive Director on 26 June 2006.

The Company has received written annual confirmation from each Independent Non-Executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all Independent Non-Executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

BOARD MEETINGS

Board meetings were held at least 4 times during the year roughly on a quarterly basis. Dates for regular Board meetings are scheduled in advance to provide sufficient time for the Directors to prepare for. Special Board meetings will be held when necessary. Notice of meeting will be given at least 14 days before the meeting. Directors are consulted for matters to be included in the agenda and board papers will be served at least 3 days before the meeting. Details of the attendance of the Board meetings held for the year ended 31 March 2006 and up to the date of the publication of this report were as follows:

於截至二零零六年三月三十一日止年度，董事會一直遵從上市規則有關委任最少三位獨立非執行董事的規定。本公司獨立非執行董事何福康先生已於二零零六年四月一日辭任。鍾慶華博士於二零零六年六月二十六日獲委任為獨立非執行董事。

本公司已接獲各個獨立非執行董事根據上市規則提交有關其獨立地位之年度確認書。本公司認為，按照上市規則所載之獨立地位指引，各獨立非執行董事均具獨立地位。

董事會會議

董事會於年內最少舉行四次會議，約每季舉行一次。董事會例會之舉行日期為預先編訂，讓董事們有充足時間為開會作準備。特別董事會會議在必要時舉行。開會通告最低限度須於舉行會議前十四天發出。就會議議程所包括的事項，會徵詢董事的意見；並最低限度須於舉行會議前三天送出會議稿件。有關截至二零零六年三月三十一日止年度及截至本報告刊發日期為止已舉行的董事會會議的出席情況如下：

Name of Director	董事姓名	Attendance/ Number of Meetings 出席／會議數目
Executive Directors	執行董事	
Mr. Ling Siu Man, Simon (Chairman and Managing Director)	凌少文先生 (主席兼董事總經理)	5/6
Mr. Lee Ka Yue, Peter	李嘉渝先生	6/6
Mr. Wong Ki Cheung	黃其昌先生	6/6
Ms. Li Fung Ching, Catherine	李鳳貞女士	6/6
Mr. Au Wai Man	區偉民先生	6/6
Mr. Liu Hoi Keung, Gary	廖開強先生	6/6
Mr. Lam Kwai Wah	林桂華先生	6/6
Independent Non-Executive Directors	獨立非執行董事	
Mr. Pang Hon Chung	彭漢中先生	5/6
Mr. Cheng Tsang Wai	鄭曾偉先生	4/6
Dr. Chung Hing Wah, Paul (appointed on 26 June 2006)	鍾慶華博士 (於二零零六年六月二十六日獲委任)	1/1
Mr. Ho Fook Hong, Ferdinand (resigned on 1 April 2006)	何福康先生 (於二零零六年四月一日辭任)	2/4
Non-Executive Director	非執行董事	
Mr. Wong Wai Kwong, David	黃偉光先生	3/6

CORPORATE GOVERNANCE REPORT 企業管治報告

Minutes of the Board, the Audit Committee, the Remuneration Committee and Executive Committee have been recorded in sufficient details the matters considered in the meetings. All the minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice given by any Director.

Directors can access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable rules and regulations are properly followed.

In addition, all Directors are regularly updated on corporate governance and regulatory matters. There is a guideline for Directors to obtain independent professional advice at the expense of the Company in the furtherance of their duties. The Company has also arranged appropriate Director and officer liability insurance cover in respect of legal action against its Directors.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Chairman is responsible to manage the affairs of the Board and the Chief Executive Officer is responsible to manage the day-to-day operation of the Company's business.

Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separated and should not be preformed by the same individual.

Mr. Ling Siu Man, Simon is the Chairman and Chief Executive Officer of the Group. He is responsible for the Group's overall strategic planning, management, objectives setting and corporate development as well as the management of the Board's affairs. The Board considers that this structure is more effective and efficient in running the business. The Board believes that Mr. Ling's appointment to the posts of Chairman and Chief Executive Officer is beneficial to the business prospects of the Group.

董事會、審核委員會、薪酬委員會及執行委員會的會議記錄，對會議內曾討論的事項均有詳盡記錄。所有會議記錄由公司秘書保管，任何董事只要發出合理之預先通知，均可於合理時間內查閱該等會議記錄。

各董事均可獲取公司秘書的意見及服務，以確保董事會程序、所有適用規則及法規均已妥為遵守。

此外，本公司會定期向所有董事匯報有關企業管治及監管事務的最新情況。本公司設有一套指引，規範董事為執行職務而諮詢獨立專業意見（有關費用由本公司承擔）。本公司亦已購買適當的董事及高層人員責任保險，以減低董事面對法律訴訟而承受的風險。

主席和行政總裁

主席負起管理董事會事務的責任，而行政總裁則負責管理本公司業務的日常運作。

守則第A.2.1條訂明，主席和行政總裁之職能應有所區分及不應由同一人擔任。

凌少文先生身兼本集團主席及行政總裁二職，彼負責本集團的整體策略規劃、管理、目標設定及企業發展，以及管理董事會事務。董事會認為，此一架構有助業務的有效運作並提升營運效率。董事會相信，委任凌先生為主席兼行政總裁對本集團的業務前景有利。

CORPORATE GOVERNANCE REPORT 企業管治報告

NOMINATION, APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Group has a formal, considerate and transparent procedure for the appointment of new Director to the Board. The Group has adopted a nomination procedures and the Board of Directors, based on the criteria established, evaluate and select candidates for the directorships. The Board reviews the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations regarding any proposed changes. The Directors identifies suitable individual qualified to become board members and makes recommendation on relevant matters relating to the appointment or re-appointment of directors if necessary, in particular, candidates who can add value to the management through their contribution in the relevant strategic business areas and whose appointments will result on the constitution of strong and diverse board. The meeting of the Board regarding the nomination of directors shall be held at least once a year or when necessary. In case any Director resigns from the Board, reasons for the resignation will be disclosed in the announcement.

Code Provision A.4.1 stipulates that Non-Executive Directors should be appointed for a specific term, subject to re-election. The existing Non-Executive Directors of the Company, except for Mr. Cheng Tsang Wai and Dr. Chung Hing Wah, Paul being Independent Non-Executive Directors of the Company, do not have a specific term of appointment. However, Non-Executive Directors are subject to the requirement to retire by rotation at annual general meetings under the Company's Articles of Association accomplishing the same objective as a specific term of appointment.

In accordance with the Company's Articles of Association, any new Director appointed to fill a casual vacancy or as an addition to the Board should be subject to election by shareholders at the first general meeting after appointment. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

董事的提名、委任、重選及免職

本集團訂有一套成文、經深思熟慮而高透明度的委任新董事程序，本集團已經採納一套提名程序，董事會根據已確立的準則範疇評審及挑選擔任董事的人選。董事會定期檢討董事會的架構、人數及組織(包括技能、知識和經驗)，並提出有關建議改動的推薦意見。董事物色合資格作為董事會成員的適當人士，必要時亦會就委任或重新委任董事的相關事宜作出推薦意見，尤其當某些人選可於有關策略業務範疇作出貢獻，從而替管理層增值，及有助董事會之組織強化及多元化。關於董事提名的董事會會議應最低限度每年舉行一次，或當有需要時舉行。倘若有任何董事辭去董事會之職務，須於公佈內披露辭職理由。

守則條文第A.4.1條訂明，非執行董事應有固定任期，並須接受重選。除鄭曾偉先生及鍾慶華博士(他們均為本公司獨立非執行董事)外，本公司現任非執行董事並無固定任期。然而，非執行董事須遵守本公司組織章程細則之規定於股東週年大會上輪流退任，達到固定任期之相同目標。

依據本公司的組織章程細則，任何獲委任填補臨時空缺或作為董事會新增成員之新董事，須於獲委任後的首個股東大會接受股東重選。包括具有固定任期的董事在內的每位董事，應最低限度每三年輪值退任一次。

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The Company's Articles of Association, on the other hand, are inconsistent with Code Provision A.4.2 of the CG Code, which provides that one-third of the directors for the time being (save for the Chairman or Managing Director or Joint Managing Director), or if their number is not three nor a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation at least once every three years and being eligible, offer themselves for re-election at annual general meetings. The Board considers that Mr. Ling Siu Man, Simon, Chairman of the Board, should not subject to retirement to ensure continuity of leadership and stability for growth of the Company.

RESPONSIBILITIES OF DIRECTORS

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

In addition, the Board is charged with promoting the success of the Group by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to all shareholders of the Group for the manner in which the affairs of the Company are managed, controlled and operated.

Director is required to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Group. Non-Executive Directors have the same duties of care and skill and fiduciary duties as Executive Directors.

The functions of Non-Executive Directors have included the functions as specified in Code Provision A.5.2(a) to (d) of the CG Code.

DELEGATION BY THE BOARD

The Board has delegated functions that are necessary and incident to carry out the decision of the Board or to facilitate the day-to-day operation of the Group in ordinary course of business to the senior management and divisional heads of different units.

Major corporate matters that are specifically delegated by the Board to senior management include execution of business strategies and initiatives adopted by the Board, implementation of adequate internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

另一方面，本公司的組織章程細則與企業管治守則的守則條文第A.4.2條存在差異，差異在於後者規定當時三分之一董事（主席或董事總經理或聯席董事總經理除外）或最接近但不少於三分之一董事（倘董事會人數並非三或三的倍數）須最低限度每三年輪值告退一次，在符合資格下，可於股東週年大會上膺選連任。董事會認為，董事會主席凌少文先生毋須受輪流退任規限，以確保領導層延續性及本公司的穩定成長。

董事的責任

董事會的首要焦點為本集團整體策略發展。董事會亦監督本集團業務營運的財務表現及內部監控。

此外，董事會亦負責擴展本集團的成就，這主要通過以負責任及具效益的方式引導並監督本公司事務。每一位董事均有責任本於公司最佳利益下真誠行事。董事知悉，他們對於本公司事務如何管理、控制及運作，須向本集團所有股東負起集體和個別的責任。

董事須時常注意其作為董事的責任，並應經常對本集團的作為、業務活動及發展加以留意。非執行董事與執行董事具同等謹慎、熟練及受信責任。

非執行董事的職能包括企業管治守則的守則條文第A.5.2(a)至(d)條所列明的職能。

董事會的授權

董事會已授予高級管理層及不同單位的部門主管所需及相關的權力，以實行董事會的決定或確保本集團於一般業務過程中可暢順地進行日常營運。

董事會已特別授權高級管理層處理的主要企業事務包括：執行董事會採納的業務策略及計劃、實施足夠內部監控及風險管理程序，以及遵從相關法定要求、規則及條例。

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SUPPLY OF AND ACCESS TO INFORMATION

Directors will be provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company.

In respect of regular Board meetings, and so far as practicable in all other cases, an agenda and accompanying Board papers are sent in full to all Directors in a timely manner and at least 3 days before the intended date of a Board meeting.

Management is regularly reminded by the Company Secretary that they have an obligation to supply the Board and its committees with adequate information in a timely manner to enable them to make informed decisions. The information supplied must be complete and reliable. The Board and each Director have separate and independent access to the Company's senior management for making further enquires where necessary.

TRAINING FOR DIRECTORS

Every newly appointed Director of the Group will receive an information package from the Company Secretary on his appointment. The package will include guidelines and information such as:

- (a) Guidelines on Directors' Duties;
- (b) Brief notes and guidelines on Disclosure of Directors' Interests in Securities and Corporate Governance Practice;
- (c) The Group's code of conduct regarding the securities transactions by the Directors; and
- (d) A copy of the Company's Corporate Governance Handbook.

The senior management and the Company Secretary will subsequently conduct such briefing as is necessary to ensure that the Director has a proper understanding of the operations and business of the Group, and the Director is aware of his obligation under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements.

資料的提供和查閱

本公司將會及時向各董事提供適當資料，所提供資料的形式和質素，足以讓各董事作出知情決定並履行本公司董事的職務及責任。

就董事會之定期會議而言，及在實際可行之所有其他情況下，所有董事均會及時並最低限度在董事會會議擬定開會之日期三天前，獲送呈會議議程及附帶的全部董事會文件。

公司秘書會經常提醒管理層，他們有責任及時向董事會及其委員會提供足夠資料，讓他們作出知情決定。所提供的資料必須為完整可靠。董事會及各位董事在必要時均可個別及獨立地向本公司高級管理層作出查詢。

董事培訓

每一位新委任的本集團董事在獲委任時均會收到由公司秘書發放的資料封套，該資料封套包括指引及資料如：

- (a) 董事職責指引；
- (b) 關於董事證券權益披露及企業管治常規守則的淺釋及指引；
- (c) 本集團有關董事進行證券交易的行事守則；及
- (d) 本公司企業管治指南。

隨後，本公司高級管理層及公司秘書在需要時會舉行簡報會，確保董事對本集團營運及業務有正確的了解，及董事知悉其在成文法及普通法、上市規則、適用法律規定及其他監管規定下的責任。

CORPORATE GOVERNANCE REPORT 企業管治報告

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted its code of conduct for securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, the Company has confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year of 2006.

REMUNERATION OF DIRECTORS

The Company enters into Directors' service agreements with each of the Executive Directors (except Mr. Lee Ka Yue, Peter). Such agreements set out the relevant terms for remuneration and other benefits. The remuneration of the Directors was determined with reference to the job responsibilities of the Directors, market conditions and the performance of the Company.

REMUNERATION COMMITTEE

A majority of the members of the Remuneration Committee are Independent Non-Executive Directors. This Committee is authorised by the Board and makes recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management. Details of the attendance of the meeting for the year ended 31 March 2006 and up to the date of this report were as follows:

Members of the Remuneration Committee

Mr. Cheng Tsang Wai (*Chairman*)
Mr. Pang Hon Chung
Ms. Li Fung Ching, Catherine

薪酬委員會成員

鄭曾偉先生 (主席)
彭漢中先生
李鳳貞女士

There is a formal and transparent procedure for setting policy and procedure for fixing the remuneration packages for all Directors and senior management. The Group will gather and summarise information relating to remuneration policy and other remuneration related matters. The Remuneration Committee will meet at least once a year and consider the above information and made recommendation to the Board and have access to professional advice if necessary.

董事證券交易

本集團已採納有關董事進行證券交易的行事守則，其條款之嚴謹程度不遜於上市規則附錄10內之上市公司董事進行證券交易的標準守則（「標準守則」）所規定的標準。經向全體董事作出特定查詢後，本公司已確認所有董事於整個二零零六年度均已遵守標準守則所載之要求標準。

董事薪酬

本公司與每一位執行董事訂立董事服務協議（李嘉渝先生除外）。該等協議載列薪酬及其他福利的相關條款。董事薪酬乃參考董事的職責、市場狀況及本公司業績而釐定。

薪酬委員會

薪酬委員會的大多數成員均為獨立非執行董事。該委員會由董事會授權，並就所有本公司董事及高級管理層薪酬政策及結構事宜向董事會提出推薦意見。截至二零零六年三月三十一日止年度及截至本報告刊發日期為止的會議出席詳情如下：

Attendance/Number of Meeting

出席／會議數目

1/1
1/1
1/1

本集團就釐定所有董事及高級管理層薪酬組合的政策和步驟，已制訂條文及高透明度的程序。本集團會收集並總結有關薪酬政策及其他薪酬相關事宜的資料。薪酬委員會最低限度每年開會一次，並考慮上述資料及向董事會提出推薦意見，在需要時亦可諮詢專業顧問。

CORPORATE GOVERNANCE REPORT 企業管治報告

FINANCIAL REPORTING

The Board is responsible to present a balanced, clear and comprehensible assessment of the Group's performance, position and prospect in the annual and interim reports. Other price-sensitive information and financial disclosures required under the Listing Rules and other statutory requirements will be timely disclosed and reported.

The Directors acknowledge their responsibility for keeping proper accounting records and preparing accounts which give a true and fair view for the year ended 31 March 2006.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Report of the Auditors" on page 33 to 34.

INTERNAL CONTROL

The Board is responsible to ensure that the Group maintains sound and effective internal controls to safeguard the shareholders' investment and the Group's assets.

The Board and the management are responsible for the Group's system of internal controls and for reviewing its effectiveness and its subsidiaries at least annually and to report to the Audit Committee. The system will cover all material controls, including financial, operational and compliance controls and risk management functions. Copy of the minutes of Audit Committee meeting will also be sent to the Board for information.

財務申報

董事會負責在年報和中期報告呈列一份平衡、清晰而全面的本集團業績、狀況及前景評估。上市規則及其他法定規則要求公開的其他股價敏感資料及財務披露事項，均會及時披露及報告。

董事對存置適當會計記錄及編製真實公平的截至二零零六年三月三十一日止年度賬目承擔責任。

本公司外聘核數師就其對財務報表的申報責任的聲明，載於第33至34頁的「核數師報告」。

內部監控

董事會須負責確保本集團保持健全而有效的內部監控，以維護股東的投資及本集團的資產。

董事會及管理層須負責本集團的內部監控系統，並最低限度每年檢討其效能並向審核委員會匯報。系統涵蓋所有重大監控範疇，包括財務、營運及規章管控及風險管理職能。審核委員會會議記錄副本亦會提交董事會供其參考。

CORPORATE GOVERNANCE REPORT 企業管治報告

AUDIT COMMITTEE

The Audit Committee comprises a Non-Executive Director and three Independent Non-Executive Directors. Mr. Pang Hon Chung, chairman of the Committee has the appropriate professional qualification and experience in financial matters as required by the Listing Rules. This Committee is authorised by the Board and responsible for reviewing the financial reports, internal controls principals and for maintaining an appropriate relationship with the Company's auditors. Details of the attendance of the Audit Committee meetings held during the year ended 31 March 2006 and up to the date of this report were as follows:

Members of the Audit Committee

審核委員會成員

Mr. Pang Hon Chung (*Chairman*)
Mr. Cheng Tsang Wai
Mr. Wong Wai Kwong, David
Dr. Chung Hing Wah, Paul
(appointed on 26 June 2006)
Mr. Ho Fook Hong, Ferdinand
(resigned on 1 April 2006)

彭漢中先生 (主席)
鄭曾偉先生
黃偉光先生
鍾慶華博士
(於二零零六年六月二十六日獲委任)
何福康先生
(於二零零六年四月一日辭任)

Attendance/Number of Meetings

出席／會議次數

3/3
3/3
3/3
1/1
2/2

The Audit Committee met with the external auditors during the year to discuss any areas of concerns during the audits. The Audit Committee reviewed the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements.

The Audit Committee has not taken a different view from the Board regarding the selection, appointment, resignation or dismissal of the Company's external auditors.

The Company's annual results for the year ended 31 March 2006 has been reviewed by the Audit Committee.

審核委員會

審核委員會由一名非執行董事及三名獨立非執行董事組成。委員會主席彭漢中於財務事項方面具有上市規則所規定之合適專業資格及經驗。該委員會由董事會授權，負責審閱財務報告、內部監控準則及與本公司核數師保持適當關係。於截至二零零六年三月三十一日止年度及截至本報告日期舉行之審核委員會會議之出席記錄詳情如下：

年內，審核委員會與外聘核數師會晤，討論審核過程中任何有關範疇。審核委員會於中期及年度報告提呈董事會前已進行審閱。審核委員會不僅專注於會計政策及慣例變動之影響，亦關注對會計準則、上市規則及法律規定的遵守。

審核委員會就選定、委任、辭任或罷免本公司外部核數師與董事會並無持不同意見。

本公司截至二零零六年三月三十一日止年度之年度業績已由審核委員會審閱。

CORPORATE GOVERNANCE REPORT 企業管治報告

AUDITORS' REMUNERATION

During the year under review, the remuneration paid to the Company's auditors, Ernst & Young, is set out as follows:

		(HK\$'000) (千港元)
Audit services	審核服務	900
Non-statutory audit services relating to connected transaction	有關關連交易之非法定審核服務	5
		<hr/> 905 <hr/>

EXECUTIVE COMMITTEE

All of the members of the Executive Committee are Executive Directors. This Committee is chaired by Mr. Ling Siu Man, Simon. The other members are Mr. Wong Ki Cheung, Ms. Li Fung Ching, Catherine, Mr. Au Wai Man, Mr. Liu Hoi Keung, Gary and Mr. Lam Kwai Wah, Peter. This Committee is authorised by the Board and is responsible for monitoring the execution of strategic plans and day-to-day operations of the business units and making decision on matters relating to the management and operations.

SECURITIES TRANSACTION BY THE RELEVANT EMPLOYEES

Under Code Provision A.5.4 of the CG Code, the Board has established written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealings in the Company's securities. "Relevant employee" includes any employee of the Group or a Director or employee of a subsidiary or holding company of the issuer, because of such office or employment, is likely to be in possession of unpublished price sensitive information in relation to the Group and its securities. Having made specific enquiry of all Relevant Employees, the Company confirms that all relevant employees have complied with the written guidelines regarding securities transactions for the year.

核數師酬金

於回顧年內，已付予本公司核數師安永會計師事務所之酬金如下：

	(HK\$'000) (千港元)
審核服務	900
有關關連交易之非法定審核服務	5
	<hr/> 905 <hr/>

執行委員會

執行委員會所有成員均為執行董事。該委員會由凌少文先生擔任主席，其他成員包括黃其昌先生、李鳳貞女士、區偉民先生、廖開強先生及林桂華先生。該委員會由董事會授權，並負責執行監控策略性之計劃及日常業務單位之運作，以及就有關管理及經營之事項作出決定。

有關僱員進行證券交易

根據企業管治守則第A.5.4條，董事會已以書面制定不遜於有關僱員就進行本公司證券交易之標準守則之指引。「有關僱員」包括本集團任何僱員或發行人附屬公司或控股公司之董事或僱員，因該職位或受聘而可能於與本集團及其證券有關之未公佈股價敏感資料得益。經對全體有關僱員進行特定查詢後，本公司確認全體有關僱員於年內已遵守有關證券交易之書面指引。

CORPORATE GOVERNANCE REPORT 企業管治報告

CORPORATE COMMUNICATION

The Group should announce its annual results and interim results in a timely manner before the time limits set out in the Listing Rules. Separate resolutions are proposed at the annual general meetings on each separate issue, including the election of individual Directors. In addition, procedures for demanding a poll at the annual general meeting will be included in the circular to shareholders dispatched together with the annual report. Any results of the poll are published in the newspapers and on the Company's website.

The Group has also maintained a website of <http://www.tonic.com.hk> which enables shareholders of the Group, investors and the general public to access to the information of the Company on a timely basis. Financial information and all corporate communications of the Group are made available on the Group's website and updated regularly.

VOTING BY POLL AT GENERAL MEETINGS

The Company informs the shareholders in its circulars convening a general meeting the procedures for voting by poll and the rights of shareholders to demand a poll to ensure compliance with the requirements on the poll voting procedures. In accordance with article 80 of Articles of Association of the Company, at any general meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- i) the Chairman of the meeting; or
- ii) at least five shareholders present in person or by proxy and entitled to vote; or
- iii) any shareholder or shareholders present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- iv) any shareholder or shareholders present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

企業通訊

本集團應於上市規則所載時限前按時公佈其年度業績及中期業績。就各個別事項於股東週年大會上將提呈個別決議案，包括推選個別董事。此外，要求於股東週年大會以股數投票表決之程序將納入於連同本年報寄發予股東之通函內。任何股數投票表決結果乃於報章及本公司網站公佈。

本集團亦擁有 <http://www.tonic.com.hk> 之網站，令本集團股東、投資者及公眾人士可按時獲得本公司資料。本集團之財務資料及所有企業通訊可從本集團網站取得，並會定期更新。

於股東大會以股數投票表決

本公司已於其召開股東大會之通函知會股東按股數表決之程序及股東要求按股數表決之權利，以確保符合按股數表決程序之規定。根據本公司組織章程細則第80條，每項於股東大會上提呈進行投票的決議案將以舉手方式表決，除非(在宣佈舉手表決結果之前或當時)以下人士要求以股數投票表決：

- i) 大會主席；或
- ii) 至少五名親身出席大會並有權在大會上投票的股東或其受委代表；或
- iii) 一名或多名親身出席的股東或其受委代表，並佔不少於所有有權出席及於大會投票的股東投票權十分一；或
- iv) 持有賦予權利出席及於大會上投票的股份(該等股份已繳足股款，合計相等於或不少於賦予該權利的所有股份已繳足股款總額十分一)的一名或多名親身出席的股東或其受委代表。

CORPORATE GOVERNANCE REPORT 企業管治報告

Unless a poll is so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The Chairman of a meeting should at the commencement of the meeting ensure that an explanation is provided of:

- i) the procedure for demanding a poll by shareholders of the Company before putting a resolution to the vote on a show of hands; and
- ii) the detailed procedures for conducting a poll and then answer any questions from shareholders of the Company whenever voting by way of a poll is required.

除非要求以股數表決且要求未予撤回，否則主席宣佈以舉手方式表決一致或以大多數通過或不通過決議案即為終局及決定性，且載入本公司大會紀錄，即為事實的決定性證明而毋須證明贊成或反對該決議案的數目或比率。

股東大會主席已於會議開始時確保已提供下列說明：

- i) 股東於提呈決議案以供舉手投票表決前要求按股數表決之程序；及
- ii) 進行按股數表決之詳細程序及其後於要求進行按股數表決時回答股東任何問題。

REPORT OF THE AUDITORS 核數師報告

To the members

Tonic Industries Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 35 to 127 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

致：東力實業控股有限公司

(於開曼群島註冊成立之有限公司)

列位股東

本核數師(以下簡稱「我們」)已完成審核載於第35至127頁按照香港公認會計原則編撰之財務報表。

董事及核數師之個別責任

貴公司之董事須負責編撰真實與公平之財務報表。在編撰該等真實與公平之財務報表時，董事必須貫徹採用合適之會計政策。我們之責任是根據我們審核工作之結果，對該等財務報表作出獨立意見，並僅向整體股東報告。除此以外本報告不作其他用途。我們概不會就本報告之內容向任何其他人士負上或承擔任何責任。

意見之基礎

我們按照香港會計師公會頒佈之香港核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評估董事於編撰該等財務報表時所作之重大估計和判斷、所釐定之會計政策是否適合貴公司及貴集團之具體情況以及有否貫徹應用並充份披露該等會計政策。

我們在策劃及進行審核工作時，均以取得一切我們認為必需之資料及解釋為目標，使我們能獲得充份之憑證，就該等財務報表是否存有重要錯誤陳述，作出合理之確定。在作出意見時，我們亦已衡量該等財務報表所載資料在整體上是否足夠。我們相信，我們之審核工作已為下列意見建立了合理之基礎。

REPORT OF THE AUDITORS 核數師報告

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2006 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

Hong Kong
18 July 2006

意見

我們認為，財務報表均真實與公平地反映貴公司及貴集團於二零零六年三月三十一日之財政狀況及貴集團截至該日止年度之溢利和現金流量狀況，並已按照香港公司條例之披露規定妥善編撰。

安永會計師事務所

執業會計師

香港
二零零六年七月十八日

CONSOLIDATED INCOME STATEMENT 綜合收益表

Year ended 31 March 2006 截至二零零六年三月三十一日止年度

			2006 二零零六年	2005 二零零五年
		Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)
REVENUE	收入	5	2,392,219	2,636,294
Cost of sales	銷售成本		(2,269,816)	(2,528,140)
Gross profit	毛利		122,403	108,154
Net gain on transfer of long term investments into other investments	將長期投資轉為其他 投資之收益淨額	24	–	20,290
Other income and gain	其他收入及收益	5	8,390	11,004
Selling and distribution costs	銷售及分銷成本		(9,872)	(11,304)
Administrative expenses	行政支出		(69,057)	(83,894)
Other operating income/(expenses), net	其他經營收入／(支出)淨額		904	(1,962)
Impairment of an available-for-sale investment	可供出售之投資減值	19	(11,110)	–
Finance costs	融資成本	7	(23,149)	(12,750)
PROFIT BEFORE TAX	除稅前溢利	6	18,509	29,538
Tax	稅項	10	101	(1,684)
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	公司股本持有人應佔 本年度溢利	11	18,610	27,854
DIVIDENDS	股息	12	9,529	9,529
Proposed final	擬派末期股息			
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	公司普通股本持有人 應佔每股盈利	13	2.0 cents	3.9 cents
– Basic	– 基本		2.0 cents	3.9 cents
– Diluted	– 攤薄		N/A不適用	N/A不適用

CONSOLIDATED BALANCE SHEET 綜合資產負債表

31 March 2006 二零零六年三月三十一日

			2006 二零零六年	2005 二零零五年
			HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)
	Notes 附註			
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	633,120	628,651
Prepaid land lease payments	預付土地租賃款項	15	35,277	35,945
Intangible assets	無形資產	16	17,233	13,470
Available-for-sale investments	可供出售之投資	19	14,219	963
Non-current portion of other receivable	其他應收款項非即期部分	20	5,706	23,759
Non-current portion of loans receivable	應收貸款非即期部分	21	281	469
Deposits for acquisition of items of property, plant and equipment	購買物業、廠房及設備項目按金		31,765	2,031
Total non-current assets	非流動資產總值		737,601	705,288
CURRENT ASSETS	流動資產			
Inventories	存貨	22	354,277	257,210
Accounts and bills receivable	應收賬款及票據	23	277,427	227,821
Current portion of loans receivable	應收貸款即期部分	21	188	188
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		29,588	19,283
Prepaid land lease payments	預付土地租賃款項	15	9,521	9,424
Equity investments at fair value through profit or loss/ other investments	按公平值計入損益之股本投資/ 其他投資	24	10,380	17,542
Tax recoverable	可收回稅項		1,700	2,499
Cash and bank balances	現金及銀行結存		99,971	98,353
Total current assets	流動資產總值		783,052	632,320
CURRENT LIABILITIES	流動負債			
Accounts payable	應付賬款	25	441,887	269,972
Accrued liabilities and other payables	應計負債及其他應付款項		77,555	64,583
Interest-bearing bank and other borrowings	計息銀行及其他借貸	27	254,588	287,010
Derivative financial instruments	衍生金融工具	26	1,496	—
Tax payable	應付稅項		1,310	—
Total current liabilities	流動負債總額		776,836	621,565
NET CURRENT ASSETS	流動資產淨額		6,216	10,755
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		743,817	716,043

CONSOLIDATED BALANCE SHEET 綜合資產負債表

31 March 2006 二零零六年三月三十一日

		2006 二零零六年		2005 二零零五年
	Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元	(Restated) (重列)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	743,817	716,043	
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行及其他借貸	27	206,239	187,613
Net deferred tax liabilities	遞延稅項負債淨額	29	29,512	31,709
Total non-current liabilities	非流動負債總額		235,751	219,322
Net assets	資產淨額		508,066	496,721
EQUITY	權益			
Issued capital	已發行股本	30	95,289	95,289
Reserves	儲備	32(a)	403,248	391,903
Proposed final dividend	擬派末期股息	12	9,529	9,529
Total equity	權益總額		508,066	496,721

LING Siu Man, Simon

凌少文

Director

董事

LIU Hoi Keung, Gary

廖開強

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 March 2006 截至二零零六年三月三十一日止年度

			Issued share capital 已發行 股本	Share premium account 溢價賬	Contributed surplus 繳入盈餘	Asset revaluation reserve 重估儲備	Exchange fluctuation reserve 外匯波動 儲備	Retained profits 保留溢利	Proposed final dividend 擬派 末期股息	Total 總計
		Notes	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 31 March 2004	於二零零四年三月三十一日									
As previously reported	如前呈報		63,526	28,735	280	86,320	(6,844)	221,346	3,176	396,539
Prior year adjustments	過往年度調整	2.4(b)	-	-	-	(15,712)	(673)	8,745	-	(7,640)
As restated	重列		63,526	28,735	280	70,608	(7,517)	230,091	3,176	388,899
Exchange realignment	匯兌調整		-	-	-	-	13	-	-	13
Surplus on revaluation, net (as restated)	重估盈餘，淨額(重列)	14	-	-	-	23,994	-	-	-	23,994
Deferred tax debited to equity (as restated)	自股本扣除之遞延 稅項(重列)	29	-	-	-	(2,989)	-	-	-	(2,989)
Total income and expense for the year recognised directly in equity	於股本直接確認之 本年度收入及 開支總額		-	-	-	21,005	13	-	-	21,018
Profit for the year (as restated)	本年度溢利(重列)		-	-	-	-	-	27,854	-	27,854
Total income and expense for the year	本年度收入及開支總額		-	-	-	21,005	13	27,854	-	48,872
Issue of shares	發行股份	30	31,763	31,763	-	-	-	-	-	63,526
Share issue expenses	股份發行開支	30	-	(1,400)	-	-	-	-	-	(1,400)
Final 2004 dividend paid	已付二零零四年末期股息		-	-	-	-	-	-	(3,176)	(3,176)
Proposed final 2005 dividend	擬派二零零五年末期股息	12	-	-	-	-	-	(9,529)	9,529	-
At 31 March 2005	於二零零五年三月三十一日		95,289	59,098*	280*	91,613*	(7,504)*	248,416*	9,529	496,721
At 1 April 2005	於二零零五年四月一日									
As previously reported	如前呈報		95,289	59,098	280	123,146	(6,831)	239,377	9,529	519,888
Prior year adjustments	過往年度調整	2.4(b)	-	-	-	(31,533)	(673)	9,039	-	(23,167)
As restated	重列		95,289	59,098	280	91,613	(7,504)	248,416	9,529	496,721
Exchange realignment	匯兌調整及		-	-	-	-	2,264	-	-	2,264
Total income and expense for the year recognised directly in equity	於股本直接確認之 本年度收入及開支總額		-	-	-	-	2,264	-	-	2,264
Profit for the year	本年度溢利		-	-	-	-	-	18,610	-	18,610
Total income and expense for the year	本年度收入及開支總額		-	-	-	-	2,264	18,610	-	20,874
Final 2005 dividend paid	已付二零零五年末期股息		-	-	-	-	-	-	(9,529)	(9,529)
Proposed final 2006 dividend	擬派二零零六年末期股息	12	-	-	-	-	-	(9,529)	9,529	-
At 31 March 2006	於二零零六年三月三十一日		95,289	59,098*	280*	91,613*	(5,240)*	257,497*	9,529	508,066

* These reserve accounts comprise the consolidated reserves of HK\$403,248,000 (2005 (restated): HK\$391,903,000) in the consolidated balance sheet.

* 此等儲備賬目包括綜合資產負債表內的 403,248,000 港元(二零零五年(重列)): 391,903,000 港元)綜合儲備。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

Year ended 31 March 2006 截至二零零六年三月三十一日止年度

			2006 二零零六年	2005 二零零五年
	Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元	(Restated) (重列)
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務產生之現金流量			
Profit before tax	除稅前溢利	18,509	29,538	
Adjustments for:	經下列各項調整：			
Finance costs	融資成本	7	23,149	12,750
Interest income	利息收入	5	(1,094)	(461)
Dividend income from listed investments	來自上市投資之股息收入	6	(355)	(734)
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備 項目之收益	5	(1,626)	(319)
Fair value (gains)/losses, net:	公平值(收益)/虧損，淨額：			
Equity investments at fair value through profit or loss	按公平值計入損益之 股本投資	6	233	1,640
Derivative instruments – forward currency contracts, net	衍生工具－外匯遠期 合約，淨額	6	1,496	(2,404)
Net gain on transfer of long term investments into other investments	將長期投資轉為其他投資 之收益淨額	24	–	(20,290)
(Gain)/loss on disposal of an equity investment at fair value through profit and loss	出售按公平值計入損益之 股本投資(收益)/虧損	6	(356)	48
Depreciation	折舊	6	70,100	71,880
Recognition of prepaid land lease payments	確認預付土地租賃款項	15	761	738
Amortisation of intangible assets	無形資產攤銷	16	4,742	4,674
Impairment of an available-for-sale investment	可供出售之投資減值	19	11,110	–
Provision against inventories	存貨撥備	6	132	688
Operating profit before working capital changes	營運資金變動前經營溢利		126,801	97,748
Decrease in amount due from an associate	一間聯營公司欠款減少		–	74
(Increase)/decrease in inventories	存貨(增加)/減少		(97,199)	142,945
(Increase)/decrease in accounts and bills receivable	應收賬款及票據(增加)/ 減少		(49,606)	4,690
Increase in prepayments, deposits and other receivables	預付款項、按金及 其他應收款項增加		(9,747)	(2,502)
Increase/(decrease) in trust receipt loans	信託票據貸款增加/ (減少)		58,829	(41,615)
Increase/(decrease) in accounts payable	應付賬款增加/(減少)		169,278	(175,685)
Increase in accrued liabilities and other payables	應計負債及其他應付 款項增加		12,616	13,006
Cash generated from operations	經營業務產生之現金		210,972	38,661

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

Year ended 31 March 2006 截至二零零六年三月三十一日止年度

		2006 二零零六年	2005 二零零五年
	Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)
Cash generated from operations	經營業務產生之現金	210,972	38,661
Interest received	已收利息	1,094	461
Interest paid	已付利息	(21,547)	(12,432)
Interest element on finance lease rental payments	融資租賃租金利息部分	(1,602)	(318)
Hong Kong profits tax paid	已付香港利得稅	(168)	(3,416)
Overseas taxes refunded/(paid)	退回／(已付)海外稅項	181	(575)
Net cash inflow from operating activities	經營業務產生之現金流入淨額	188,930	22,381
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生之現金流量		
Dividends received from listed investments	已收上市投資股息	355	734
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(62,793)	(124,529)
Additions to prepaid land lease payments	預付土地租賃款項增加	15	(16,234)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	33(iii) 2,280	3,099
Proceeds from disposal of long term investments	出售長期投資所得款項	—	19,652
Proceeds from disposal of an equity investment at fair value through profit or loss	出售按公平值計入損益之股本投資所得款項	7,285	—
Proceeds from disposal of trademarks	出售商標所得款項	—	128
Additions to intangible assets	無形資產增加	16 (8,505)	(8,008)
Purchases of an available-for-sale investment	購買可供出售之投資	(607)	—
Decrease in loans receivable	應收貸款減少	188	187
Deposits for acquisition of items of property, plant and equipment	收購物業、廠房及設備項目之按金	(31,449)	(828)
Net cash outflow from investing activities	投資活動產生之現金流出淨額	(93,246)	(125,799)

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

Year ended 31 March 2006 截至二零零六年三月三十一日止年度

			2006 二零零六年	2005 二零零五年
	Notes 附註		HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)
CASH FLOWS FROM FINANCING ACTIVITIES		融資活動產生之現金流量		
Proceeds from issue of shares	30	發行股份所得款項	–	63,526
Share issue expenses	30	股份發行開支	–	(1,400)
New bank loans		新借銀行貸款	160,000	52,700
Repayment of bank loans		償還銀行貸款	(234,198)	(95,260)
Capital element of finance lease rental payments		融資租賃租金本金部分	(10,565)	(8,783)
Dividends paid		已付股息	(9,529)	(3,176)
Net cash inflow/(outflow) from financing activities		融資活動產生之現金流入／(流出)淨額	(94,292)	7,607
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		現金及等同現金項目增加／(減少)淨額	1,392	(95,811)
Cash and cash equivalents at beginning of year		年初現金及等同現金項目	98,353	194,161
Effect of foreign exchange rate changes, net		匯率變動影響淨額	226	3
CASH AND CASH EQUIVALENTS AT END OF YEAR		年終現金及等同現金項目	99,971	98,353
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		現金及等同現金項目結存分析		
Cash and bank balances		現金及銀行結存	99,971	98,353

BALANCE SHEET 資產負債表

31 March 2006 二零零六年三月三十一日

			2006 二零零六年	2005 二零零五年
		Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Interests in subsidiaries	於附屬公司權益	18	221,068	255,109
Available-for-sale investment	可供出售之投資	19	13,256	—
Total non-current assets	非流動資產總值		234,324	255,109
CURRENT ASSETS	流動資產			
Cash and bank balances	現金及銀行結存		137	136
CURRENT LIABILITIES	流動負債			
Accrued liabilities and other payables	應計負債及其他應付款項		8	171
NET CURRENT ASSETS/(LIABILITIES)	流動資產／(負債)淨值		129	(35)
Net assets	資產總值		234,453	255,074
EQUITY	權益			
Issued capital	已發行股本	30	95,289	95,289
Reserves	儲備	32(b)	129,635	150,256
Proposed final dividend	擬派末期股息	12	9,529	9,529
Total equity	權益總值		234,453	255,074

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

1. CORPORATION INFORMATION

Tonic Industries Holdings Limited is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies.

The principal activity of the Company is investment holding. The subsidiaries are engaged in the design, manufacture and trading of consumer electronic products and components and home appliance products. There were no significant changes in the nature of the Group's principal activities during the year.

In the opinion of the directors, the parent and the ultimate holding company of the Group is Success Forever Limited, which is incorporated in the British Virgin Islands.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for buildings, derivative financial instruments and certain investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2006. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

1. 公司資料

東力實業控股有限公司為一家於開曼群島註冊成立之有限公司。本公司之註冊辦事處位於P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies。

本公司主要業務為投資控股。附屬公司從事設計、製造及買賣消費電子產品與零件及家庭電器產品。年內，本集團主要業務性質並無重大變動。

董事認為本集團的母公司及最終控股公司為於英屬處女群島註冊成立的Success Forever Limited。

2.1 編製基準

此等財務報表乃根據香港會計師公會頒佈的香港財務報告準則（「香港財務報告準則」）（包括香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例的披露規定，並按歷史成本方法編撰，惟樓宇、衍生金融工具及若干投資乃以公平值計算。財務報表以港元呈列，除另有註明者外，所有數值均四捨五入至千位數。

綜合賬目基準

綜合財務報表包括本公司及其附屬公司截至二零零六年三月三十一日止年度的財務報表。附屬公司的業績自收購日期（即本集團獲取控制權之日）起綜合入賬，並繼續以綜合方式入賬直至失去有關控制權之日為止。集團內公司間的一切重大交易及結餘均於綜合賬目時對銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The following new and revised HKFRSs affect the Group and are adopted for the first time for the current year's financial statements:

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 Amendment	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HK-Int 4	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases

2.2 新訂及經修訂香港財務報告準則的影響

影響本集團且已於本年度的財務報表首次採納的新訂／經修訂香港財務報告準則如下：

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計之變更及誤差
香港會計準則第10號	資產負債表日後事項
香港會計準則第12號	所得稅
香港會計準則第14號	分類報告
香港會計準則第16號	物業、機器及設備
香港會計準則第17號	租約
香港會計準則第18號	收入
香港會計準則第19號	僱員福利
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第24號	關連人士披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債及或然資產
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認及計量
香港會計準則第39號（修訂）	金融資產及金融負債之過渡及首次確認
香港財務報告準則第2號	股權形式的付款
香港財務報告準則第3號	企業合併
香港會計師公會一詮釋4	租賃－釐定有關香港土地租賃的租賃期長度

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

The adoption of HKASs 2, 7, 8, 10, 12, 14, 16, 18, 19, 21, 24, 27, 33, 36, 37, 38, HKFRS 3, and HK-Int 4 has had no material impact on the accounting policies of the Group and the Company and the methods of computation in the Group's and the Company's financial statements.

HKAS 1 has affected the presentation of the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity and other disclosures.

The impact of adopting the other HKFRSs is summarised as follows:

(a) HKAS 17 – LEASES

In prior years, leasehold land and buildings held for own use were stated at valuation less accumulated depreciation and any impairment losses.

Upon the adoption of HKAS 17, the Group's leasehold interest in land and buildings is separated into leasehold land and buildings. The Group's leasehold land is classified as an operating lease, because the title of the land is not expected to pass to the Group by the end of the lease term, and is reclassified from property, plant and equipment to prepaid land lease payments, while buildings continue to be classified as part of property, plant and equipment and are stated at valuation. Prepaid land lease payments under operating leases are initially stated at cost and subsequently amortised on the straight-line basis over the lease term.

The effects of the above changes are summarised in note 2.4 to the financial statements. The changes have been adopted retrospectively from the earliest period presented and comparative amounts have been restated.

2.2 新訂及經修訂香港財務報告準則的影響 (續)

採納香港會計準則第2、7、8、10、12、14、16、18、19、21、24、27、33、36、37、38號及香港財務報告準則第3號，以及香港會計師公會一詮釋4並未對本集團及本公司的會計政策以及本集團及本公司的財務報表計算方法構成重大影響。

香港會計準則第1號影響到綜合資產負債表、綜合收益表、綜合權益變動表以及其他披露資料的呈列。

採納其他香港財務報告準則的影響概述如下：

(a) 香港會計準則第17號 – 租賃

於過往年度，持作自用的租賃土地和樓宇按估值減累計折舊及任何減值虧損列賬。

採納香港會計準則第17號後，本集團於土地及樓宇的租賃權益分開為租賃土地及樓宇。由於土地的所有權並不預期會在租賃期屆滿時轉歸本集團所有，故本集團的租賃土地分類為營運租賃，並從物業、機器及設備重新分類為預付土地租賃款項，而樓宇繼續列為物業、機器及設備的一部份並按估值列賬。營運租賃下之預付土地租賃款項初時按成本列賬，其後在租賃期內以直線基準攤銷。

上述變動的影響概述於財務報表附註2.4。變動已自最早呈列期間開始追溯採用，而比較數字已經重列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.2 IMPACT OF NEW AND REVISED
HONG KONG FINANCIAL
REPORTING STANDARDS (CONTINUED)(b) HKAS 32 AND HKAS 39 – FINANCIAL
INSTRUMENTS

(i) EQUITY SECURITIES

In prior years, the Group classified its investments in equity securities for trading purposes as other investments, which were stated at their fair values on an individual basis with gains or losses recognised in the income statement. Upon the adoption of HKAS 39, these securities held by the Group at 1 April 2005 in the amount of HK\$17,542,000 are designated as financial assets at fair value through profit or loss under the transitional provisions of HKAS 39 and accordingly are stated at fair value with gains or losses being recognised in the income statement.

In May 2005, the Group entered into an agreement with a trade customer to acquire a 19.05% equity interest in the shareholding of this trade customer for a consideration of HK\$23,759,000, which was satisfied by offsetting the balance receivable from this trade customer at 31 March 2005. As this equity investment is held for a long term purpose, it has been designated as an available-for-sale investment under HKAS 39.

As the fair value of this unlisted equity security cannot be measured reliably, it is stated at cost less any impairment losses.

The adoption of HKAS 39 has not resulted in any change in the measurement of these equity securities. Comparative amounts have been reclassified for presentation purposes.

2.2 新訂及經修訂香港財務報
告準則的影響 (續)(b) 香港會計準則第32號及香
港會計準則第39號－金融
工具

(i) 股本證券

於過往年度，本集團將其用於交易目的的股本證券投資分類為其他投資，並以個別基準按其公平價值列賬，其中錄得的損益於收益表中確認。於採納香港會計準則第39號後，本集團於二零零五年四月一日持有為數17,542,000港元之該等證券，已根據香港會計準則第39號的過渡條文被劃定為按公平值計入損益之金融資產，並因此按公平值列賬，其損益於收益表中確認。

於二零零五年五月，本集團與一名貿易客戶訂立協議，以收購該貿易客戶股權中之19.05%股本權益，代價23,759,000港元已藉著與二零零五年三月三十一日應收該貿易客戶之餘款抵銷之方式支付。由於此項股本投資乃為長期目標持有，故已根據香港會計準則第39號劃定為可出售投資。

由於無法可靠計算該非上市股本證券的公平值，該證券已按成本減任何減值虧損列賬。

採納香港會計準則第39號並無導致該等股本證券的計算方法有任何變更。比較數額已經重新分類以供呈報。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(b) HKAS 32 AND HKAS 39 – FINANCIAL INSTRUMENTS (CONTINUED)

(II) OTHER RECEIVABLE

In prior years, the Group's long term receivables were stated at cost. Upon the adoption of HKAS 39, such balances are measured at amortised cost using the effective interest method.

The effects of the above changes are summarised in note 2.4 to the financial statements.

(III) DERIVATIVE FINANCIAL INSTRUMENTS – FORWARD CURRENCY CONTRACTS

Forward currency contracts held to hedge risks associated with the foreign currency exposures arising from sales or purchases by the operating unit in currencies other than the unit's function currency are designated as cash flow hedges from 1 April 2005 and are recorded at fair value. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity, until the transaction which is being hedged is itself recognised in the financial statements. The ineffective portion of the hedge is recognised immediately in the income statement. Previously, unrealised gains or losses on the forward currency contracts were taken to the income statement and the discount or premium was either amortised over the period of the contracts or taken to the income statement. At the end of the period of each contract, gain or loss was added to, or deducted from, the amount of the relevant transaction.

The effects of the above changes are summarised in note 2.4 to the financial statements. In accordance with the transitional provisions of HKAS 39, comparative amounts have not been restated.

2.2 新訂及經修訂香港財務報告準則的影響 (續)

(b) 香港會計準則第32號及香港會計準則第39號－金融工具 (續)

(II) 其他應收款項

於過往年度，本集團的長期應收款項按成本值列賬。於採納香港會計準則第39號後，該等結餘使用實際利息法按攤銷成本計量。

上述變動的影響概述於財務報表附註2.4。

(III) 衍生金融工具－遠期貨幣合約

自二零零五年四月一日起，為對沖營運單位以記賬本位幣以外的貨幣進行銷售或採購而產生的外幣相關風險而持有的遠期貨幣合約，指定用作對沖現金流量，並按公平值列賬。釐定作有效對沖之對沖工具所產生收益或虧損部分直接於股本確認，直至有關對沖之交易於財務報表確認為止。對沖無效部分即時於收益表確認。過往，遠期貨幣合約的未變現收益或虧損撥入收益表，而有關折讓或溢價乃於合約期內攤銷，或撥入收益表內。當每張合約期限屆滿時，收益或虧損乃加入至或從有關交易數額中扣減。

上述變動的影響概述於財務報表附註2.4。根據香港會計準則第39號的過渡條文，並無重列比較金額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.2 IMPACT OF NEW AND REVISED
HONG KONG FINANCIAL
REPORTING STANDARDS (CONTINUED)

(c) HKFRS 2 – SHARE-BASED PAYMENT

In prior years, no recognition and measurement of share-based payment transactions in which employees (including directors) were granted share options over shares in the Company were required until such options were exercised by employees, at which time the share capital and share premium account were credited with the proceeds received.

Upon the adoption of HKFRS 2, when employees (including directors) render services as consideration for equity instruments ("equity-settled transactions"), the cost of the equity-settled transactions with employees is measured by reference to the fair value at the date at which the instruments are granted.

The main impact of HKFRS 2 on the Group is the recognition of the cost of these transactions and a corresponding entry to equity for employee share options. The revised accounting policy for share-based payment transactions is described in more detail in note 2.5 "Summary of significant accounting policies" below.

The Group has adopted the transitional provisions of HKFRS 2 under which the new measurement policies have not been applied to (i) share options granted to employees on or before 7 November 2002; and (ii) share options granted to employees after 7 November 2002 but which had vested before 1 April 2005.

As the Group did not have any employee share options which were granted during the period from 7 November 2002 to 31 March 2005 but had not yet vested as at 1 April 2005, the adoption of HKFRS 2 has had no impact on the retained profits as at 31 March 2004 and 2005.

2.2 新訂及經修訂香港財務報
告準則的影響 (續)(c) 香港財務報告準則第2號－
股權形式的付款

於過往年度，就員工（包括董事）獲授予本公司股份之購股權之股權形式付款交易無需確認及計量，直至員工行使有關之購股權為止，屆時將在股本及股份溢價賬內計入所得款項之進賬。

採納香港財務報告準則第2號後，當員工（包括董事）提供服務作為取得股本之代價（「股份結算交易」），該等與員工進行的股份結算交易乃參考授出文據當日的公允值計算。

香港財務報告準則第2號對本集團之影響，主要是確認該等交易成本以及對僱員購股權資本相應進行記賬。股權形式的付款交易的經修訂會計政策詳情載於下文附註2.5「主要會計政策概要」。

本集團已採納香港財務報告準則第2號的過渡條文，據此，新訂計量政策並不適用於(i)二零零二年十一月七日或以前向僱員授出之購股權；及(ii)二零零二年十一月七日以後向僱員授出，惟已於二零零五年四月一日以前歸屬之購股權。

由於本集團並無任何已於二零零二年十一月七日至二零零五年三月三十一日期間授出，惟截至二零零五年四月一日尚未歸屬的僱員購股權，因此，採納香港財務報告準則第2號並無對截至二零零四年三月三十一日及二零零五年三月三十一日的保留溢利產生任何影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKAS 1 Amendment	Capital Disclosures
HKAS 21 Amendment	Net Investment in a Foreign Operation
HKFRS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKFRS 7	Financial Instruments: Disclosures

The HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 January 2007. The revised standard will affect the disclosures about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

The HKAS 21 Amendment requires exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation to be recognised initially in a separate component of equity in the consolidated financial statements, irrespective of the currency of the monetary item and of whether the monetary item results from a transaction with the reporting entity or any of its subsidiaries.

HKFRS 7 requires disclosures relating to financial instruments and incorporates in certain of and has modified the disclosure requirements of HKAS 32. This HKFRS shall be applied for annual periods beginning on or after 1 January 2007.

2.3 已頒佈但未生效的香港財務報告準則的影響

本集團並未在財務報表中應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港會計準則第1號 (修訂)	資本披露
香港會計準則第21號 (修訂)	於海外業務之投資淨額
香港會計準則第39號及香港財務報告準則第4號 (修訂)	財務擔保契據
香港財務報告準則第7號	金融工具：披露

香港會計準則第1號(修訂)將可應用於二零零七年一月一日或往後的年度。經修訂準則將對與本集團管理資金的目標、政策及過程有關的定性資料披露、對本集團而言為資金的定量數據及遵守任何資本規定及任何不遵守的後果造成影響。

香港會計準則第21號(修訂)要求，由貨幣項目產生並構成呈報實體於境外業務投資淨額一部份之匯兌差額，應在綜合財務報表內之獨立權益部份作初次確認，而不論貨幣項目以何種貨幣計值，亦不論貨幣項目是否來自呈報實體或其附屬公司進行之交易。

香港財務報告準則第7號規定對金融工具作相關披露，並已修訂香港會計準則第32號的披露規定。該項香港財務報告準則將於二零零七年一月一日或之後的年度應用。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

The adoption of the amendments to HKAS 39 regarding financial guarantee contracts is expected to result in the recognition of a financial liability in the Company's balance sheet in respect of corporate guarantees given by the Company in connection with banking facilities granted to its subsidiaries.

In accordance with the amendments to HKAS 39 regarding financial guarantee contracts, financial guarantee contracts are initially recognised at fair value and are subsequently measured at the higher of (i) the amount determined in accordance with HKAS 37 and (ii) the amount initially recognised, less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18.

Except as stated above, the Group expects that the adoption of the other pronouncements will not have any significant impact on the Group's financial statements in the period of initial application.

2.3 已頒佈但未生效的香港財務報告準則的影響 (續)

採納有關財務擔保合約之香港會計準則第39號之修訂，預期將導致本公司須要就本公司為授予其附屬公司之銀行授信提供之公司擔保，於該修訂首次應用之年度在資產負債表內確認一項金融負債。

根據香港會計準則第39號就財務擔保合約所作之修訂，財務擔保合約初時乃以公平值確認，其後以下列兩者（以較高者為準）：(i)根據香港會計準則第37號釐定之金額及(ii)首次確認之金額，減去（如適用）根據香港會計準則第18號所確認之累計攤銷計量。

除上述者外，本集團預期採納上列其他預佈準則對本集團於初次應用期間的財務報表將不會有任何重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.4 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES

2.4 會計政策變動的影響概要

(a) EFFECT ON THE CONSOLIDATED BALANCE SHEET

(a) 對綜合資產負債表的影響

		Effect of adopting 採納以下準則之影響			
At 1 April 2005		HKAS 17#	HKAS 32#	HKAS 39*	
於二零零五年四月一日		香港會計準則 第17號#	香港會計準則 第32號#	香港會計準則 第39號*	
Effect of new policies (Increase/(decrease))		Prepaid land lease payments	Change in classification of investments	Forward currency contracts	Total
新政策之影響(增加/(減少))		預付土地 租賃款項	投資 分類變動	遠期 貨幣合約	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Assets	資產				
Property, plant and equipment	物業、機器及設備	(73,159)	—	—	(73,159)
Prepaid land lease payments	預付土地租賃款項	45,369	—	—	45,369
Available-for-sale investments	可供出售投資	—	963	—	963
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	—	(963)	—	(963)
Equity investments at fair value through profit or loss	按公平值計入損益之股本投資	—	17,542	—	17,542
Other investments	其他投資	—	(17,542)	—	(17,542)
Derivative financial instruments	衍生金融工具	—	—	2,404	2,404
					(25,386)
Liabilities/equity	負債／權益				
Accounts payable	應付賬款	—	—	2,404	2,404
Deferred tax liabilities	遞延稅項負債	(4,623)	—	—	(4,623)
Asset revaluation reserve	資產重估儲備	(31,533)	—	—	(31,533)
Exchange fluctuation reserve	匯兌波動儲備	(673)	—	—	(673)
Retained profits	保留溢利	9,039	—	—	9,039
					(25,386)

Adjustments/presentation taken effect retrospectively

* Adjustments taken effect prospectively from 1 April 2005

追溯生效的調整／列報

* 於二零零五年四月一日後生效的調整

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.4 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) EFFECT ON THE CONSOLIDATED BALANCE SHEET (CONTINUED)

2.4 會計政策變動的影響概要 (續)

(a) 對綜合資產負債表的影響 (續)

		Effect of adopting 採納以下準則之影響			
		HKASs 32			
At 31 March 2006		HKAS 17	HKAS 32	and 39	HKAS 39
		香港會計準則	香港會計準則	香港會計準則	香港會計準則
		第17號	第32號	第32及39號	第39號
		Prepaid	Change in	Other	Forward
Effect of new policies		land lease	classification	receivable	currency
(Increase/(decrease))		payments	of investments		contracts
		預付土地	投資	其他	遠期
新政策之影響(增加/(減少))		租賃款項	分類變動	應收款項	貨幣合約
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
					Total
					總計
					HK\$'000
					港幣千元
Assets		資產			
Property, plant and equipment	物業、機器及設備	(71,939)	-	-	(71,939)
Prepaid land lease payments	預付土地租賃款項	44,798	-	-	44,798
Available-for-sale investments	可出售投資	-	25,329	-	25,329
Non-current portion of	其他應收款項的				
other receivable	非流動部份	-	-	(1,326)	(1,326)
Long term investment	長期投資	-	(24,366)	-	(24,366)
Prepayments, deposits and	預付款項、按金及				
other receivables	其他應收款項	-	(963)	-	(963)
Equity investments at fair value	按公平值計入損益				
through profit or loss	之股本投資	-	10,380	-	10,380
Other investments	其他投資	-	(10,380)	-	(10,380)
					(28,467)
Liabilities/equity		負債／權益			
Derivative financial instruments	衍生金融工具	-	-	-	1,496
Account payable	應付賬款	-	-	-	(1,496)
Deferred tax liabilities	遞延稅項負債	(1,320)	-	-	(1,320)
Asset revaluation reserve	資產重估儲備	(34,609)	-	-	(34,609)
Exchange fluctuation reserve	匯兌波動儲備	(771)	-	-	(771)
Retained profits	保留溢利	9,559	-	(1,326)	8,233
					(28,467)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.4 SUMMARY OF THE IMPACT OF
CHANGES IN ACCOUNTING
POLICIES (CONTINUED)(b) EFFECT ON THE BALANCES OF
EQUITY AT 1 APRIL 2004 AND AT 1
APRIL 2005 (CONTINUED)2.4 會計政策變動的影響概要
(續)(b) 對二零零四年四月一日及
二零零五年四月一日權益
結餘的影響 (續)

Effect of new policies (Increase/(decrease)) 新政策之影響 (增加／(減少))		Effect of adopting HKAS 17 採納香港會計準則 第17號之影響 Prepaid land lease payments 預付土地租賃款項 HK\$'000 港幣千元
1 April 2004	二零零四年四月一日	
Asset revaluation reserve	資產重估儲備	(15,712)
Exchange fluctuation reserve	匯兌波動儲備	(673)
Retained profits	保留溢利	8,745
		(7,640)
1 April 2005	二零零五年四月一日	
Asset revaluation reserve	資產重估儲備	(31,533)
Exchange fluctuation reserve	匯兌波動儲備	(673)
Retained profits	保留溢利	9,039
		(23,167)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.4 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(c) EFFECT ON THE CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED 31 MARCH 2006 AND 2005

2.4 會計政策變動的影響概要 (續)

(c) 對截至二零零六年及二零零五年三月三十一日止年度的綜合收益表的影響

		Effect of adopting 採納以下準則之影響		Total 總計
		HKAS 17 香港會計準則 第17號 Prepaid land lease payments 預付土地 租賃款項 HK\$'000 港幣千元	HKAS 32 香港會計準則 第32號 Other receivables 其他 應收款項 HK\$'000 港幣千元	
Effect of new policies 新政策的影響				
Year ended 31 March 2006	截至二零零六年 三月三十一日止年度			
Decrease in cost of sales	銷售成本減少	653	—	653
Decrease in administrative expenses	行政支出減少	94	—	94
Increase in finance costs	融資成本增加	—	(1,326)	(1,326)
Increase in tax	稅項增加	(227)	—	(227)
Total increase/(decrease) in profit for the year	年度溢利增加／ (減少)總額	520	(1,326)	(806)
Increase/(decrease) in basic earnings per share (HK cent)	每股基本盈利增加／ (減少)(港仙)	—	(0.1)	(0.1)
Year ended 31 March 2005	截至二零零五年 三月三十一日止年度			
Decrease in cost of sales	銷售成本減少	337	—	337
Decrease in administrative expenses	行政支出減少	163	—	163
Increase in tax	稅項增加	(206)	—	(206)
Total increase in profit for the year	年度溢利增加總額	294	—	294
Increase in basic earnings per share (HK cent)	每股基本盈利增加 (港仙)	—	—	—

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SUBSIDIARIES

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

GOODWILL

GOODWILL PREVIOUSLY ELIMINATED AGAINST THE CONSOLIDATED RESERVES

Prior to the adoption of SSAP 30 "Business Combinations" in 2001, goodwill arising on acquisition was eliminated against the consolidated reserve in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against consolidated reserves and is not recognised in profit or loss when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

IMPAIRMENT OF ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.5 主要會計政策概要

附屬公司

附屬公司為本公司可直接或間接控制其財務及營運政策以從其業務中取得利益的實體。

附屬公司業績按已收及應收股息計入本公司損益表。本公司於附屬公司的權益按成本減任何減值虧損入賬。

商譽

原先與綜合儲備沖銷之商譽

於二零零一年採納會計實務準則第30號「業務合併」前，收購產生之商譽乃於收購年度與綜合儲備對銷。採納香港財務報告準則第3號後，該等商譽繼續與綜合儲備對銷。且不會於與商譽有關之業務全部或部分出售時或於與商譽相關之現金產生單位出現減值時於損益內確認。

資產減值

倘有顯示出現減值，或當需要對資產（存貨及金融資產除外）每年作減值測試，則估計資產之可收回價值。資產之可收回價值按資產或現金產生單位之使用價值，以及其公平值減出售成本之較高者計算，並就各個別資產而釐訂，除非資產並未能在大致獨立於其他資產或組別資產之情況下賺取現金流入，則在此情況下，將釐訂資產所屬的現金產生單位之可收回金額。

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財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF ASSETS (CONTINUED)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

RELATED PARTIES

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is a member of the key management personnel of the Group or its parent;
- (c) the party is a close member of the family of any individual referred to in (a) or (b); or

2.5 主要會計政策概要 (續)

資產減值 (續)

減值虧損只於資產之賬面值超過其可收回數額時確認。於估計使用價值時，估計未來現金流乃使用反映當時市場對貨幣時間價值以及與資產相關之特定風險之除稅前貼現率折算出其現值。減值虧損於其產生之期間在損益表中支銷，除非資產乃按估值列賬，則減值虧損乃根據該項重估資產之有關會計政策入賬。

於各呈報日期，將評估是否有任可跡象顯示先前確認之減值虧損不再存在或可能已減少。倘出現有關跡象，則估計可收回金額。先前確認的減值虧損僅在用以釐定資產可收回數額的估計數字出現變動時方會撥回。然而，有關數額將不會高於倘過往年度並無就該資產確認減值虧損而應釐定的賬面值（扣除任何折舊／攤銷）。撥回的減值虧損於其產生期間計入損益賬，除非有關資產按重估價值列賬，則撥回的減值虧損會按該重估資產的有關會計政策入賬。

關連人士

在下列情況下，一方將被視為與本集團有關：

- (a) 一方直接或間接透過一間或以上中介機構，(i) 控制本集團或被本集團控制或與本集團受共同控制；(ii) 於本集團擁有權益使其能對本集團行使重大影響力；或(iii) 對本集團擁有共同控制權；
- (b) 一方為本集團或其母公司之主要管理人員之成員；
- (c) 一方為由(a)或(b)項之任何人士之家族成員之近親；

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財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RELATED PARTIES (CONTINUED)

- (d) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (b) or (c); or
- (e) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, other than construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

2.5 主要會計政策概要 (續)

關連人士 (續)

- (d) 一方為由(b)或(c)項之任何人士直接或間接控制、共同控制或行使重大影響公司或擁有其重大投票權之公司；或
- (e) 一方為本集團就僱員福利之離職後福利計劃，或為本集團關連人士之任何公司。

物業、廠房及設備及折舊

在建工程以外之物業、廠房及設備乃按成本或估值減累計折舊及任何減值虧損入賬。物業、廠房及設備項目之成本包括其購買價及令該項資產達至運作狀況及地點作擬定用途的任何直接應佔成本。物業、廠房及設備項目投產後所產生的開支，例如維修及保養費用，一般於該等支出產生的期間計入損益表。倘能清楚證明該項支出使運用有關物業、廠房及設備項目預期將來可得經濟利益有所增加，而有關成本能可靠地計量時，則將該項支出撥作有關資產的額外成本或替代品。

所進行之估值之頻密程度應足以確保重估資產之公平價值不會與其賬面值有重大差異。物業、廠房及設備價值之變動乃作為資產重估儲備變動處理。倘若重估儲備總數不足以填補其虧絀，則多出之虧絀會於收益表內扣除。其後如有任何重估盈餘，會以先前扣除之虧絀為限，計入損益表。重新估值之資產如予出售，資產重估儲備中就先前估值所變現之有關部份會轉至保留盈利，作為儲備變動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (CONTINUED)

Depreciation is calculated to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life at the following rates per annum:

Buildings	4% on the straight-line basis
Leasehold improvements	10% to 25% on the reducing balance basis
Furniture and fixtures	10% to 25% on the reducing balance basis
Equipment and tools	10% to 25% on the reducing balance basis
Motor vehicles	30% on the reducing balance basis
Moulds	25% on the straight-line basis

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents the cost of buildings under construction in Mainland China not yet ready for their intended use. Construction in progress is stated at cost less any impairment losses. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.5 主要會計政策概要 (續)

物業、廠房及設備及折舊 (續)

折舊乃按下列年率於其估計可使用年期撇銷各項物業、廠房及設備項目成本或估值至其餘值計算：

樓宇	以直線法按4%折舊
租約物業裝修	以遞減餘額法按10%至25%折舊
傢俬及裝置	以遞減餘額法按10%至25%折舊
設備及工具	以遞減餘額法按10%至25%折舊
汽車	以遞減餘額法按30%折舊
模具	以直線法按25%折舊

倘物業、廠房及設備項目之各部分有不同之可使用年期，此項目各部分成本將按合理之基礎分配，而每部分將作個別折舊。

餘值、可使用年期及折舊法乃於各結算日予以檢討，並作調整（如有需要）。

物業、廠房及設備項目於出售或當預期不會從其使用或出售獲取未來經濟利益時不再確認。物業、廠房及設備出售或報廢所產生之收益或損失按售出淨額減去該等資產賬面淨值後之差額確認於本年度收益表中。

在建工程指在中國內地仍未可作計劃用途的興建中樓宇之成本。在建工程按成本減任何減值虧損入賬，成本包括建築期內直接建築成本。在建工程會於竣工時及可供使用時重新分類至物業、廠房及設備項目之合適類別中。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTANGIBLE ASSETS

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

RESEARCH AND DEVELOPMENT COSTS

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred product development costs are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five years, commencing from the date when the products are put into commercial production.

TRADEMARKS

Trademarks are stated at cost less accumulated amortisation and any impairment losses. They are amortised using the straight-line basis over their estimated useful lives but not exceeding ten years.

2.5 主要會計政策概要 (續)

無形資產

無形資產之可使用年期評估為有限或無限。年期有限之無形資產於可使用年期内攤銷，並評估是否有跡象顯示無形資產可能出現減值。可使用年期有限之無形資產之攤銷年期及攤銷方法至少於各結算日檢討一次。

研究及開發成本

所有研究成本於產生時計入損益表。

開發新產品的計劃所產生的支出，僅會於本集團顯示其有能力在技術上完成無形資產，使其能出售或使用；其對完成或銷售該資產之意向及能力；該資產產生未來經濟利益之方式；就完成該項目可動用之資源，以及能可靠地計量開發過程中所涉及之開支時，方撥作資本及作遞延處理。未能符合此等要求的產品開發支出將於產生時列為支出。

遞延產品開發成本按自產品商業投產之日起計不超過五年之商業可用期內以直線法攤銷。

商標

商標乃按成本減累計攤銷及任何減值虧損入賬，並按不超過十年的估計可使用年期以直線法攤銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum contract payments and recorded together with the obligation, excluding the interest element, to reflect the costs of purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to produce a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.5 主要會計政策概要 (續)

租賃

除法定所有權外，凡資產擁有權之絕大部分回報及風險歸本集團擁有之租賃，均列為融資租賃。在訂立融資租賃時，租賃資產成本按最低合約款項的現值撥作資本，並連同有關承擔扣除利息部分入賬，以反映購買及融資成本。按資本化融資租賃持有的資產均列為物業、廠房及設備，並按資產的租賃年期及估計可使用年期兩者之較短者計算折舊。該等租賃的融資成本於損益表內扣除，以便可在租賃年內按固定周期扣減比率計算。

透過融資租購合約收購的資產入賬列作融資租賃，惟僅於其估計可使用年期折舊。

凡將資產擁有權絕大部分回報及風險撥歸出租人之租約均列作經營租約。倘本集團為出租人，則本集團根據經營租約租出之資產納入非流動資產，而根據經營租約應收之租金乃按租賃年期以直線法計入損益表。倘本集團為承租人，則根據經營租約應付之租金乃按租賃年期以直線法自損益表扣除。

根據經營租賃之預付土地租賃款項，初步以成本列賬，並隨後於租期內以直線法確認。

NOTES TO THE FINANCIAL STATEMENTS

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31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS AND OTHER FINANCIAL ASSETS

APPLICABLE TO THE YEAR ENDED 31 MARCH 2005:

The Group classified its equity investments, other than subsidiaries, as other investments.

Other investments

Other investments are investments in equity securities held for trading purposes and are stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual investment basis. The gains or losses arising from changes in fair values of such securities are credited or charged to the income statement in the period in which they arise.

APPLICABLE TO THE YEAR ENDED 31 MARCH 2006:

Financial assets in the scope of HKAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in the income statement.

2.5 主要會計政策概要 (續)

投資及其他金融資產

適用於截至二零零五年三月三十一日止年度：

本集團將其於附屬公司以外之股本投資分類為其他投資。

其他投資

其他投資即是持作交易用途的股本證券的投資，其乃按個別投資基準以結算日所報市價代表的公平值列賬。因該等證券的公平值變動產生的損益記入產生期間的損益表或從其中扣除。

適用於截至二零零六年三月三十一日止年度：

香港會計準則第39號範疇下的金融資產，歸入按公平值記入損益賬之財務資產、貸款及應收款項及可供銷售之金融資產(如適用)。金融資產初步確認時以公平價值計算，另加(倘為透過損益而非以公平值列賬之投資)直接應佔交易成本。本集團於初步確認後，釐訂金融資產之分類，並在許可情況下，於結算日重新評估其有關分類。

所有定期購買或出售金融資產乃按交易日(即本集團承諾購買資產之日)基準確認。定期購買或出售乃購買或銷售金融資產，並要求於市場上按規則或慣例設定之時間框架內付運資產。

按公平值記入損益賬之金融資產

歸類為持有作買賣之金融資產，計入「按公平值記入損益賬之金融資產」類別。倘購入金融資產乃旨在短期內出售，則分類為持作買賣。除非衍生工具定值為有效對沖工具，否則分類為持作買賣。持作買賣之投資的損益在收益表中確認。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS AND OTHER FINANCIAL ASSETS (CONTINUED)

APPLICABLE TO THE YEAR ENDED 31 MARCH 2006: (CONTINUED)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in unlisted equity securities that are designated as available for sale or are not classified in any of the above categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

2.5 主要會計政策概要 (續)

投資及其他金融資產 (續)

適用於截至二零零六年三月三十一日止年度 (續)

貸款與應收款

貸款與應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生財務資產。此等資產以利用實際利率法按攤銷成本入賬。當貸款與應收款不再確認或減損，則在收益表或在攤銷過程中確認。

可供出售金融資產

可供出售金融資產指為可供出售或並未分類為上述任何類別的非上市非衍生金融資產。初次確認可供出售金融資產以公平價值計量，而盈虧則另行確立為股本之一項獨立元素，直至投資不再確認或直至投資被釐訂為減值為止，屆時，之前在股本中呈報之累計盈虧，計入收益表。

倘非上市股本證券之公平價值，因(a)合理公平價值估計之範圍變動，對投資屬重大；或(b)範圍內多項估計之可能性，不能合理估計以及用於估計公平價值，令到不能合理估計公平價值，則該等證券以成本減任何減值虧損。

公平價值

在有組織金融市場活躍買賣的投資的公平價值，參考結算日辦公時間結束時所報市場購入價而釐訂。就為無活躍市場之投資，公平價值利用估值計算。有關技術包括按最近公平磋商之市場交易、參考大致相同之另一工具之當時市價、貼現現金流分析以及購股權定價模式等。

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財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF FINANCIAL ASSETS (APPLICABLE TO THE YEAR ENDED 31 MARCH 2006)

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

ASSETS CARRIED AT AMORTISED COST

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.5 主要會計政策概要 (續)

金融資產減值(適用於截至二零零六年三月三十一日止年度)

本集團於各結算日評估有否任何客觀證據，金融資產或金融資產組別出現減值。

以攤銷成本列賬的資產

倘有客觀證據顯示，以攤銷成本列賬之貸款與應收款出現減值，虧損乃按資產賬面值與利用金融資產原本實際利率(即於初步確認時計算之實際利率)與估計未來現金流之現值(不包括尚未產生的日後信貸損失)之差額計算。資產之賬面值直接或透過利用撥備賬而減少。減損之金額在損益賬中確認。

本集團會首先評估金額重大之個別金融資產有否出現客觀之減值證據，並個別或整體地評估金額不重大之個別金融資產。若本集團確定被評估之個別金融資產並沒有存在減值(不論是否重大)之客觀證據，則需將該資產包含於信貸風險特徵相若之組合中，以作出組合評估。組合減值評估並不包括已被個別評估為需減值或需繼續減值之資產。

倘於隨後期間，減值虧損之金額減少，而跌幅可客觀地與確認減值後發生之事件連繫，則撥回之前確認之減值虧損。任何隨後撥回之減值虧損，在收益表中確認，但資產之賬面值不得超過於撥回日之攤銷成本。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF FINANCIAL ASSETS (APPLICABLE TO THE YEAR ENDED 31 MARCH 2006) (CONTINUED)

ASSETS CARRIED AT COST

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss.

DERECOGNITION OF FINANCIAL ASSETS (APPLICABLE TO THE YEAR ENDED 31 MARCH 2006)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.5 主要會計政策概要 (續)

金融資產減值(適用於截至二零零六年三月三十一日止年度) (續)

按成本列賬的資產

倘有客觀證據顯示，非以公平價值列賬的非上市股本工具，乃因其公平價值不能可靠地衡量而出現減值虧損，減損之金額乃為資產賬面值與利用類似金融資產之當時市場回報率貼現估計未來現金流現值之差額。資產之減值虧損不予撥回。

可供出售金融資產

倘可供出售金融資產減值，一筆相等於其成本(扣除任何本金及攤銷)與其當時公平價值差額，減之前在損益中確認的任何減值虧損，乃由股本轉撥至收益表。分類為可供出售股本工具之減值虧損，不會在損益賬中撥回。

不再確認金融資產(適用於截至二零零六年三月三十一日止年度)

金融資產(或倘適用，作為金融資產或類似金融資產組別一部份)在下列情況不予確認：

- 從資產收取現金流之權利已屆滿；
- 本集團保留從資產收取現金流之權利，但已承擔根據「過手」安排而在沒有重大延誤下悉數將款項支付有關第三者之責任；
- 本集團已轉讓其從資產收取現金流之權利，並已(a)將資產的大致所有風險及回報轉讓，或(b)並無轉讓或保留資產的大致所有風險及回報，但已轉讓資產之控制權。

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31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DERECOGNITION OF FINANCIAL ASSETS (APPLICABLE TO THE YEAR ENDED 31 MARCH 2006) (CONTINUED)

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

INTEREST-BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in net profit or loss when the liabilities are derecognised as well as through the amortisation process.

2.5 主要會計政策概要 (續)

不再確認金融資產(適用於截至二零零六年三月三十一日止年度) (續)

倘本集團已轉讓從資產收取現金流之權利，且無轉讓或保留資產的大致所有風險及回報亦無轉讓資產之控制權，資產乃按本集團於資產之持續參與而確認。持續參與倘屬就所轉讓資產提供擔保，則以資產之原賬面值以及本集團可能須償還之代價最高金額之較低者計量。

倘持續參與為就資產沽出及／或購入期權(包括現金結算期權或類似條文)，則本集團之持續參與指本集團可能購回之所轉讓金額，但倘有關資產的沽出認沽期權(包括現金結算期權或類似條文)以公平價值計算，則本集團之持續參與只限於所轉讓資產之公平價值及期權行使價。

計息貸款及借款

所有計息貸款及借款初步以所收取之代價公平價值減直接應佔交易成本計算。

初次確認後，計息貸款及借款隨後利用實際利息法以攤銷成本計算。

倘負債不再確認，則盈虧在損益淨額以及透過攤銷程序確認。

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財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DERECOGNITION OF FINANCIAL LIABILITIES (APPLICABLE TO THE YEAR ENDED 31 MARCH 2006)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING (APPLICABLE TO THE YEAR ENDED 31 MARCH 2006)

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.5 主要會計政策概要 (續)

不再確認金融負債 (適用於截至二零零六年三月三十一日止年度)

倘負債下之責任獲履行或註銷或屆滿，金融負債不再確認。

當現有金融負債被同一貸款人以明顯不同之條款提供之另一金融負債取代，或現有負債之條款大幅修訂，該等交換或修訂則被視為不再確認原負債而確認新負債，而相關之賬面金額之差額，在損益賬中確認。

衍生金融工具及對沖 (適用於截至二零零六年三月三十一日止年度)

本集團使用衍生金融工具對沖其外匯波動風險，例如遠期貨幣合約。該等衍生金融工具初步以訂立衍生工具之日以公平價值確認，並隨後以公平價值再計算。倘公平價值為正數，衍生工具以資產入賬，而公平價值倘為負數，則以負債入賬。

不符合以對沖會計法處理之衍生工具之公平價值變動所產生之盈虧，直接計入年內之損益淨額。

遠期貨幣合約之公平價值，參考類似到期概況之合約之即期遠期匯率計算。

存貨

存貨按成本及可變現淨值兩者的較低者入賬。成本以加權平均基準計算，倘為在製品及製成品，則包括直接材料、直接勞工及適當部分的其他經常成本。可變現淨值乃根據估計售價減完成及出售所需的估計成本計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and bank balances comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

INCOME TAX

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

2.5 主要會計政策概要 (續)

現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目包括手頭現金及活期存款，以及短期流通性高且可隨時兌換成變值風險極微的可知數額現金及於購入時起計三個月內到期的投資，減須按要求償還的銀行透支，為本集團現金管理的不可或缺部分。

資產負債表內之現金及銀行結存指手頭及銀行現金，包括無使用限制之定期存款及性質與現金類似的資產。

撥備

倘因過往事項而產生之現時責任（法律或推定），且將來極可能需有資源流出以應付有關責任時，則予以確認為撥備，惟責任所涉及之數額必須能可靠地估計。

倘貼現之影響屬重大時，所確認撥備之數額乃為預期就履行有關責任須支付之未來開支於結算日之現值。因時間流逝而導致所貼現之現值增加之數額，乃計入損益表之融資成本中。

所得稅

所得稅包括即期及遞延稅項。所得稅於損益表確認，或倘有關稅項與相同或不同期間直接於股本確認之項目相關，則於股本確認。

即期及過往期間之即期稅務資產及負債按預期從稅務機關收回或向稅務機關支付之款項計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAX (CONTINUED)

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.5 主要會計政策概要 (續)

所得稅 (續)

遞延稅項須按負債法，就資產及負債之稅基與用於財務申報之賬面值產生之所有暫時差額，於結算日作出撥備。

遞延稅項負債就所有應課稅暫時差額確認，惟

- 產生自最初確認交易資產或負債，以及於進行交易時不影響會計溢利或應課稅溢利或虧損的遞延稅項負債則除外；及
- 與於附屬公司之投資相關之應課稅暫時差額，惟假若可控制暫時差額之撥回時間，並有可能在可預見未來不會撥回暫時差額則除外。

遞延稅項資產乃於有可能將應課稅溢利抵銷可扣減暫時差額與未運用稅項抵免及未運用稅項虧損結轉時，就所有可扣減暫時差額、未運用稅項抵免及未運用稅項虧損結轉確認，惟：

- 產生自最初確認非業務合併之交易資產或負債，以及於進行交易時不影響會計溢利或應課稅溢利或虧損的遞延稅項資產除外；及
- 與於附屬公司之投資相關之可扣減暫時差額，於暫時差額可能在可預見未來將會撥回及應課稅溢利將可抵銷暫時差額時，遞延稅項資產方予確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAX (CONTINUED)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

REVENUE RECOGNITION

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of handling fee services, when the services have been rendered;
- (c) rental income, on a time proportion basis over the lease terms;

2.5 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產賬面值於每個結算日審閱，並於可能並無足夠應課稅溢利抵銷所有或部分遞延稅項資產時減少。相反，先前尚未確認之遞延稅項資產會於每個結算日重新評估，並會於有足夠應課稅溢利抵銷所有或部分遞延稅項資產時確認。

遞延稅項資產及負債乃按於結算日頒布或實質頒布之稅率（及稅法）計算，而有關稅率則為預期於變現資產或清償債務期間適用之稅率。

倘有合法可執行權利將當期稅項資產及當期稅項負債抵銷，且遞延稅項資產每同一應課稅公司及同一稅務機關有關，則遞延稅項資產可與遞延負債互相抵銷。

收益確認

收益將於本集團可能獲得有關經濟利益及有關收益能夠可靠計算時，按下列基準入賬：

- (a) 銷售貨品的收益於擁有權大部分風險及回報已轉歸買方，惟本集團不再參與通常與所售出貨品的擁有權或實際控制權有關的管理時入賬；
- (b) 提供手續費服務的收益於已提供服務時入賬；
- (c) 租金收入，於租賃年期按時間比例入賬；

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財務報表附註

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

- (d) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial assets; and
- (e) dividend income, when the shareholders' right to receive payment has been established.

BORROWING COSTS

Borrowing costs are recognised as expenses in the income statement in the period in which they are incurred.

EMPLOYEE BENEFITS

SHARE-BASED PAYMENT TRANSACTIONS

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.5 主要會計政策概要 (續)

收益確認 (續)

- (d) 利息收入按累計基準利用實際利率法計算，所採用之利率為預期金融工具年期內收取之估計未來現金流貼現至金融資產賬面淨值之利率；
- (e) 股息收入，於確定股東可獲取派息的權利時入賬。

借貸成本

借貸成本於產生之期間在收益表內確認為開支。

僱員福利

以股份為基礎之付款的交易

本公司設有一項購股權計劃，旨在給予為本集團業務成功作出貢獻之合資格參與者鼓勵及獎勵。本集團僱員（包括董事）按以股付款形式收取酬金，而僱員則提供服務作為股本工具之代價（「股本結算交易」）。

與僱員之股本結算交易之成本，參考購股權授出之日之公平價值計算。為股本結算交易估值時，不會計及任何表現條件，與本公司股份價格掛鉤之條件（「市場條件」）除外（如適用）。

股本結算交易之成本在表現及／或服務條件獲達成，至有關僱員全面獲得獎勵之日（「歸屬日期」）之期間，連同股本之相應升幅一併確認。就股本結算交易於各年結日至歸屬日期間確認之累計開支，反映過去歸屬期以及本集團就最終歸屬之股本工具之數目之最佳估計。期內在損益表扣除或計入損益表之金額，指於該段期初及期終所確認之累計開支變動。

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財務報表附註

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EMPLOYEE BENEFITS (CONTINUED)

SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The Group has adopted the transitional provisions of HKFRS 2 in respect of equity-settled awards and has applied HKFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested on 1 April 2005.

2.5 主要會計政策概要 (續)

僱員福利 (續)

以股份為基礎之付款的交易 (續)

最終未能歸屬之獎勵，不會確認開支，除非獎勵為根據市場條件而歸屬者，而在此情況下，該等獎勵不論市場條件是否獲達成，仍被視為歸屬，但必須符合所有其他表現條件。

倘股本結算交易之條款被修訂，則確認最低開支，猶如條款未被修改。此外，任何修訂將確認開支，增加股份付款安排之公平價值總額，或對以修訂日期計算有關公平價值之僱員有利。

倘股份結算獎勵被註銷，則被視為已於註銷日期被歸屬，而未就獎勵確認之開支則即時確認。然而，倘被註銷獎勵被新獎勵所取代，且於授出日期被指定為替代獎勵，則所註銷及新獎勵則會按猶如原獎勵作出修訂之方法（見前段所述）處理。

尚未行使購股權之攤薄影響，於計算每股盈利時，被反映為額外股份攤薄。

本集團已就股本結算獎勵採納香港財務申報準則第2號之過渡條文，並僅就於二零零二年十一月七日後授出且於二零零五年四月一日未歸屬之股本結算獎勵應用香港財務報告準則第2號。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EMPLOYEE BENEFITS (CONTINUED)

EMPLOYMENT ORDINANCE LONG SERVICE PAYMENTS

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date.

PENSION SCHEMES

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

2.5 主要會計政策概要 (續)

僱員福利 (續)

僱傭條例長期服務金

本集團若干僱員服務本集團之年數，已屆香港僱傭條例規定合資格於離職時獲取長期服務金之指定服務年期。倘僱員於符合香港僱傭條例指明情況下離職，本集團必須支付有關款項。

已就預期日後可能須支付之長期服務金作出撥備。撥備金額乃截至結算日僱員向本集團提供服務所賺取而本集團日後可能須支付之金額之最佳估計。

退休金計劃

本集團根據強制性公積金計劃條例，為合資格參與計劃之僱員設立一項定額供款強制性公積金退休福利計劃（「強積金計劃」）。按照強積金計劃之規則，供款乃按僱員基本薪金之百分比作出，並於應付時自損益表扣除。強積金計劃的資產由獨立管理之基金與本集團之資產分開持有。根據強積金計劃之條例，本集團對強積金計劃作出之僱主供款繳入計劃後即全數歸屬僱員惟本集團之僱主自願供款除外，倘僱員於供款全數歸屬前終止受聘，則該等款項將會退還予本集團。

本集團旗下於中國內地經營業務之附屬公司之僱員必須參與由當地市政府設立之中央退休金計劃。該等附屬公司須按其涉及工資總額若干百分比向中央退休金計劃作出供款。根據中央退休金計劃規則，供款於應付時自損益表扣除。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DIVIDENDS

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

FOREIGN CURRENCIES

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.5 主要會計政策概要 (續)

股息

董事建議的末期股息列於資產負債表之資本及儲備下，獨立列作保留溢利分配，直至股息於股東大會獲股東批准為止。在此等股息獲股東批准及宣派後，即確認為負債。

中期股息可同時建議及宣派，原因為本公司的組織章程大綱及細則授予董事宣派中期股息的權力。因此，中期股息於建議及宣派時即時確認為負債。

外幣

外幣交易按交易日期適用的匯率換算入賬。於結算日以外幣為單位的貨幣資產及負債按當日的適用匯率換算入賬。匯兌差額於損益賬處理。於綜合賬目時，海外附屬公司之財務報表按淨投資法換算為港元。海外附屬公司之損益賬按年內加權平均匯率換算為港元，其資產負債表則按結算日之匯率換算為港元，所產生之換算差額於外匯波動儲備處理。就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之匯率換算為港元。海外附屬公司年內產生之經常現金流量按年內之加權平均匯率換算為港元。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FOREIGN CURRENCIES (CONTINUED)

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

2.5 主要會計政策概要 (續)

外幣 (續)

財務報表乃以港元（即本公司之記賬本位幣及呈報貨幣）呈列。本集團內各公司釐訂本身之記賬本位幣，而計入各公司財務報表之項目乃利用該記賬本位幣而計量。外幣交易初步以交易日期之記賬本位幣匯率記錄。以外幣計值之貨幣資產及負債，按年結日之匯率再換算為記賬本位幣。所有差額計入損益表。以外幣歷史成本計算之非貨幣項目，利用初步交易之日之匯率換算。以外幣按公平價值計算之非貨幣項目，利用釐訂公平價值之日之匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之匯率換算為港元。海外附屬公司年內產生之經常性現金流量按年內之加權平均匯率換算為港元。

3. 重大會計判斷及估算

判斷

於應用本集團之會計政策時，除涉及估算之判斷外，管理層曾作出下列對於財務報表內確認之金額有重大影響之判斷：

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(CONTINUED)

JUDGEMENTS (CONTINUED)

IMPAIRMENT OF ASSETS

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation at the balance sheet date which may cause an adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

ESTIMATION OF FAIR VALUE OF BUILDINGS

In the absence of current prices in an active market for similar buildings, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for buildings of a different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (b) recent prices of similar buildings on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

3. 重大會計判斷及估算 (續)

判斷 (續)

資產減值

本集團須於釐訂資產是否出現減值或過往導致減值之事件是否仍然存在時作出判斷，尤其為於評估下列事項時：(1)是否發生可影響資產價值之事件或該等影響資產價值之事件是否仍然存在；(2)資產淨值是否有未來現金流之現值淨額支持，有關金額乃以資產持續使用或終止確認之基準釐訂；及(3)於準備現金流預測時採用合適之主要假設，包括該等現金流是否以合適之貼現率折算。管理層釐訂減值水平所設定之假設(包括現金流預測所採用之貼現率或假定增長率)之變動，將會對減值測試中所採用之現值淨額構成重大影響。

估算之不確定性

可能會導致下一個財政年度內資產與負債之賬面值作出調整之未來主要假設及於結算日之其他估算主要來源論述如下。

樓宇公平價值之估算

由於活躍市場上並無類似樓宇之近期價格，本集團考慮了多項資料來源，包括：

- (a) 活躍市場內不同性質、狀況有別或處於不同地點(或訂有不同租約或其他合約)之樓宇之現行價格，並作出調整以反映該等差異；
- (b) 類似樓宇於交投淡靜市場之近期價格，並作出調整以反映自以該等價格進行交易當日以來之任何經濟變動；及

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(CONTINUED)

ESTIMATION UNCERTAINTY *(CONTINUED)*

ESTIMATION OF FAIR VALUE OF BUILDINGS

(CONTINUED)

- (c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market prices for similar buildings in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Group's estimation of the fair value include those related to current market prices for similar properties in the same location and condition, appropriate discount rates, expected future market prices and future maintenance costs.

The carrying amounts of buildings at 31 March 2006 were HK\$243,492,000 (2005 (restated): HK\$242,506,000).

3. 重大會計判斷及估算 *(續)*

估算之不確定性 *(續)*

樓宇公平價值之估算 *(續)*

- (c) 根據可靠之未來現金流估算，並以任何現有租約或其他合約之條款，以及在可行之情況下以外部證據（如於相同地點及狀況相同之類似樓宇之現行市價）作支持，並採用反映現金流金額及時間之不確定因素之當前市場評估之貼現率作出之貼現現金流預測。

本集團估算公平價值時之主要假設包括處於相同地點及狀況相同之類似物業之現行市價、合適之貼現率、預期未來市價及未來維修成本。

於二零零六年三月三十一日，樓宇之賬面值為243,492,000港元（二零零五年（重列）：242,506,000港元）。

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4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products provided. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the electronic products and components segment consists of the design, manufacture and sale of audio and video products and components;
- (b) the home appliance products segment consists of the manufacture and sale of home appliance products; and
- (c) the corporate segment comprises corporate income and expense items.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

There were no intersegment sales and transfer during the year (2005: Nil).

4. 分部資料

本公司按兩種分類形式呈報分部資料：
(i)以業務分類為主要分部報告基準；及
(ii)以地區分類為次要分部報告基準。

本集團的經營業務根據業務性質及所提供的產品，獨立組織及管理。本集團各個業務類別代表一個策略性業務單位，所提供產品承受的風險及取得的回報與其他業務分部不同。業務分部之詳情概述如下：

- (a) 電子產品及零件分部包括設計、製造及銷售影音產品與零件；
- (b) 家庭電器產品分部包括製造及銷售家庭電器產品；
- (c) 公司分部包括公司收入及開支項目。

在釐定本集團的地區分部時，分部應佔收入及業績按客戶所在地計算，而分部應佔資產則按資產所在地計算。

年內並無分部間銷售及轉撥（二零零五年：無）。

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4. SEGMENT INFORMATION (CONTINUED)

4. 分部資料 (續)

(a) BUSINESS SEGMENTS

The following tables present revenue, profit and certain asset, liability and expenditure information of the Group's business segments for the years ended 31 March 2006 and 2005.

(a) 按業務劃分

下表呈列本集團業務分部於截至二零零六年及二零零五年三月三十一日止年度的收入、溢利及若干資產、負債及開支的資料。

Group		本集團							
		Electronic products and components 電子產品及零件		Home appliance products 家庭電器產品		Corporate 公司		Consolidated 綜合	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)	HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)
Segment revenue:	分部收入：								
Sales to external customers	銷售予外界客戶	2,141,160	2,367,455	251,059	268,839	-	-	2,392,219	2,636,294
Other segment revenue	其他分部收入	5,346	9,018	751	473	-	-	6,097	9,491
Total	總計	2,146,506	2,376,473	251,810	269,312	-	-	2,398,316	2,645,785
Segment results	分部業績	48,852	26,853	5,070	(3,493)	(532)	(231)	53,390	23,129
Interest income and unallocated income	利息收入及未分配收入							3,431	21,804
Unallocated expenses	未分配支出							(15,163)	(2,645)
Finance costs	融資成本							(23,149)	(12,750)
Profit before tax	除稅前溢利							18,509	29,538
Tax	稅項							101	(1,684)
Profit for the year	年度溢利							18,610	27,854

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財務報表附註

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4. SEGMENT INFORMATION (CONTINUED)

4. 分部資料 (續)

(a) BUSINESS SEGMENTS (CONTINUED)

(a) 按業務劃分 (續)

Group		本集團							
		Electronic products and components 電子產品及零件		Home appliance products 家庭電器產品		Corporate 公司		Consolidated 綜合	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)	HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)
Assets and Liabilities	資產及負債								
Segment assets	分部資產	1,280,620	1,091,361	113,948	102,955	–	–	1,394,568	1,193,316
Unallocated assets	未分配資產							126,085	144,292
Total assets	總資產							1,520,653	1,337,608
Segment liabilities	分部負債	458,008	291,956	61,427	42,428	7	171	519,442	334,555
Unallocated liabilities	未分配負債							493,145	506,332
Total liabilities	總負債							1,012,587	840,887
Other segment information:	其他分部資料：								
Capital expenditure	資本開支	99,365	154,667	15,520	11,198	–	–	114,885	165,865
Depreciation and amortisation	折舊及攤銷	64,779	63,533	10,063	13,021	–	–	74,842	76,554
Surplus on revaluation recognised directly in equity	直接於權益確認之重估盈餘	–	22,478	–	1,516	–	–	–	23,994
Impairment losses recognised in the income statement	直接於收益報表確認之減值虧損	–	–	–	–	11,110	–	11,110	–
Provision/(write-back of provision against) inventories	存貨撥備/(撥備撥回)	267	442	(135)	246	–	–	132	688

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31 March 2006 二零零六年三月三十一日

4. SEGMENT INFORMATION (CONTINUED)

4. 分部資料 (續)

(b) GEOGRAPHICAL SEGMENTS

(b) 按地區劃分

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2006 and 2005.

下表呈列本集團於截至二零零六年及二零零五年三月三十一日止年度的收入及若干資產及開支的資料。

Group		本集團									
		Americas		Europe		Asia-Pacific countries		Others		Consolidated	
		美洲		歐洲		亞太區國家		其他		綜合	
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
											(Restated) (重列)
Segment revenue:	分部收入：										
Sales to external customers	銷售予外界客戶	991,863	781,402	998,780	1,307,766	347,192	302,158	54,384	244,968	2,392,219	2,636,294
Other segment information:	其他分部資料：										
Segment assets	分部資產										
- Hong Kong	- 香港									486,632	450,186
- Mainland China	- 中國									1,034,021	887,422
Total	總計									1,520,653	1,337,608
Capital expenditure	資本開支										
- Hong Kong	- 香港									2,583	21,478
- Mainland China	- 中國									112,302	144,387
Total	總計									114,885	165,865

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5. REVENUE, OTHER INCOME AND GAIN

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, net of discounts and returns, after elimination of all significant intra-group transactions.

An analysis of revenue, other income and gain is as follows:

5. 收益、其他收入及增益

收益亦為本集團之營業額，乃指對銷所有集團內公司間的重大交易後，扣除折扣及退貨的售出貨品發票值。

收益、其他收入及增益的分析如下：

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Revenue	收益		
Manufacture and sale of electronic products and components	製造及銷售電子產品及零件	2,141,160	2,367,455
Manufacture and sale of home appliance products	製造及銷售家庭電器產品	251,059	268,839
		<u>2,392,219</u>	<u>2,636,294</u>
Other income	其他收入		
Handling fee income	手續費收入	1,737	8,014
Bank interest income	銀行利息收入	1,094	461
Others	其他	3,933	2,210
		<u>6,764</u>	<u>10,685</u>
Gain	增益		
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的增益	1,626	319
		<u>8,390</u>	<u>11,004</u>

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6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/
(crediting):

6. 除税前溢利

本集團的除税前溢利已扣除／(計入)下列各項：

			2006 二零零六年	2005 二零零五年
	Notes 附註		HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)
Cost of inventories sold	已售存貨成本		2,268,188	2,529,856
Provision against inventories	存貨撥備		132	688
Fair value (gains)/losses on derivative financial instruments-forward currency contracts, net	衍生金融工具－貨幣遠期合約公平值(增益)／虧損淨額		1,496	(2,404)
Cost of sales	銷售成本		2,269,816	2,528,140
Depreciation	折舊	14	70,100	71,880
Amortisation of trademarks*	商標攤銷*	16	255	260
Research and development costs:	研究及開發成本：			
Deferred development costs amortised*	遞延發展成本攤銷*	16	4,455	4,414
Current year expenditure	本年度開支		1,280	498
Minimum lease payments under operating leases on land and buildings	土地及樓宇經營租約之最低租金		4,029	3,671
Auditors' remuneration	核數師酬金		905	787
Employee benefits expenses (including directors' remuneration – note 8):	員工福利開支(包括董事酬金－附註8)：			
Wages and salaries	工資及薪金		126,496	123,393
Pension scheme contributions	退休金計劃供款		2,344	2,256
Less: Forfeited contributions**	減：已沒收供款**		(39)	(48)
Net pension scheme contributions	退休金計劃供款淨額		2,305	2,208
			128,801	125,601
Foreign exchange differences, net	滙兌差額淨額		(61)	(3,030)
Fair value losses on equity investments at fair value through profit or loss	按公平值記入損益賬之股本投資之公平值虧損		233	1,640
(Gain)/loss on disposal of an equity investment at fair value through profit or loss	出售按公平值記入損益賬之股本投資之(增益)／虧損		(356)	48
Gross and net rental income from land and buildings	土地及樓宇租金收入毛額及淨額		(84)	(84)
Dividend income from listed investments	上市投資股息收入		(355)	(734)

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6. PROFIT BEFORE TAX (CONTINUED)

Notes:

* The amortisation of trademarks and deferred development costs for the year are included in "Selling and distribution costs" and "Cost of sales", respectively, on the face of the consolidated income statement.

** As at 31 March 2006, the Group had no forfeited contributions available to offset its future employers' contributions (2005: Nil).

6. 除稅前溢利 (續)

附註：

* 本年度的商標及遞延發展成本攤銷分別計入綜合收益表之「銷售及分銷成本」及「銷售成本」。

** 於二零零六年三月三十一日，本集團並無已沒收的供款(二零零五年：零)可供日後抵銷本集團的僱主供款。

7. FINANCE COSTS

7. 融資成本

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Interest on:	就下列項目支付之利息：		
Bank loans and facilities wholly repayable within five years	須於五年內全數償還的銀行貸款及信貸	21,547	12,432
Finance leases	融資租賃	1,602	318
		<u>23,149</u>	<u>12,750</u>

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8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Companies Ordinance, is as follows:

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Fees	袍金	655	378
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	11,196	11,106
Commission	佣金	1,694	787
Pension scheme contributions	退休金計劃供款	562	538
		13,452	12,431
		14,107	12,809

(A) INDEPENDENT NON-EXECUTIVE DIRECTORS

The fees paid to independent non-executive directors during the year were as follows:

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Ho Fook Hong, Ferdinand	何福康	88	65
Pang Hon Chung	彭漢中	91	65
Cheng Tsang Wai	鄭曾偉	88	33
		267	163

There were no other emoluments payable to the independent non-executive directors during the year (2005: Nil).

8. 董事酬金

本年度董事的酬金根據上市規則及公司條例第161條披露如下：

(A) 獨立非執行董事

年內支付予獨立非執行董事之袍金如下：

年內並無應付予獨立非執行董事之其他薪酬(二零零五年：無)。

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8. DIRECTORS' REMUNERATION

(CONTINUED)

(B) EXECUTIVE DIRECTORS AND A NON-EXECUTIVE DIRECTOR

8. 董事酬金 (續)

(B) 執行董事及非執行董事

		Salaries, allowances and benefits	Pension scheme	Total		
	Fees	in kind	contributions	remuneration		
	袍金	薪金、津貼 及實物福利	退休金 計劃供款	總薪金		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
	港幣千元	港幣千元	港幣千元	港幣千元		
2006		二零零六年				
Executive directors:	執行董事：					
Ling Siu Man, Simon	凌少文	—	3,888	—	194	4,082
Lee Ka Yue, Peter	李嘉渝	—	—	—	—	—
Wong Ki Cheung	黃其昌	—	1,944	—	97	2,041
Li Fung Ching, Catherine	李鳳貞	—	1,944	—	97	2,041
Au Wai Man	區偉民	—	1,620	—	81	1,701
Liu Hoi Keung, Gary	廖開強	—	1,620	—	81	1,701
Lam Kwai Wah	林桂華	300	180	1,694	12	2,186
		300	11,196	1,694	562	13,752
Non-executive director:	非執行董事：					
Wong Wai Kwong, David	黃偉光	88	—	—	—	88
		388	11,196	1,694	562	13,840

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8. DIRECTORS' REMUNERATION

(CONTINUED)

(B) EXECUTIVE DIRECTORS AND A NON-EXECUTIVE DIRECTOR

(CONTINUED)

8. 董事酬金 (續)

(B) 執行及非執行董事 (續)

		Fees	Salaries, allowances and benefits in kind 薪金、津貼 及實物福利	Commission 佣金	Pension scheme contributions 退休金 計劃供款	Total remuneration 總酬金
		袍金 HK\$'000 港幣千元	及實物福利 HK\$'000 港幣千元	佣金 HK\$'000 港幣千元	退休金 計劃供款 HK\$'000 港幣千元	總酬金 HK\$'000 港幣千元
2005	二零零五年					
Executive directors:	執行董事：					
Ling Siu Man, Simon	凌少文	—	3,888	—	195	4,083
Lee Ka Yue, Peter	李嘉渝	—	—	—	—	—
Wong Ki Cheung	黃其昌	—	1,944	—	97	2,041
Li Fung Ching, Catherine	李鳳貞	—	1,944	—	97	2,041
Au Wai Man	區偉民	—	1,620	—	81	1,701
Liu Hoi Keung, Gary	廖開強	—	1,620	—	68	1,688
Lam Kwai Wah	林桂華	150	90	787	—	1,027
		150	11,106	787	538	12,581
Non-executive director:	非執行董事：					
Wong Wai Kwong, David	黃偉光	65	—	—	—	65
		215	11,106	787	538	12,646

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內，各董事並無作出放棄或同意放棄任何酬金的安排。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four (2005: five) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining one (2005: Nil) non-director, highest paid employee for the year are as follows:

9. 五位最高薪僱員

年內，五位最高薪僱員包括四位(二零零五年：五位)董事，有關彼等酬金詳情載於上文附註8。年內，餘下一名(二零零五年：無)最高薪非董事僱員之酬金詳情載列如下：

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9. FIVE HIGHEST PAID EMPLOYEES

(CONTINUED)

9. 五位最高薪僱員 (續)

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,000	—
Pension scheme contributions	退休金供款	12	—
		2,012	—

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

薪酬介乎以下範圍之最高薪非董事僱員數目如下：

		Number of employees 僱員數目	
		2006 二零零六年	2005 二零零五年
Nil to HK\$1,000,000	零至1,000,000港元	—	—
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—	—
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	—
		1	—

10. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits arising in Hong Kong during the Year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

10. 稅項

香港利得稅撥備乃按本年度於香港賺取之估計應課稅溢利以稅率17.5%(二零零五年：17.5%)計算。其他地區之應課稅溢利稅項乃根據本集團經營業務所在國家之現行法例、詮釋及慣例按當地適用稅率計算。

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)
Group:	本集團：		
Current – Hong Kong	即期－香港		
Charge for the year	本年度支出	1,528	713
Overprovision in prior years	過往年度超額撥備	(751)	(1,235)
Current – Elsewhere	即期－其他地區		
Charge for the year	本年度支出	1,319	6
Deferred (note 29)	遞延 (附註29)	(2,197)	2,200
		(101)	1,684
Tax charge/(credit) for the year	本年度稅項支出／(稅收抵免)		

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10. TAX (CONTINUED)

A reconciliation of the tax charge/(credit) applicable to profit before tax using the statutory rates for the countries in which the Company, and its subsidiaries are domiciled to the tax charge/(credit) at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

10. 稅項 (續)

適用於除稅前溢利採用本公司及其附屬公司所在國家之法定稅率計算之稅項支出／(稅收抵免)與按實際稅率計算之稅項支出／(稅收抵免)之對賬，以及適用稅率(即法定稅率)與實際稅率之對賬如下：

Group

本集團

		2006 二零零六年		2005 二零零五年	
		HK\$'000 港幣千元	%	HK\$'000 港幣千元 (Restated) (重列)	%
Profit before tax	除稅前溢利	<u>18,509</u>		<u>29,538</u>	
Tax at the statutory tax rate	按法定稅率計算之稅項	3,239	17.5	5,169	17.5
Higher tax rate for other countries	其他國家之較高稅率	346	1.9	459	1.6
Profit not subject to tax, due to concession	因稅務優惠而毋須 課稅之溢利	(2,795)	(15.1)	(1,539)	(5.2)
Adjustments in respect of current tax of previous periods	就過往期間即期稅項 作出調整	(751)	(4.1)	(1,235)	(4.2)
Income not subject to tax	毋須課稅收入	(1,728)	(9.3)	(3,802)	(12.9)
Expenses not deductible for tax	不可扣稅支出	4,986	26.9	1,968	6.7
Tax loss utilised from previous periods	以往期間已動用 之稅務虧損	(1,386)	(7.5)	(85)	(0.3)
Tax loss not recognised	未確認之稅項虧損	383	2.1	1,289	4.4
Deferred tax not recognised, due to concession	因稅務優惠而未確認 之遞延稅項	(2,794)	(15.1)	(643)	(2.2)
Others	其他	<u>399</u>	<u>2.2</u>	<u>103</u>	<u>0.3</u>
Tax charge/(credit) at the Group's effective rate	按本集團實際稅率計算 之支出／(稅收抵免)	<u>(101)</u>	<u>(0.5)</u>	<u>1,684</u>	<u>5.7</u>

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11. NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The net loss from ordinary activities attributable to equity holders of the Company for the year ended 31 March 2006 dealt with in the financial statements of the Company was HK\$11,092,000 (2005: net profit of HK\$39,770,000) (note 32(b)).

11. 公司股本持有人應佔日常業務溢利／（虧損）淨額

本公司於財務報表處理截至二零零六年三月三十一日止年度的公司股本持有人應佔日常業務虧損淨額為11,092,000港元（二零零五年：溢利淨額39,770,000港元）（附註32(b）。

12. DIVIDENDS

12. 股息

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Proposed final – HK1 cent (2005: HK1 cent) per ordinary share	擬派末期股息－每股普通股 1港仙（二零零五年：1港仙）	9,529	9,529

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度擬派末期股息須待本公司股東在應屆股東週年大會批准後方可作實。

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

13. 公司普通股本持有人應佔每股盈利

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$18,610,000 (2005 (restated): HK\$27,854,000) and the 952,889,962 (2005: weighted average of 706,413,187) ordinary shares in issue during the year.

每股基本盈利乃按本年度公司普通股本持有人應佔溢利18,610,000港元（二零零五年（重列）：27,854,000港元）及本年度已發行普通股952,889,962股（二零零五年：加權平均股數706,413,187股）計算。

Diluted earnings per share for the year ended 31 March 2006 and 2005 has not been disclosed as the share options outstanding during these years had an anti-dilutive effect on the basic earnings per share of these years.

由於在截至二零零六年及二零零五年三月三十一日止年度尚未行使的購股權對有關年度的每股基本盈利具反攤薄作用，故並無披露該等年度之每股攤薄盈利。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

本集團

Group

		Buildings	Construction in progress	Leasehold improvements	Furniture and fixtures	Equipment and tools	Motor vehicles	Moulds	Total
		樓宇	在建工程	租賃物業裝修	傢俬及裝置	設備及工具	汽車	模具	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
31 March 2006	二零零六年三月三十一日								
At 31 March 2005 and at 1 April 2005:	於二零零五年三月三十一日及二零零五年四月一日：								
Cost or valuation	成本或估值	242,506	56,984	100,155	29,705	414,791	11,450	166,070	1,021,661
Accumulated depreciation	累計折舊	-	-	(39,922)	(22,329)	(201,136)	(9,045)	(120,578)	(393,010)
Net carrying amount	賬面淨值	242,506	56,984	60,233	7,376	213,655	2,405	45,492	628,651
At 1 April 2005, net of accumulated depreciation	於二零零五年四月一日，已扣除累計折舊	242,506	56,984	60,233	7,376	213,655	2,405	45,492	628,651
Additions	添置	7,893	31,099	3,174	1,994	16,099	-	16,387	76,646
Disposals	出售	-	-	(2)	(49)	(856)	(20)	(5,991)	(6,918)
Depreciation provided during the year	年內提撥之折舊	(9,991)	-	(8,890)	(1,872)	(29,270)	(625)	(19,452)	(70,100)
Exchange realignment	匯兌調整	3,084	1,109	204	13	413	2	16	4,841
At 31 March 2006, net of accumulated depreciation	於二零零六年三月三十一日，已扣除累計折舊	243,492	89,192	54,719	7,462	200,041	1,762	36,452	633,120
At 31 March 2006:	於二零零六年三月三十一日：								
Cost or valuation	成本或估值	253,483	89,192	103,910	31,445	426,850	9,484	173,825	1,088,189
Accumulated depreciation	累計折舊	(9,991)	-	(49,191)	(23,983)	(226,809)	(7,722)	(137,373)	(455,069)
Net carrying amount	賬面淨值	243,492	89,192	54,719	7,462	200,041	1,762	36,452	633,120
Analysis of cost or valuation:	成本或估值分析：								
At cost	按成本值	7,893	89,192	103,910	31,445	426,850	9,484	173,825	842,599
At 31 March 2005 valuation	於二零零五年三月三十一日之估值	245,590	-	-	-	-	-	-	245,590
		253,483	89,192	103,910	31,445	426,850	9,484	173,825	1,088,189

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

14. 物業、廠房及設備 (續)

Group

本集團

		Construction Buildings	in progress	Leasehold improve- ments	Furniture and fixtures	Equipment and tools	Motor vehicles	Moulds	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		樓宇	在建工程	租賃 物業裝修	傢俬 及裝置	設備及工具	汽車	模具	總計
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
31 March 2005	於二零零五年 三月三十一日								
At 1 April 2004:	於二零零四年 四月一日:								
Cost or valuation	成本或估值	187,978	72,696	56,903	27,523	322,241	12,853	147,974	828,168
Accumulated depreciation	累計折舊	(6,669)	-	(31,870)	(20,585)	(174,485)	(10,012)	(95,409)	(339,030)
Net carrying amount	賬面淨值	181,309	72,696	25,033	6,938	147,756	2,841	52,565	489,138
At 1 April 2004, net of accumulated depreciation	於二零零四年 四月一日， 已扣除累計折舊	181,309	72,696	25,033	6,938	147,756	2,841	52,565	489,138
Additions	添置	21,106	13,476	40,722	2,169	93,672	718	18,306	190,169
Disposals	出售	-	-	(211)	(164)	(1,815)	(511)	(79)	(2,780)
Surplus on revaluation	重估盈餘	23,994	-	-	-	-	-	-	23,994
Depreciation provided during the year	年內提撥之折舊	(7,244)	-	(8,275)	(1,932)	(28,194)	(935)	(25,300)	(71,880)
Transfers	轉撥	23,341	(29,188)	2,959	362	2,234	292	-	-
Exchange realignment	匯兌調整	-	-	5	3	2	-	-	10
At 31 March 2005, net of accumulated depreciation	於二零零五年 三月三十一日， 已扣除累計折舊	242,506	56,984	60,233	7,376	213,655	2,405	45,492	628,651
At 31 March 2005:	於二零零五年 三月三十一日								
Cost or valuation:	成本或估值	242,506	56,984	100,155	29,705	414,791	11,450	166,070	1,021,661
Accumulated depreciation	累計折舊	-	-	(39,922)	(22,329)	(201,136)	(9,045)	(120,578)	(393,010)
Net carrying amount	賬面淨值	242,506	56,984	60,233	7,376	213,655	2,405	45,492	628,651
Analysis of cost or valuation:	成本或估值分析:								
At cost	按成本值	-	56,984	100,155	29,705	414,791	11,450	166,070	779,155
At 31 March 2005 valuation	於二零零五年 三月三十一日之估值	242,506	-	-	-	-	-	-	242,506
		242,506	56,984	100,155	29,705	414,791	11,450	166,070	1,021,661

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group's buildings were held under the following lease terms:

14. 物業、廠房及設備 (續)

本集團樓宇及按以下租約持有：

		Hong Kong 香港	Mainland China 中國	Total 總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At valuation:	按估值：			
Held under long term leases	按長期租約持有	259	—	259
Held under medium term leases	按中期租約持有	9,082	234,151	243,233
		<u>9,341</u>	<u>234,151</u>	<u>243,492</u>

The Group's buildings, other than the current year's additions, were revalued at 31 March 2005 by Sallmanns (Far East) Limited, an independent firm of professional valuers, on an open market, existing use basis at HK\$242,506,000. No professional valuation of such buildings was made as at 31 March 2006 because the directors are of the opinion that the carrying amounts of such buildings at 31 March 2006 are not significantly different from the carrying amounts at 31 March 2005 and that a further professional valuation would involve expense out of proportion to the values to the shareholders of the Company.

No professional valuation of the current year's additions of buildings was made as at 31 March 2006 because the directors are of the opinion that the carrying amounts of such buildings as 31 March 2006 are not significantly different from the carrying amounts as 31 March 2006.

Had the whole class of the Group's buildings been carried at cost less accumulated depreciation, they would have been included in the financial statements at approximately HK\$172,464,000 (2005 (restated): HK\$171,291,000).

Included in the total amount of equipment and tools at 31 March 2006 are assets held under finance leases with a net book value of HK\$34,635,000 (2005: HK\$47,152,000).

除本年內添置者外，本集團的樓宇均由獨立專業估值師西門(遠東)有限公司於二零零五年三月三十一日按其於公開市場的現有用途估值為242,506,000港元。於二零零六年三月三十一日並無對該等樓宇進行專業估值，此乃由於董事認為，於二零零六年三月三十一日，該等樓宇之賬面值與二零零五年三月三十一日之賬面值並無重大差異，而且進一步專業估值所涉及之開支對本公司股東之價值並不相稱。

本年內添置之樓宇並無於二零零六年三月三十一日進行專業估值，此乃由於董事認為，該等樓宇於二零零六年三月三十一日之賬面值與於二零零六年三月三十一日之賬面值並無重大差異。

倘本集團全部類別樓宇按成本減累計折舊入賬，則該等資產應按約172,464,000港元(二零零五年(重列)：171,291,000港元)計入財務報表。

於二零零六年三月三十一日的設備及工具總額包括賬面淨值為34,635,000港元(二零零五年：47,152,000港元)的融資租賃資產。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

14. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

As detailed in note 33(ii), deposits for the acquisition of items of property, plant and equipment of HK\$1,715,000 (2005: HK\$33,140,000) were utilised as part of the considerations paid for the purchases of items of property, plant and equipment.

14. 物業、廠房及設備 (續)

如附註33(ii)所詳述，關於收購物業、廠房及設備項目的訂金1,715,000港元(二零零五年：33,140,000港元)已用作支付購買該等物業、廠房及設備項目的部分代價。

15. PREPAID LAND LEASE PAYMENTS

15. 預付土地租賃款項

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)
Carrying amount 1 April	於四月一日之賬面值		
As previously reported	如之前申報	-	-
Effect of adopting HKAS 17 (note 2.4(a))	採納香港會計準則 第17號之影響 (附註2.4(a))	45,369	29,873
As restated	重列	45,369	29,873
Additions	添置	-	16,234
Recognised during the year	年內確認	(761)	(738)
Exchange realignment	匯兌調整	190	-
Current amount at 31 March	三月三十一日即期數額	44,798	45,369
Current portion	即期部份	(9,521)	(9,424)
Non-current portion	非即期部份	35,277	35,945

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

15. PREPAID LAND LEASE PAYMENTS

(CONTINUED)

The Group's leasehold lands were held under the following lease terms:

15. 預付土地租賃款項 (續)

本集團之租賃土地乃按以下租約持有：

		Hong Kong	Mainland	Total
		Hong Kong	China	Total
		香港	中國	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Held under long term leases	按長期租約持有	2,089	—	2,089
Held under medium term leases	按中期租約持有	15,999	26,710	42,709
		<u>18,088</u>	<u>26,710</u>	<u>44,798</u>

At 31 March 2006, the Group is applying for land use right certificates in respect of certain of the Group's leasehold land in Mainland China. These lands had an aggregate net book value of approximately HK\$15,716,000 (2005: HK\$18,085,000).

於二零零六年三月三十一日，本集團正就若干於中國之租賃土地申請土地使用權證。該等土地之賬面淨值合共約為15,716,000港元（二零零五年：18,085,000港元）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

16. INTANGIBLE ASSETS

16. 無形資產

Group		本集團			Total
		Software development costs 軟件發展成本 HK\$'000 港幣千元	Trademarks 商標 HK\$'000 港幣千元	Deferred development cost 遞延發展成本 HK\$'000 港幣千元	
31 March 2006	二零零六年三月三十一日				
Cost at 1 April 2005, net of accumulated amortisation	二零零五年四月一日之成本，已扣除累計攤銷	–	1,254	12,216	13,470
Additions	添置	316	117	8,072	8,505
Amortisation provided during the year	年內攤銷撥備	(32)	(255)	(4,455)	(4,742)
At 31 March 2006	二零零六年三月三十一日	284	1,116	15,833	17,233
At 31 March 2006	二零零六年三月三十一日				
Cost	成本	316	2,625	31,995	34,936
Accumulated amortisation	累計攤銷	(32)	(1,509)	(16,162)	(17,703)
Net carrying amount	賬面淨值	284	1,116	15,833	17,233
31 March 2005	二零零五年三月三十一日				
Cost at 1 April 2004, net of accumulated amortisation	二零零四年四月一日之成本，已扣除累計攤銷	–	1,608	8,656	10,264
Additions	添置	–	34	7,974	8,008
Disposals	出售	–	(128)	–	(128)
Amortisation provided during the year	年內攤銷撥備	–	(260)	(4,414)	(4,674)
At 31 March 2005	二零零五年三月三十一日	–	1,254	12,216	13,470
At 31 March 2005	二零零五年三月三十一日				
Cost	成本	–	2,508	23,923	26,431
Accumulated amortisation	累計攤銷	–	(1,254)	(11,707)	(12,961)
Net carrying amount	賬面淨值	–	1,254	12,216	13,470

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

17. GOODWILL

As detailed in note 2.5 to the financial statements, the Group applied the transitional provisions of HKFRS 3 that permitted goodwill in respect of business combinations which occurred prior to 2001, to remain eliminated against the consolidated reserves.

The amount of the goodwill remaining eliminated against the consolidated retained profits, arising from the acquisition of a subsidiary prior to 1 April 2001, was HK\$2,000 as at 31 March 2006 (2005: HK\$2,000).

17. 商譽

誠如財務報表附註2.5所詳述，本集團應用香港財務報告準則第3號的過渡性條文，容許於二零零一年前的業務合併所產生的商譽繼續與綜合儲備對銷。

於二零零六年三月三十一日，於二零零一年四月一日之前因收購一間附屬公司所產生並繼續與綜合保留溢利對銷的商譽數額為2,000港元（二零零五年：2,000港元）。

18. INTERESTS IN SUBSIDIARIES

18. 於附屬公司權益

		The Company 本公司	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted shares, at cost	非上市股份的成本值	58,812	58,812
Due from subsidiaries	附屬公司欠款	162,256	196,297
		221,068	255,109

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of the amounts due from subsidiaries approximate to their fair values.

附屬公司欠款結餘乃無抵押、免息，且無固定還款期。附屬公司欠款之賬面值與其公平值相若。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

18. INTERESTS IN SUBSIDIARIES

(CONTINUED)

Particulars of the subsidiaries are as follows:

18. 於附屬公司權益 (續)

附屬公司詳情如下：

Name 公司	Place of incorporation/ registration 註冊成立／ 登記及營業地點	Nominal value of issued/ registered paid-up capital 已發行／註冊 繳足股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Agility Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	—	Investment holding 投資控股
Dongguan Gold Beam Electronics Co., Ltd.* 東莞金萊電子 有限公司*	Mainland China 中國	HK\$22,220,000 22,220,000港元	—	100	Manufacture of electronic components and home appliance products 製造電子零件及家庭 電器產品
Dongguan Tonic Electronics Co., Ltd.* 東莞東力電子 有限公司*	Mainland China 中國	HK\$63,543,484 63,543,484港元	—	100	Manufacture of electronic products 製造電子產品
Gold Beam Developments Limited 金萊發展有限公司	Hong Kong 香港	HK\$2 2港元	100	—	Trading and manufacture of components 買賣及製造零件
Tonic Appliances Limited 東力家用電器有限公司	Hong Kong 香港	HK\$2 2港元	100	—	Trading of home appliance products 買賣家庭電器產品
Tonic Electronics (B.V.I.) Limited	British Virgin Islands 英屬處女群島	HK\$1 1港元	100	—	Investment holding 投資控股

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

18. INTERESTS IN SUBSIDIARIES

(CONTINUED)

18. 於附屬公司權益 (續)

Name 公司	Place of incorporation/ registration and operations 註冊成立／ 登記及營業地點	Nominal value of issued/ registered paid-up capital 已發行／註冊 繳足股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tonic Electronics Limited 東力電子有限公司	Hong Kong 香港	Ordinary HK\$200 Non-voting deferred ^{##} HK\$300,000 普通股200港元 無投票權 遞延股份 ^{##} 300,000港元	—	100	Trading and manufacture of electronic products 買賣及製造電子產品
Tonic Digital Products Limited* 東力數碼產品 有限公司*	Hong Kong 香港	HK\$100 100港元	—	100	Trading of digital products 買賣數碼產品
Tonic Enterprises Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100	Holding of patents 持有商標
Tonic International Limited	British Virgin Islands/ Mainland China 英屬處女群島／ 中國	HK\$0.01 0.01港元	—	100	Provision of quality control services 提供品質控制服務
Tonic Investment (B.V.I.) Limited	British Virgin Islands 英屬處女群島	HK\$0.01 0.01港元	—	100	Investment holding 投資控股
Tonic Marketing Limited	British Virgin Islands 英屬處女群島	US\$0.01 0.01美元	—	100	Investment holding 投資控股
Panatone Licensing Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100	Holding of patents 持有商標

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31 March 2006 二零零六年三月三十一日

18. INTERESTS IN SUBSIDIARIES

(CONTINUED)

18. 於附屬公司權益 (續)

Name 公司	Place of incorporation/ registration and operations 註冊成立／ 登記及營業地點	Nominal value of issued/ registered paid-up capital 已發行／註冊 繳足股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tonic DVB Marketing Limited (Formerly Tonic Plastic Limited) (前稱「Tonic Plastic Limited」)	British Virgin Islands/ Mainland China 英屬處女群島／ 中國	US\$0.01 0.01美元	–	100	Trading of electronic products 買賣電子產品
Tonic Trading Development Limited 東力商貿發展有限公司	Hong Kong 香港	HK\$100 100港元	–	100	Trading of electronic products and components 買賣電子產品及零件
Tonic Technology Limited 東力科技有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100	–	Investment holding, manufacture and trading of electronic products and components 投資控股，製造及買賣 電子產品及零件
Panatone Licensing Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100	Holding of patents 持有商標
Tonic Technology (Shenzhen) Ltd [#] 東力科技(深圳)有限 公司 [#]	Mainland China 中國	RMB15,400,000 15,400,000人民幣	–	100	Research and development and trading of electronics products 研究、開發及買賣 電子產品

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

18. INTERESTS IN SUBSIDIARIES

(CONTINUED)

18. 於附屬公司權益 (續)

Name 公司	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 繳足股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Dongguan Xin Lian Digital Technology Co. Ltd [#] 東莞鑫聯數碼科技 有限公司 [#]	Mainland China 中國	HK\$9,000,000 9,000,000港元	—	100	Manufacture of electronic products 製造電子產品
* Not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.			* 並非由安永會計師事務所(香港)或安永會計師事務所(國際)其他成員公司審核。		
[#] Wholly-foreign-owned enterprise.			[#] 全外資企業。		
^{##} The non-voting deferred shares carry the right to one-half of the profits after the holders of the ordinary shares have received a dividend of HK\$1,000,000,000,000, have no right to vote at general meetings and carry the right to receive one-half of the balance of any surplus in a return of capital in a winding up after the holders of the ordinary shares have received a total return of the HK\$500,000,000,000,000. None of the non-voting deferred shares was held by members of the Group at the balance sheet date.			^{##} 無投票權遞延股份持有人可在普通股持有人收取1,000,000,000,000港元股息後獲得所餘一半溢利，但無權於股東大會投票，清盤時則可在普通股持有人收取退回資本總額500,000,000,000,000港元後收取任何盈餘的一半餘額作為退回股本。本集團成員公司於結算日概無持有無投票權遞延股份。		

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

19. AVAILABLE-FOR-SALE INVESTMENTS

19. 可供出售投資

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Unlisted equity investment, at cost	非上市股本投資，按成本值	24,366	—	24,366	—
Less: Provision for impairment	減：減值撥備	(11,110)	—	(11,110)	—
		13,256	—	13,256	—
Club debentures, at fair value	會員債券，按公平值	963	963	—	—
		14,219	963	13,256	—

The above investments were designated as available-for-sale financial assets on 1 April 2005 and have no fixed maturity date or coupon rate.

The unlisted available-for-sale equity investment, whose fair value cannot be measured reliably, has been stated at cost less impairment losses.

上述投資於二零零五年四月一被列為可供出售金融資產及並無固定到期日或票面利率。

非上市可供出售股本投資之公平值未能可靠地計量，乃以成本值減減值虧損列賬。

20. OTHER RECEIVABLE

20. 其他應收款項

		The Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Other receivable	其他應收款項	6,264	23,759
Portion classified as current asset	歸類為流動資產之部份	(558)	—
Non-current portion	非即期部份	5,706	23,759

The balance at 31 March 2006 represents the proceeds receivable from the disposal of items of property, plant and equipment (note 33(iii)) and is carried at amortised cost (2005: Nil).

於二零零六年三月三十一日之結餘代表出售物業、廠房及設備項目(附註33(iii))之應收所得款項，並按攤銷成本列賬(二零零五年：無)。

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21. LOANS RECEIVABLE

The loans receivable represents unsecured and interest-free advances to a staff member of the Group and its carrying amount approximates to its fair value.

The terms of the loans receivable are analysed as follows:

21. 應收貸款

應收貸款指授予本集團員工的無抵押免息貸款，而其賬面值與公平值相若。

應收貸款的還款期分析如下：

		The Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Repayable within one year	一年內償還	188	188
Repayable by equal monthly instalments over three years (2005: Four years)	三年(二零零五年：四年)內每月定額償還	281	469
		469	657
Portion classified as current asset	列作流動資產部分	(188)	(188)
Non-current portion	非即期部分	281	469

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22. INVENTORIES

22. 存貨

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Raw materials	原料	158,583	97,099
Work in progress	在製品	134,587	100,441
Finished goods	製成品	61,107	59,670
		<u>354,277</u>	<u>257,210</u>

23. ACCOUNTS AND BILLS RECEIVABLE

23. 應收賬款及票據

The Group's trading term with its customers is mainly on credit. The credit period granted by the Group to customers generally ranges from 7 days to 35 days, extending up to 120 days for major customers. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts and bills receivable relate to a large number of diversified customers, there is no significant concentration of credit risk.

本集團給予客戶的一般信貸期介乎七至三十五日，主要客戶的信貸期則最多為120日。本集團力求對其未收回應收款項維持嚴謹控制，以減低信貸風險。逾期未償還款項由高級管理層定期審閱。鑒於前述措施及本集團之應收賬款及票據涉及大批不同顧客，所以並無重大信貸集中之風險。

An aged analysis of the Group's accounts and bills receivable as at the balance sheet date, based on invoice date, is as follows:

本集團於結算日按發單日期計算的應收賬款及票據賬齡分析如下：

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 Percentage 港幣千元 百分比	HK\$'000 Percentage 港幣千元 百分比
0 to 30 days	零至三十日	140,346 50	136,923 60
31 to 60 days	三十一至六十日	36,343 13	16,944 7
61 to 90 days	六十一至九十日	23,814 9	41,054 18
Over 90 days	超過九十日	76,924 28	32,900 15
		<u>277,427</u> <u>100</u>	<u>227,821</u> <u>100</u>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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23. ACCOUNTS AND BILLS RECEIVABLE *(CONTINUED)*

The Group's accounts and bills receivable are non-interest-bearing and their carrying amounts approximate to their fair values.

23. 應收賬款及票據 (續)

本集團之應收賬款及票據為免息及其賬面值與其公平值相若。

24. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS/OTHER INVESTMENTS

24. 按公平值記入損益賬之股本投資／其他投資

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Listed equity investments in Hong Kong, at market value	香港上市股本投資，按市值	10,380	17,542

The above equity investments were classified as held for trading at 31 March 2006.

上述股本投資於二零零六年三月三十一日被歸類為持作買賣。

In 2005, the Company changed its intention in holding the investments from long term to short term purpose, resulting in a net gain in transferring the long term investments into other investments of HK\$20,290,000.

於二零零五年，本公司改變對其所持有之投資之意向，由長期改為短期，長期投資轉為其他投資產生收益淨額20,290,000港元。

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31 March 2006 二零零六年三月三十一日

25. ACCOUNTS PAYABLE

An aged analysis of the Group's accounts payable as at the balance sheet date, based on invoice date, is as follows:

Group

		2006 二零零六年		2005 二零零五年	
		HK\$'000 港幣千元	Percentage 百分比	HK\$'000 港幣千元	Percentage 百分比
0 to 30 days	零至三十日	164,073	37	96,630	36
31 to 60 days	三十一至六十日	117,403	26	42,747	16
61 to 90 days	六十一至九十日	42,881	10	42,791	16
Over 90 days	超過九十日	117,530	27	87,804	32
		<u>441,887</u>	<u>100</u>	<u>269,972</u>	<u>100</u>

The accounts payable are non-interest-bearing and are normally settled on 30 – 90 days. The carrying amounts of the accounts payable approximate to their fair values.

本集團於結算日按發票日期計算的應付賬款賬齡分析如下：

應付賬款為免息及一般於三十至九十日內結清。應付賬款之賬面值與其公平值相若。

26. DERIVATIVE FINANCIAL INSTRUMENTS

26. 衍生財務工具

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Forward currency contracts at 31 March	於三月三十一日之遠期貨幣合約	<u>(1,496)</u>	<u>—</u>

The carrying amounts of forward currency contracts approximate to their fair values.

遠期貨幣合約之賬面值與其公平值相若。

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31 March 2006 二零零六年三月三十一日

26. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

As detailed in note 2.2(b) to the financial statements, the Group has entered into various forward currency contracts to manage its exchange rate exposures which did not meet the criteria for hedge accounting. Changes in the fair value of non-hedging currency derivatives amounting to HK\$1.5 million were charged to the income statement during the year (2005: Nil).

As at 31 March 2006, the Group had outstanding forward currency contracts with an aggregate notional amount of approximately HK\$526 million (2005: HK\$285 million) to hedge payables in US dollars.

26. 衍生財務工具 (續)

誠如財務報表附註2.2(b)所闡述，本集團已訂立多份遠期貨幣合約以管理其並未符合對沖會計條件之外匯風險。非對沖貨幣衍生工具之公平值變動1,500,000港元已於年內計入收益表(二零零五年：無)。

於二零零六年三月三十一日，本集團有總名義數額約為526,000,000港元(二零零五年：285,000,000港元)之未平倉遠期貨幣合約對沖應付美元款項。

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

27. 計息銀行及其他借貸

		Effective interest rate 實際利率(%)	Maturity 到期	Group 本集團	
				2006 二零零六年	2005 二零零五年
				HK\$'000 港幣千元	HK\$'000 港幣千元
Current	即期				
Finance lease payables (note 28)	融資租賃應付款項 (附註28)	4 – 6.9	2007 二零零七年	10,532	8,419
Bank loans – unsecured	銀行貸款 – 無抵押	5.4 – 5.65	2007 二零零七年	48,333	141,697
Trust receipt loans	信託收據貸款	5.4 – 5.9	30 June 2006 二零零六年 六月三十日	195,723	136,894
				254,588	287,010
Non-current	非即期				
Finance lease payables (note 28)	融資租賃應付款項 (附註28)	4 – 6.9	2010 二零一零年	25,239	25,779
Bank loans – unsecured	銀行貸款 – 無抵押	5.65	2010 二零一零年	181,000	161,834
				206,239	187,613
				460,827	474,623

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31 March 2006 二零零六年三月三十一日

27. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

27. 計息銀行及其他借貸 (續)

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Analysed into:	分析為：		
Bank loans repayable:	須於下列年期償還的銀行貸款：		
Within one year or on demand	一年內	244,056	278,591
In the second year	第二年	92,000	98,000
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	89,000	63,834
		425,056	440,425
Finance lease payables:	融資租賃應付款項		
Within one year	一年內	10,532	8,419
In the second year	第二年	10,396	6,919
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	14,843	18,860
		35,771	34,198
		460,827	474,623

As at 31 March 2006, all the Group's bank borrowings were secured by a corporate guarantee granted by the Company and cross-corporate guarantees by certain subsidiaries and the Company. As disclosed in note 37(c) to the financial statements, under the terms of a loan agreement, the chairman of the Company, Mr. Ling Siu Man, Simon, being the single largest shareholder and is actively involved in the management and business of the Group, is required to maintain at least 40% of the beneficial interests in shareholdings in the Company.

於二零零六年三月三十一日，所有本集團的銀行借貸均由本公司授出的企業擔保及若干附屬公司與本公司互相作出的企業擔保作抵押。誠如財務報表附註37(c)所披露，根據貸款協議條款，本公司主席凌少文先生作為單一最大股東，並積極參與本集團的管理及業務，須於本公司之持股量維持最少40%。

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27. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Other interest rate information:

27. 計息銀行及其他借貸 (續)

其他利率資料：

Group
本集團

		2006 二零零六年		2005 二零零五年	
		Fixed rate	Floating rate	Fixed rate	Floating rate
		固定利率	浮動利率	固定利率	浮動利率
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Finance lease payables	融資租賃應付款項	9,749	26,022	–	34,198
Bank loans – unsecured	銀行貸款－無抵押	–	425,056	6,664	433,761

The carrying amounts of the Group's bank and other borrowings approximate to their fair values.

本集團的銀行及其他借貸之賬面值與其公平值相若。

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28. FINANCE LEASE PAYABLES

The Group leases certain of its plant and machinery for its business. These leases are classified as finance leases and have remaining lease terms ranging from one to five years. At 31 March 2006, the total future minimum lease payments under finance leases and their present values were as follows:

28. 融資租賃應付款項

本集團租用其若干廠房及機器作業務運作之用。該等租約列為融資租賃，餘下租期介乎一至五年不等。於二零零六年三月三十一日，按融資租賃須付未來最低租金總額及其現值如下：

Group	本集團	Minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Present value of minimum lease payments
		最低租金	最低租金	最低租金現值	最低租金現值
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Amounts payable:	須於下列年期償還：				
Within one year	一年內	12,319	9,080	10,532	8,419
In the second year	第二年	11,558	7,408	10,396	6,919
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)	15,671	19,500	14,843	18,860
Total minimum finance lease payments	融資租賃最低租金總額	39,548	35,988	35,771	34,198
Future finance charges	未來融資費用	(3,777)	(1,790)		
Total net finance lease payables	融資租賃應付款項總承擔淨額	35,771	34,198		
Portion classified as current liabilities (note 27)	列作流動負債部分 (附註27)	(10,532)	(8,419)		
Non-current portion (note 27)	非即期部分 (附註27)	25,239	25,779		

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29. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

DEFERRED TAX LIABILITIES

GROUP

29. 遞延稅項

年內遞延稅項負債及資產的變動如下：

遞延稅項負債

本集團

		2006 二零零六年			
		Accelerated tax depreciation 加速稅項折舊 HK\$'000 港幣千元	Development costs 開發成本 HK\$'000 港幣千元	Revaluation of properties 重估物業 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2005	於二零零五年四月一日				
As previously reported	如之前呈報	24,895	1,091	16,876	42,862
Prior year adjustments	對上年度的調整	(283)	—	(4,340)	(4,623)
As restated	重列	24,612	1,091	12,536	38,239
Deferred tax charged/(credited) to the income statement during the year (note 10)	年內於 收益表扣除／(計入)的遞延稅項 (附註10)	(5,388)	258	(116)	(5,246)
Gross deferred tax liabilities At 31 March 2006	遞延稅項負債總額 於二零零六年三月三十一日	19,224	1,349	12,420	32,993

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29. DEFERRED TAX (CONTINUED)**DEFERRED TAX ASSETS****GROUP****29. 遞延稅項** (續)**遞延稅項資產****本集團**

		2006 二零零六年		
		Loss available for offset against future taxable profit 可供抵銷 日後應課稅 溢利的虧損 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2005	於二零零五年四月一日	6,118	412	6,530
Deferred tax charged to the income statement during the year (note 10)	年內於收益表扣除的 遞延稅項 (附註10)	(3,001)	(48)	(3,049)
Gross deferred tax assets at 31 March 2006	於二零零六年三月三十一日 的遞延稅項資產總額	3,117	364	3,481
Net deferred tax liabilities at 31 March 2006	於二零零六年三月三十一日 的遞延稅項負債淨額			29,512

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29. DEFERRED TAX (CONTINUED)**DEFERRED TAX LIABILITIES****GROUP****29. 遞延稅項 (續)****遞延稅項負債****本集團**

		2005 二零零五年			
		Accelerated tax depreciation 加速 稅項折舊 HK\$'000 港幣千元	Development costs 發展成本 HK\$'000 港幣千元	Revaluation of properties 重估物業 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2004	於二零零四年四月一日				
As previously reported	如之前呈報	22,061	776	11,438	34,275
Prior year adjustments	對上年度調整	(489)	–	(1,891)	(2,380)
As restated	重列	21,572	776	9,547	31,895
Deferred tax charged to the income statement during the year (note 10)	年內於收益表扣除的 遞延稅項 (附註10)	3,040	315	–	3,355
Deferred tax debited to equity during the year (as restated)	年內扣除自股本之 遞延稅項 (重列)	–	–	2,989	2,989
Gross deferred tax liabilities At 31 March 2005	遞延稅項負債總額 於二零零五年三月三十一日	24,612	1,091	12,536	38,239

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29. DEFERRED TAX (CONTINUED)

DEFERRED TAX ASSETS GROUP

At 1 April 2004	於二零零四年四月一日
Deferred tax credited to the income statement during the year (note 10)	年內於收益表計入的遞延稅項 (附註10)
Gross deferred tax assets at 31 March 2005	於二零零五年三月三十一日的遞延稅項資產總值
Net deferred tax liabilities at 31 March 2005	於二零零五年三月三十一日的遞延稅項負債淨值

At 31 March 2006, there was no significant unrecognised deferred tax liability (2005: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

29. 遞延稅項 (續)

遞延稅項資產 本集團

	2005 二零零五年		
Loss available for offset against future taxable profit		Others	Total
可供抵銷日後應課稅溢利的虧損		其他	總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000
港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2004	5,375	–	5,375
Deferred tax credited to the income statement during the year (note 10)	743	412	1,155
Gross deferred tax assets at 31 March 2005	6,118	412	6,530
Net deferred tax liabilities at 31 March 2005			31,709

於二零零六年三月三十一日，並無就本集團若干附屬公司之未匯出盈利應付之稅項而有重大未確認遞延稅項負債 (二零零五年：無)，原因為倘本集團匯出該等金額，其並無額外稅項負債。

本公司派付予股東之股息並無所得稅影響。

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30. SHARE CAPITAL

30. 股本

		Company 本公司	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Authorised:	法定：		
1,200,000,000	1,200,000,000股		
(2005: 1,200,000,000) ordinary	(二零零五年：		
shares of HK\$0.10 each	1,200,000,000股) 每股面值		
	0.10港元的普通股	120,000	120,000
Issued and fully paid:	已發行及繳足：		
952,889,962 (2005: 952,889,962)	952,889,962股 (二零零五年：		
ordinary shares of HK\$0.10 each	952,889,962股) 每股面值		
	0.10港元的普通股	95,289	95,289

In 2005, a rights issue of one rights share for every two existing shares held by members on the register of members on 24 February 2005 was made, at an issue price of HK\$0.20 per rights share, resulting in the issue of 317,629,987 shares of HK\$0.10 each for a total cash consideration, before expenses, of HK\$63,526,000.

於二零零五年，本公司按發行價每股供股股份0.20港元之價格，以供股方式就二零零五年二月二十四日股東名冊上之股東所持之每兩股現有股份發行一股供股，導致發行317,629,987股每股面值0.10港元之股份，總現金代價(未計開支)為63,526,000港元。

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30. SHARE CAPITAL (CONTINUED)

A summary of the transactions in the Company's issued share capital is as follows:

30. 股本 (續)

於本公司已發行股本所進行之交易概述如下：

		Number of shares in issue 已發行 股份數目	Issued share capital 已發行股本 HK\$'000 港幣千元	Share premium account 股份 溢價賬 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 April 2004	於二零零四年四月一日	635,259,975	63,526	28,735	92,261
Rights issue	供股	317,629,987	31,763	31,763	63,526
Share issue expenses	股份發行開支	—	—	(1,400)	(1,400)
At 31 March 2005 and 31 March 2006	於二零零五年三月三十一日 及二零零六年三月三十一日	952,889,962	95,289	59,098	154,387

SHARE OPTIONS

Details of the Company's share option scheme are included in note 31 to the financial statements.

購股權

本公司購股權計劃詳情載於財務報表附註31。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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31. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Option Scheme include the Company's executive directors or employees of the Group. The Option Scheme became effective upon the listing of the Company's shares on the Stock Exchange on 16 October 1997 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue from time to time. No option may be granted to any one employee which, if exercised in full, would result in the total number of shares already issued and issuable to him/her under the Option Scheme exceeding 25% of the maximum aggregate number of shares subject to the Option Scheme at the time it is proposed to grant the relevant option to such employee.

The exercise price of the share options is determined by the directors and is equal to the higher of (i) the nominal value of the shares; and (ii) a price, which is not less than 85% of the average closing price of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of grant of such options.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

31. 購股權計劃

本公司設有購股權計劃（「購股權計劃」），旨在向該等對本集團業務成就有所貢獻的合資格參與人士提供獎勵及獎賞。購股權計劃合資格參與人士包括本公司執行董事或本集團僱員。購股權計劃於本公司股份於一九九七年十月十六日在聯交所上市後生效。除經取消或修訂外，該計劃將自上述日期起生效，為期10年。

根據購股權計劃目前可予授出的尚未行使購股權數目上限，相等於在購股權獲行使時本公司不時已發行股份的10%。倘向任何一名僱員授出購股權，而全面行使有關購股權將導致根據購股權計劃已發行及可發行予該名僱員的股份總數，超過在建議授出有關購股權予該名僱員之時購股權計劃所涉及股份總數上限25%，則不得向該名僱員授出購股權。

購股權行使價由董事釐定，相等於下列較高者：(i)股份面值；及(ii)不低於本公司股份在緊接授出有關購股權當日前五個交易日在聯交所的平均收市價85%的價格。

購股權並不賦予持有人享有股息或可於股東大會投票之權利。

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31. SHARE OPTION SCHEME (CONTINUED)

An option may be exercised in accordance with the terms of the Option Scheme at any time from the date of acceptance of the option by an employee or such later date as may be fixed by the directors, to any date prior to the tenth anniversary of such date, provided that the employee can only exercise a maximum of 20% of the options granted to him in each 12-month period following the commencement of the relevant option period. The consideration to be paid by the employee upon acceptance of a grant of options is HK\$1.00.

With effect from 1 September 2001, the Stock Exchange requires that the exercise price of options is at least the higher of the closing price of the shares on the Stock Exchange on the date of grant and the average of the closing price of the shares on the Stock Exchange for the five trading days immediately preceding the date of grant. Up to the date of this report, the Company has not granted any option on or after 1 September 2001.

31. 購股權計劃 (續)

有關僱員可自接納購股權之日或董事可能訂定的較後日期起至該日期後十年屆滿當日止期間，隨時按照購股權計劃的條款行使購股權，惟有關僱員在有關購股權期間開始後各個12個月期間僅可行使最多達其獲授購股權的20%。僱員在接納授出之購股權時須支付的代價為1.00港元。

自二零零一年九月一日起，聯交所規定購股權最低行使價須為下列較高者：股份於授出日期在聯交所的收市價及股份在緊接授出日期前五個交易日在聯交所的平均收市價。截至本報告日期，本公司於二零零一年九月一日或之後並無授出任何購股權。

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31. SHARE OPTION SCHEME (CONTINUED)

The following share options were outstanding under the Option Scheme during the year:

31. 購股權計劃 (續)

年內，在購股權計劃下尚未行使的購股權如下：

	At 1 April 2005 於二零零五年四月一日	Number of outstanding share options cancelled during the year 年內註銷之未行使購股權數目	At 31 March 2006 於二零零六年三月三十一日	Date of grant of share options 購股權授出日期	Exercise period of share options 購股權行使期	Exercise price of share options* 購股權行使價* HK\$ 港元
Directors 董事						
Ling Siu Man, Simon 凌少文	15,000,000	—	15,000,000	07-04-00 二零零零年四月七日	10-04-00 to 09-04-10 二零零零年四月十日至二零零一年四月九日	0.467
Lee Ka Yue, Peter 李嘉渝	2,715,000	—	2,715,000	07-04-00 二零零零年四月七日	10-04-00 to 09-04-10 二零零零年四月十日至二零零一年四月九日	0.467
Wong Ki Cheung 黃其昌	2,715,000	—	2,715,000	07-04-00 二零零零年四月七日	10-04-00 to 09-04-10 二零零零年四月十日至二零零一年四月九日	0.467
Li Fung Ching, Catherine 李鳳貞	2,715,000	—	2,715,000	07-04-00 二零零零年四月七日	10-04-00 to 09-04-10 二零零零年四月十日至二零零一年四月九日	0.467
Au Wai Man 區偉民	2,715,000	—	2,715,000	07-04-00 二零零零年四月七日	10-04-00 to 09-04-10 二零零零年四月十日至二零零一年四月九日	0.467

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31. SHARE OPTION SCHEME (CONTINUED)**31. 購股權計劃** (續)

	At 1 April 2005	Number of outstanding share options cancelled during the year	At 31 March 2006	Date of grant of share options	Exercise period of share options	Exercise price of share options*
	於二零零五年四月一日	年內註銷之未行使購股權數目	於二零零六年三月三十一日	購股權授出日期	購股權行使期	購股權行使價* HK\$ 港元
Liu Hoi Keung, Gary 廖開強	2,715,000	—	2,715,000	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日至 二零一零年 四月九日	0.467
Lam Kwai Wah 林桂華	1,650,000	—	1,650,000	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日至 二零一零年 四月九日	0.467
	<u>30,225,000</u>	<u>—</u>	<u>30,225,000</u>			
Other employees In aggregate	40,050,000	(5,100,000)	34,950,000	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日至 二零一零年 四月九日	0.467
其他僱員 合計	<u>70,275,000</u>	<u>(5,100,000)</u>	<u>65,175,000</u>			

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

* 購股權之行使價會隨著供股或發行紅股，或本公司股本其他類似變動時作調整。

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31. SHARE OPTION SCHEME (CONTINUED)

At the balance sheet date and the date of approval of these financial statements, the Company had 65,175,000 share options outstanding under the Option Scheme, which represented approximately 6.8% of the Company's shares in issue at these dates. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 65,175,000 additional shares of the Company and additional share capital of HK\$6,517,500 and share premium of approximately HK\$23,919,000 (before issue expenses).

31. 購股權計劃 (續)

於結算日及本財務報表批准日期，本公司根據購股權計劃共有65,175,000股尚未行使購股權，佔本公司於該等日期之已發行股份約6.8%。按本公司現有股本架構而言，全面行使餘下購股權將導致本公司發行額外65,175,000股股份，並將導致額外股本6,517,500港元及股份溢價約23,919,000港元（未計開支）。

32. RESERVES

(a) GROUP

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 38 in the financial statements.

The contributed surplus of the Group represents the difference between the nominal value of the share capital of the former holding company of the Group acquired pursuant to the Group reorganisation to rationalise the Group structure in preparation for the listing of the Company's shares on the Stock Exchange, over the nominal value of the Company's shares issued in exchange therefor.

32. 儲備

(a) 本集團

本集團於本年度及過往年度之儲備及有關變動數額於財務報表第38頁之綜合權益變動表呈列。

本集團的繳入盈餘指本集團因籌備本公司股份在聯交所上市而重整本集團架構所進行的集團重組而收購的本集團前控股公司股本面值，超出本公司就此交換而發行股份面值的差額。

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32. RESERVES (CONTINUED)**(b) COMPANY****32. 儲備 (續)****(b) 本公司**

		Share premium account 股份溢價賬 HK\$'000 港幣千元	Contributed surplus 繳入盈餘 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2004	二零零四年四月一日	28,735	58,794	2,123	89,652
Issue of shares	發行股份	31,763	—	—	31,763
Share issue expenses	發行股份開支	(1,400)	—	—	(1,400)
Profit for the year	本年度溢利	—	—	39,770	39,770
Proposed final 2005 dividend	擬派二零零五年末期股息	—	—	(9,529)	(9,529)
At 31 March 2005 and at 1 April 2005	二零零五年三月三十一日 及二零零五年四月一日	59,098	58,794	32,364	150,256
Issue of shares	發行股份	—	—	—	—
Share issue expenses	發行股份開支	—	—	—	—
Loss for the year	本年度虧損	—	—	(11,092)	(11,092)
Proposed final 2006 dividend	擬派二零零六年末期股息	—	—	(9,529)	(9,529)
At 31 March 2006	二零零六年三月三十一日	59,098	58,794	11,743	129,635

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the reorganisation referred to in note 32(a), over the nominal value of the Company's shares issued in exchange therefor.

Under the Companies Law (2002 Revision) of the Cayman Islands, the share premium account of the Company is available for distribution to shareholders, subject to the provisions of the Company's memorandum or articles of association and provided that immediately following the distribution of dividends, the Company is able to pay its debts as and when they fall due in the ordinary course of business. In the opinion of the directors, the Company's reserves available for distribution represent the share premium account, contributed surplus and retained profits.

本公司的繳入盈餘指根據附註32(a)所述重組所收購附屬公司之股份公平值，超出本公司就此交換而發行股份面值的差額。

根據開曼群島公司法(二零零二年修訂本)，除本公司組織章程大綱或細則另有規定者外，本公司可將股份溢價賬用作分派予股東，惟條件為本公司須於緊隨派發股息後可償還其在日常業務中到期的債項。董事認為，本公司可供分派的儲備為股份溢價賬、繳入盈餘及保留溢利。

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33. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

MAJOR NON-CASH TRANSACTIONS

- (i) During the year, the Group entered into finance lease arrangements in respect of property, plant and equipment with a total capital value at the inception of the leases of HK\$12,138,000 (2005: HK\$32,500,000).
- (ii) During the year, deposits for the acquisition of items of property, plant and equipment of HK\$1,715,000 (2005: HK\$33,140,000) were utilised as part of the considerations paid for the purchases of the items of property, plant and equipment.
- (iii) During the year, the Group disposed of an item of property, plant and equipment for a consideration of HK\$8,607,500, of which HK\$1,017,500 was received during the year and the remaining balance of HK\$7,590,000 was recorded as an other receivable at amortised cost of HK\$6,264,000 at 31 March 2006 (note 20).

33. 綜合現金流量表附註

主要非現金交易

- (i) 年內，本集團就物業、廠房及設備訂立融資租賃安排。於訂立該等租約時，該等物業、廠房及設備的資本總值為12,138,000港元（二零零五年：32,500,000港元）。
- (ii) 年內，購買物業、廠房及設備項目的訂金1,715,000港元（二零零五年：33,140,000港元）已經動用，作為購買物業、廠房及設備項目的部分代價。
- (iii) 年內，本集團以代價8,607,500港元出售物業、廠房及設備項目，當中，1,017,500港元已於年內收取，而餘款7,590,000港元則以二零零六年三月三十一日之攤銷成本6,264,000港元入賬列作其他應收款項（附註20）。

34. CONTINGENT LIABILITIES

At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

34. 或然負債

於結算日，未於財務報表中撥備的或然負債如下：

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Guarantees for general banking facilities of subsidiaries*	為附屬公司的一般銀行信貸提供擔保*	-	-	1,292,175	1,197,325
Guarantees for the purchases of a subsidiary	一間附屬公司的採購擔保	-	-	4,596	4,464
Shipping guarantees	船務擔保	10,071	1,060	-	-
		<u>10,071</u>	<u>1,060</u>	<u>1,296,771</u>	<u>1,201,789</u>

* At 31 March 2006, HK\$460,827,000 (2005: HK\$471,304,000) of the general banking facilities were utilised by the subsidiaries.

* 於二零零六年三月三十一日，附屬公司已動用的一般銀行信貸為460,827,000港元（二零零五年：471,304,000港元）。

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35. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to four years.

At 31 March 2006, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Within one year	一年內	3,135	2,876
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	3,962	6,517
		7,097	9,393

At balance sheet date, the Company had no operating lease arrangements (2005: Nil).

本集團根據經營租賃安排租賃其若干物業。物業租約的議訂年期介乎一至四年。

於二零零六年三月三十一日，本集團在不可撤銷經營租約下須於下列期間支付的未來最低租金總額為：

於結算日，本公司並無任何經營租賃安排(二零零五年：無)。

36. COMMITMENTS

In addition to the operating lease commitments detailed in note 35 above, the Group had the following capital commitments at the balance sheet date:

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Equipment and tools	設備及工具	3,748	205
Moulds	模具	257	1,115
		4,005	1,320

除上文附註35所詳述經營租賃承擔外，本集團於結算日有以下資本承擔：

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37. RELATED PARTY TRANSACTIONS, CONNECTED TRANSACTIONS, AND CONTINUING CONNECTED TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, during the year, the Group had the following related party and connected transactions:

- (a) The Group sold audio and video products and related components amounting to HK\$22,137,000 (2005: HK\$23,492,000) to Pioneer Ventures Limited ("PVL"), a wholly-owned subsidiary of EganaGoldpfeil (Holdings) Limited ("EG"), which is a substantial shareholder of the Company.

The sales to PVL were made according to the published prices and conditions offered to the other major customers of the Group.

- (b) In the prior year, the Group paid HK\$140,000 to International Taxation Advisory Services Limited, of which Mr. Wong Wai Kwong, David, a non-executive director of the Company, is a director, for corporate advisory services rendered to the Group.
- (c) During the year, the Group signed a term loan facility agreement for syndicated loan. Under the terms of the agreement, the chairman of the Company, Mr. Ling Siu Man, Simon, being the single largest shareholder and is actively involved in the management and business of the Group, is required to maintain at least 40% of the beneficial interests in shareholdings in the Company.

37. 關連人士交易、關連交易及持續關連交易

除財務報表其他部分所載交易及結餘外，本集團於年內有下列關連人士及關連交易：

- (a) 本集團向本公司主要股東聯洲國際集團（「聯洲國際」）的全資附屬公司 Pioneer Ventures Limited（「PVL」）出售價值22,137,000港元（二零零五年：23,492,000港元）的音響與視像產品及有關零件。

向PVL銷售貨品乃根據公價及按本集團其他主要客戶所獲條件進行。

- (b) 去年，本集團就 International Taxation Advisory Services Limited（本公司非執行董事黃偉光先生乃該公司的董事）向本集團提供的企業顧問服務而支付140,000港元。
- (c) 年內，本集團就銀團貸款簽訂定期貸款融資協議。根據協議條款，本公司主席凌少文先生（彼為本集團唯一最大股東及積極參與本集團的管理及業務）須擁有本公司持股量之實際權益最少40%。

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37. RELATED PARTY TRANSACTIONS, CONNECTED TRANSACTIONS, AND CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

37. 關連人士交易、關連交易及持續關連交易 (續)

(d) Compensation of key management personnel of the Group:

(d) 本集團主要管理人員薪酬：

		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Short term employee benefits	短期僱員福利	13,545	12,271
Post-employment benefits	離職後福利	562	538
Total compensation paid to key management personnel	已付主要管理人員薪酬總額	14,107	12,809

Further details of directors' emoluments are included in note 8 to the financial statements.

董事酬金之進一步詳情載於財務報表附註8。

The related party transactions in respect of items (a) and (b) above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

以上(a)項及(b)項關連人士交易按照上市規則第14A章之規定亦構成持續關連交易。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank borrowings, finance leases, and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as accounts and bills receivable and accounts payable, which arise directly from its operations.

The Group also enters into derivative transactions, principally forward currency contracts. The purpose is to manage its sources of finance and the currency risks arising from the Group's operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.5 to the financial statements.

CASH FLOW INTEREST RATE RISK

The interest rates of the interest-bearing bank and other borrowings of the Group are disclosed in note 27 to the financial statements. The Group believes its exposure to cash flow interest rate risk is minimal.

FOREIGN CURRENCY RISK

The Group has transactional currency exposures. Such exposure arise from substantial portion of sales or purchases by operating units in US dollars and RMB. The Group is exposed to foreign exchange risk in respect of transactions in US dollars and RMB. Considering that there is insignificant fluctuation in the exchange rates of US dollars and RMB against Hong Kong dollars, the Group believes its exposure to exchange rate risk is minimal.

The Group constantly reviews the economic situation and its foreign exchange risk profile, and considers implementing appropriate hedging measures in future as may be necessary.

38. 財務風險管理目標及政策

本集團之主要金融工具(衍生工具除外)包括計息銀行借貸、融資租賃及現金及銀行結存。該等金融工具之主要目的為就本集團業務籌集資金。本集團擁有多種其他金融資產及負債(例如應收賬款及票據及應付賬款)直接自其業務產生。

本集團亦進行衍生工具交易，主要為遠期貨幣合約，旨在管理其資金來源及產生自本集團業務之外匯風險。

本集團金融工具所產生之主要風險為現金流利率風險、外匯風險、信貸風險及流動資金風險。董事會檢討及同意管理各類該等風險之政策，該等政策於下文概述。本集團就衍生工具之會計政策載於財務報表附註2.5。

現金流利率風險

本集團之計息銀行及其他借貸於財務報表附註27披露。本集團認為其所承受之現金流利率風險為極低。

外匯風險

本集團須承受外匯交易風險。該等風險來自以美元及人民幣為經營單位之大額買賣。本集團須承受以美元及人民幣為單位交易之外匯風險。經考慮美元及人民幣與港元之間的匯率波幅輕微，本集團認為其所承受之外匯風險為極低。

本集團定期檢討經濟狀況及其外匯風險組合，並於未來可能需要時考慮實施適當之對沖措施。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 二零零六年三月三十一日

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CREDIT RISK

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Since the Group trades only with recognised and creditworthy third parties, there is generally no requirement for collateral.

LIQUIDITY RISK

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings.

The Group consistently maintains a prudent financing policy and ensures that sufficient cash and credit lines are maintained to meet the Group's liquidity requirements.

39. COMPARATIVE AMOUNTS

As further explained in notes 2.2 and 2.4 to the financial statements, due to the adoption of new HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year and opening balance adjustments have been made and certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment.

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 18 July 2006.

38. 財務風險管理目標及政策 (續)

信貸風險

本集團僅與已確認及具信譽之第三方進行貿易。本集團之政策為所有欲以信貸期進行貿易之客戶均須接受信貸驗證程序。此外，應收款項結餘乃以持續基準監控。

由於本集團僅與已確認及具信譽之第三方進行貿易，故一般並不需要抵押品。

流動資金風險

本集團的目標在於透過運用計息銀行及其他貸款，保持資金持續性與靈活性的平衡。

本集團持續維持審慎財政政策，並確保其維持足夠現金及信貸額度以符合本集團流動資金所需。

39. 比較金額

誠如財務報表附註2.2及2.4之進一步闡述，由於本年度內採納新訂香港財務報告準則，財務報表內若干項目及結餘之會計處理及呈列已予修訂，以符合新規定。因此，已作出若干往年及期初結餘調整及若干比較金額已重新分類及重列，以符合本年度之呈列及會計處理。

40. 財務報表的批准

財務報表已於二零零六年七月十八日獲董事會批准，並獲授權刊發。

FIVE YEAR FINANCIAL SUMMARY

五年財務資料概要

31 March 2006 二零零六年三月三十一日

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extract from the published audited financial statements and restated/reclassified as appropriate, is set out below. The amounts for the three years ended 31 March 2004, 2005 and 2006 in the five year financial summary have been adjusted for the effects of the retrospective changes in accounting policy affecting property, plant and equipment, prepaid land lease payments, and available-for-sale investments, as detailed in note 2.2 to the financial statements.

以下為本集團過去五個財政年度之業績、資產及負債概要，此等資料乃摘錄自已刊發經審核財務報表，並已作出適當重列／重新分類。五年財務概要內截至二零零四年、二零零五年及二零零六年三月三十一日止三個年度的金額已就影響物業、廠房及設備、預付土地租賃款項及可供出售之投資之會計政策之追溯變動之影響作出調整，詳情載於財務報表附註2.2。

RESULTS

業績

Year ended 31 March
截至三月三十一日止年度

		2006 二零零六年	2005 二零零五年	2004 二零零四年	2003 二零零三年	2002 二零零二年
		HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)	HK\$'000 港幣千元 (Restated) (重列)	HK\$'000* 港幣千元*	HK\$'000* 港幣千元*
REVENUE	收入	2,392,219	2,636,294	2,074,140	2,680,277	2,013,623
PROFIT BEFORE TAX	除稅前溢利	18,509	29,538	20,871	53,495	10,762
Tax	稅項	101	(1,684)	5,575	(10,194)	(2,499)
PROFIT FOR THE YEAR	本年度溢利	18,610	27,854	26,446	43,301	8,263

ASSETS AND LIABILITIES

資產及負債

At 31 March
於三月三十一日

		2006 二零零六年	2005 二零零五年	2004 二零零四年	2003 二零零三年	2002 二零零二年
		HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (重列)	HK\$'000 港幣千元 (Restated) (重列)	HK\$'000* 港幣千元*	HK\$'000* 港幣千元*
TOTAL ASSETS	資產總額	1,520,653	1,337,608	1,452,896	1,123,775	912,573
TOTAL LIABILITIES	負債總額	(1,012,587)	(840,887)	(1,063,997)	(737,094)	(551,830)
		508,066	496,721	388,899	386,681	360,743

* The amounts for the two years ended 31 March 2002 and 2003 were not restated/reclassified. The directors are in the opinion that amounts for these two financial years were not materially affected by the effects of the retrospective changes in accounting policy.

* 截至二零零二年及二零零三年三月三十一日止兩個年度之金額並無重列／無重新分類。董事認為會計政策之追溯變動對該兩個財政年度之金額並無重大影響。

PROPERTIES HELD BY THE GROUP

本集團持有之物業

31 March 2006 二零零六年三月三十一日

Particulars of properties held by the Group as at 31 March 2006 are as follows:

本集團於二零零六年三月三十一日持有之物業詳情如下：

PROPERTY INTERESTS HELD BY THE GROUP IN HONG KONG

本集團在香港持有之物業權益

		Type 種類	Lease term 租約
1.	Units D, G and H on 4th Floor, Summit Building, 30 Man Yue Street and 21-23 Tai Wan Road, Hung Hom, Kowloon	Industrial	Medium
	九龍 紅磡 民裕街30號及 大環道21至23號 興業大廈 4樓D、G及H單位	工業	中期
2.	Unit B on 10th Floor, Summit Building, 30 Man Yue Street and 21-23 Tai Wan Road, Hung Hom, Kowloon	Industrial	Medium
	九龍 紅磡 民裕街30號及 大環道21至23號 興業大廈 10樓B單位	工業	中期
3.	Units A, B, L and O on 11th Floor, Summit Building, 30 Man Yue Street and 21-23 Tai Wan Road, Hung Hom, Kowloon	Industrial	Medium
	九龍 紅磡 民裕街30號及 大環道21至23號 興業大廈 11樓A、B、L及O單位	工業	中期

PROPERTIES HELD BY THE GROUP

本集團持有之物業

31 March 2006 二零零六年三月三十一日

PROPERTY INTERESTS HELD BY THE GROUP IN HONG KONG (CONTINUED)

本集團在香港持有之物業權益 (續)

		Type 種類	Lease term 租約
4.	Town House No.113, Sunderland Estate, 1 Hereford Road, Kowloon Tong, Kowloon	Residential	Medium
	九龍 九龍塘 禧福道1號 新德園 第113號洋房	住宅	中期
5.	Flat D on 14th Floor, Block 8, 6 Tak Hong Street, Whampoa Garden – Site 11, Hung Hom, Kowloon	Residential	Long
	九龍 紅磡 黃埔花園第11期 德康街6號 第8座 14樓D室	住宅	長期
6.	Lorry Car Parking Spaces Nos. 7, 8, 9 and 10 on 1st Floor Summit Building, 30 Man Yue Street and 21-23 Tai Wan Road, Hung Hom, Kowloon	Car park	Medium
	九龍 紅磡 民裕街30號及 大環道21至23號 興業大廈 1樓第7、8、9及10號 貨車泊車位	車位	中期

PROPERTIES HELD BY THE GROUP

本集團持有之物業

31 March 2006 二零零六年三月三十一日

PROPERTY INTERESTS HELD BY THE GROUP IN HONG KONG (CONTINUED)

本集團在香港持有之物業權益 (續)

	Type 種類	Lease term 租約
7. Private Car Parking Spaces Nos. 10, 14, 21 and 22 on Basement Summit Building, 30 Man Yue Street and 21-23 Tai Wan Road, Hung Hom, Kowloon	Car park	Medium
九龍 紅磡 民裕街30號及 大環道21至23號 興業大廈 地庫第10、14、21及22號 私家車泊車位	車位	中期

PROPERTY INTERESTS HELD BY THE GROUP IN THE PRC

本集團在中國持有之物業權益

	Type 種類	Lease term 租約
8. An industrial complex in Shitanpu Administrative Zone Tangxia Town, Dongguan, Guangdong Province	Industrial	Medium
廣東省 東莞市 塘廈鎮 石潭埔管理區之 綜合工業園	工業	中期

PROPERTIES HELD BY THE GROUP

本集團持有之物業

31 March 2006 二零零六年三月三十一日

PROPERTY INTERESTS HELD BY THE GROUP IN THE PRC (CONTINUED)

本集團在中國持有之物業權益 (續)

		Type 種類	Lease term 租約
9.	An industrial complex in Zhenhua Industrial District Qishi Town, Dongguan, Guangdong Province	Industrial	Medium
	廣東省 東莞市 企石鎮 振華工業區之 綜合工業園	工業	中期
10.	Unit A805 Tiananchuangxin Technology Square Shenzhen City Guangdong Province	Industrial	Medium
	中國 深圳市 天安數碼城 創新科技廣場 A座805室	工業	中期
11.	An industrial complex in Huangjiabo Village ShiPai Town, Shi Pai Dongguan, Guangdong Province	Industrial	Medium
	廣東省 東莞市 石排石排鎮 黃家壘村 新工業區	工業	中期



東力實業控股有限公司
Tonic Industries Holdings Limited