

The background of the cover features a large, stylized, metallic-looking circular structure that resembles a modern architectural element or a piece of industrial machinery. It is composed of several concentric, curved bands that create a sense of depth and movement. The color palette is warm, dominated by shades of gold, orange, and brown, with a bright light source on the right side that creates a lens flare effect. The overall aesthetic is clean, professional, and futuristic.

TONIC

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

(Stock Code 股份代號：0978)

Annual Report
年報 **2010**

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CORPORATE INFORMATION

公司資料

Directors

Executive Directors

Mr. LING Siu Man, Simon (*Chairman and Managing Director*)
Mr. WONG Ki Cheung
Ms. LI Fung Ching, Catherine
Mr. LAM Kwai Wah (*resigned on 12 January 2010*)

Independent Non-executive Directors

Mr. PANG Hon Chung
Mr. CHENG Tsang Wai
Dr. CHUNG Hing Wah, Paul

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

Flat K2, Block 2, 2/F, Kaiser Estate
51 Man Yue Street, Hung Hom, Kowloon, Hong Kong

Company Secretary

Ms. WONG Pui Shan, Cammy, FCCA, CPA, ACIS, ACS
(*resigned on 11 December 2009*)

Auditors

ANDA CPA Limited

Audit Committee

Mr. PANG Hon Chung (*Chairman*)
Mr. CHENG Tsang Wai
Dr. CHUNG Hing Wah, Paul

Remuneration Committee

Mr. CHENG Tsang Wai (*Chairman*)
Mr. PANG Hon Chung
Ms. LI Fung Ching, Catherine

董事

執行董事

凌少文先生(*主席及董事總經理*)
黃其昌先生
李鳳貞女士
林桂華先生(*於二零一零年一月十二日辭任*)

獨立非執行董事

彭漢中先生
鄭曾偉先生
鍾慶華博士

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51號
凱旋工商中心2座2樓K2室

公司秘書

王珮珊女士 · FCCA, CPA, ACIS, ACS
(*於二零零九年十二月十一日辭任*)

核數師

安達會計師事務所有限公司

審核委員會

彭漢中先生(*主席*)
鄭曾偉先生
鍾慶華博士

薪酬委員會

鄭曾偉先生(*主席*)
彭漢中先生
李鳳貞女士

CORPORATE INFORMATION

公司資料

Executive Committee

Mr. LING Siu Man, Simon (*Chairman*)
Mr. WONG Ki Cheung
Ms. LI Fung Ching, Catherine
Mr. LAM Kwai Wah (resigned on 12 January 2010)

Principal Bankers

China CITIC Bank Corporation Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

Share Registrars and Transfer Office

In Hong Kong

Tricor Tengis Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

In Cayman Islands

Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street
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

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執行委員會

凌少文先生(*主席*)
黃其昌先生
李鳳貞女士
林桂華先生(於二零一零年一月十二日辭任)

主要往來銀行

中信銀行股份有限公司
恒生銀行有限公司
香港上海滙豐銀行有限公司

股份登記過戶處

於香港

卓佳登捷時有限公司
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
Butterfield House, 68 Fort Street
PO Box 705, George Town,
Grand Cayman, Cayman Islands,
British West Indies

網址

www.tonic.com.hk
www.irasia.com/listco/hk/tonic

股份代號

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CHAIRMAN'S STATEMENT

主席報告



LING Siu Man, Simon
凌少文
Chairman and Managing Director
主席及董事總經理

Dear Shareholders

On behalf of the Board of Directors (the "Board"), I hereby present the annual results and financial statements of Tonic Industries Holdings Limited (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 March 2010 (the "Year").

Business Review

The Group recorded a turnover from continuing operations of approximately HK\$486 million and a loss attributable to equity holders of the Company of HK\$790 million for the Year, compared to HK\$2,056 million, and HK\$175 million, respectively for the previous year.

Facing the most severe global and financial crisis in history, many of the Group's customers and markets were adversely affected. The global economic downturn has resulted in the demand for the Group's products in the US and European markets subsided substantially during the Year. With a relatively robust domestic economy in China, the Group has taken responsive steps to rationalise operations and change its focus to supplying to Chinese customers.

As a result of the severe financial crisis, the global financial sector has been particularly hard hit. The result had been a substantial contraction of the credit facilities available to the Group. The adverse conditions in the equity capital markets have resulted in the share price of the Company remaining depressed and numerous attempts to raise equity capital from the market had not been successful.

致各股東

本人謹代表董事會(「董事會」)提呈東力實業控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一零年三月三十一日止年度(「本年度」)的全年業績及財務報表。

業務回顧

於本年度，本集團自持續經營業務錄得營業額約港幣486,000,000元及本公司權益持有人應佔虧損約港幣790,000,000元，去年同期則分別約港幣2,056,000,000元及約港幣175,000,000元。

面對歷來最嚴峻的環球金融危機，本集團大部分客戶及市場均受到不利影響。全球經濟下滑，導致本年度歐美市場對本集團產品的需求大幅減少。中國國內經濟發展相對蓬勃，本集團已採取對策整頓業務，將重點轉移向中國客戶供應產品。

由於爆發嚴重金融危機，全球金融界別所受打擊最為沉重，因而令本集團可取得的信貸融資大幅縮減。資本市場的不利環境，導致本公司股價繼續受壓，而於市場集資的多翻嘗試亦未能成功。

CHAIRMAN'S STATEMENT

主席報告

Management and colleagues have worked hard to contain the damages to the operations and assets of the Group in the face of the difficult operating environment. The Management has taken steps to impose strict cost saving measures to ensure the remaining operations of the Group are conducted in the most cost effective manner.

Certain production capacity has been suspended since 2009 with a view to control expenses. Naturally, as a result of such reorganisation of production, costs of approximately HK\$8 million were incurred to compensate employees who were made redundant.

The Group has substantially reduced the level of borrowings during the last few years to ensure the continued viability of the Group. However, due to the substantial limitations to the production scale of the Group and the pressure on cashflows, financial institutions providing facilities to the Group has ceased their financial support and demanded repayment of borrowings. The financial condition of the Group became severely stressed and the Board took immediate steps to identify investors and restructure the Group's financial position.

The Group Reorganisation and Creditor Scheme

As stated in the interim report of the Company for the six months ended 30 September 2009, the Group continued to be affected by the looming global financial crisis. Sales of the Group for the six months ended 30 September 2009, especially export sales to markets in Europe and Americas plunged by approximately 82% and working capital pressure increased against the credit crunch. In addition, the United States government stopped subsidizing consumers in purchasing digital set top boxes which further dampened sales of set top boxes to the market. The Group has decided to consolidate and streamline its businesses while scaling down its operations in particular its exports sales, in order to alleviate the financial difficulties of the Group. As disclosed in the announcement of the Company dated 10 January 2010, with a view to further reducing costs and mitigating the loss-making position of the Group, the Group has suspended the operations of some of its factories in Qi Shi and Tangxia in the PRC since March 2009 and December 2009 respectively. Due to the immense pressure on the cash flow of the Group, the Group has delayed salary payment to certain workers and staff of the Group.

面對艱難的營商環境，管理層及各員工致力減低本集團業務及資產所蒙受的損失。管理層已採取行動，實行嚴謹減省成本措施，確保以最具成本效益的方式經營本集團餘下業務。

為控制開支，本集團自二零零九年起暫停若干過剩的產能。由於進行有關生產重組，本集團因而須就補償遭裁減之員工而引致約港幣8,000,000元之成本。

於過去數年，本集團大幅降低借貸水平，確保本集團可持續經營。然而，由於本集團生產規模受到重大限制，加上現金流量受壓，向本集團提供融資的財務機構已終止其財務支援，且要求本集團償還借款。本集團的財務狀況面對沉重壓力，董事會即時採取行動，物色投資者及重組本集團財務狀況。

集團重組及債權人計劃

誠如本公司截至二零零九年九月三十日止六個月之中期報告所述，本集團繼續受到全球金融危機的陰霾影響。於截至二零零九年九月三十日止六個月，本集團的銷售下跌，特別是對歐美市場之出口銷售急跌約82%，加上信貸緊縮，令營運資金壓力增加。此外，美國政府停止對消費者購買數碼機頂盒提供補貼，此舉進一步打擊市場上機頂盒的銷情。本集團已決定整合及簡化其業務並縮減營運，特別是出口銷售方面，以紓解集團的財務困難。誠如本公司日期為二零一零年一月十日之公佈所披露，為進一步降低本集團之成本及減少虧損，本集團已分別自二零零九年三月及二零零九年十二月起暫停位於中國企石及塘夏部分廠房之運作。由於本集團現金流量出現沉重壓力，本集團已延遲向本集團若干工人及僱員支付薪金。

CHAIRMAN'S STATEMENT

主席報告

While the Company has been engaging in discussions with its banks to explore the possibility of seeking a forbearance of the Group's banking facilities with a view to strengthening the Group's overall cash flow position, the Company has also considered the necessity of fund raising exercises that may be able to relieve the immediate liquidity problem of the Group. After arm's length negotiations between the Company and the Subscriber, the Subscriber has conditionally agreed to subscribe for the Subscription Shares and the Company intends that the existing indebtedness of the Company shall be restructured by way of the Creditor Scheme.

The Board considers that the Group Reorganisation and the Creditor Scheme will enable the Group to deal with its indebtedness in a formal and orderly manner so that, so far as the Company is concerned, all of the Company's indebtedness and liabilities (actual and contingent) will be released and discharged, which is in the interests of the Company and the Shareholders as a whole.

Prospects

With the introduction of the Investor and the successful completion of the Restructuring, the Board believe that the Group would be restored to a healthy financial position and is expected to restart new business initiatives and pursue new business development opportunities.

The Board shall continue to work with the Investor in managing the operations of the Group and every effort shall be put to continue to control costs, develop new opportunities and restructure non-core assets of the Group with a view to improve returns to shareholders.

Final Dividend

The Board does not recommend payment of a final cash dividend in respect of the year ended 31 March 2010 (2009: Nil).

雖然本公司已與其往來銀行磋商有關暫緩償還本集團之銀行信貸之可能性，藉此改善本集團之整體流動現金狀況，然而，本公司亦曾考慮是否有需要進行集資活動，以舒緩本集團當前之流動資金問題。經本公司與認購人公平磋商之後，認購人已有條件同意認購認購股份，而本公司有意透過債權人計劃重組本公司之現有債項。

董事會認為集團重組及債權人計劃將有助本集團正式及有秩序地處理債務，而就本公司而言，此舉亦可解除及清償本公司所有債項以及實際及或然負債，符合本公司及股東整體利益。

前景

透過引入投資者及成功完成重組，董事會相信本集團的財務狀況將會回復穩健，預期將展開新業務方案及物色新發展商機。

董事會將繼續與投資者合作管理本集團業務，並不斷致力控制成本、開拓新機遇及重組本集團的非核心資產，務求改善股東回報。

末期股息

董事不建議派付截至二零一零年三月三十一日止年度之末期現金股息(二零零九年：無)。

CHAIRMAN'S STATEMENT

主席報告

Appreciation

On behalf of the Board, I would like to thank all colleagues for their efforts and contributions to the operations of the Group during such a difficult period. My thanks also go to our customers and business partners for their continuous support to the Group and my fellow Board members for their support and advice during the Year. Finally I would like to thank the Investor in providing financial support towards completion of the Restructuring and professional parties who contributed to the process.

As Chairman, I would also take this opportunity to thank you as Shareholders for your support to the Group over the years and believe that the Group would be in a better position to face future challenges.

On behalf of the Board

Ling Siu Man, Simon

Chairman and Managing Director

Hong Kong, 27 July 2010

致謝

本人謹代表董事會衷心感激全體員工在此艱巨時刻為本集團業務付出的努力及貢獻。本人亦就客戶及業務夥伴於本年度一直給予本集團的支持，以及對董事會成員賦予的支持和意見深表謝意。最後，本人謹此對投資者為完成重組提供的財務支援以及在重組過程中作出貢獻的各位專業人士致謝。

本人亦以主席身分藉此機會感謝閣下多年來作為股東對本集團給予的大力支持，相信本集團將處於有利位置以面對日後挑戰。

代表董事會

主席及董事總經理

凌少文

香港，二零一零年七月二十七日

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Executive Directors

Mr. LING Siu Man, Simon, aged 60, is the Chairman and Managing Director of the Company. Mr. Ling founded the business of the Group in 1976 and has over 33 years experience in the electronics industry. Mr. Ling is responsible for the strategic planning, corporate policy, and marketing aspects of the Group.

Mr. WONG Ki Cheung, aged 60, joined the Group in 1976 and is responsible for the Group's overall management, purchasing and materials control functions. He has over 33 years experience in the electronics component industry.

Ms. LI Fung Ching, Catherine, aged 56, joined the Group in 1976 and is responsible for the treasury function of the Group. She has over 33 years experience in the electronics industry.

Independent Non-executive Directors

Mr. PANG Hon Chung, aged 59, 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.

Before 16 October 2007, he has been a director of Chaoyue Group, previously known as Graneagle Holdings Ltd, a company listed on the Main Board of the Stock Exchange.

Mr. CHENG Tsang Wai, aged 54, has over 32 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, aged 64, has over 38 years' experiences with public service in administration, operation, discipline, nursing and management. He also has over 19 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.

執行董事

凌少文先生，60歲，本公司主席及董事總經理。凌先生於一九七六年創辦本集團的業務，擁有逾33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。

黃其昌先生，60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33年經驗。

李鳳貞女士，56歲，於一九七六年加入本集團，負責庫務工作。彼於電子業擁有逾33年經驗。

獨立非執行董事

彭漢中先生，59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。

於二零零七年十月十六日前，彼獲委任為聯交所主板上市公司超越集團有限公司(前稱鷹馳實業有限公司)之董事。

鄭曾偉先生，54歲，鄭先生於成衣業積逾32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，64歲，擁有逾38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19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。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business Development

The Group will focus on domestic market and continue to develop high-end set top boxes. It will also develop its own brand electric products and sell them to rural households.

Liquidity and Financial Resources

At 31 March 2010, the net liability value of the Group attributable to equity holders of the Company amounted to approximately HK\$423 million (2009: net asset value of approximately HK\$387 million), including cash and bank balances of approximately HK\$30 million (2009: approximately HK\$37 million) which were denominated mainly in Hong Kong dollars.

The trade receivable balance at 31 March 2010 was approximately HK\$1 million (2009: approximately HK\$122 million), including factored accounts receivables of HK\$nil (2009: approximately HK\$53 million). Except the factored accounts receivables with credit insurance cover, all other trade receivables were on letter of credit.

At 31 March 2010, the Group's aggregate borrowings was approximately HK\$412 million (2009: approximately HK\$399 million), which represents bank borrowings of approximately HK\$286 million, other borrowings of approximately HK\$123 million and obligations under finance leases of approximately HK\$3 million. The Group's borrowings are denominated in Hong Kong dollars and Renminbi which bear interest mainly determined on market interest rate basis. The Group has a net deficiency in capital at 31 March 2010, gearing ratio is not applicable as at that date (2009: gearing ratio of 94%, calculated based on net borrowings over shareholder funds).

The Group is not exposed to any material currency fluctuation risks, as most of its receivables as well as payables are in US dollars. The Group has natural hedges against currency risks and adheres to the policy of not engaging in speculative activities. In addition, the Group's Renminbi receipts from domestic sales could offset Renminbi expenses of factories in the PRC.

業務發展

本集團將專注於本地市場，並繼續開發高端機頂盒。本集團將發展其自身品牌的電器產品，售予農村的家庭。

流動資金及財務資源

於二零一零年三月三十一日，本公司權益持有人應佔本集團的負債淨值約為港幣423,000,000元(二零零九年：資產淨值約港幣387,000,000元)，包括主要以港幣計值的現金及銀行結存約港幣30,000,000元(二零零九年：約港幣37,000,000元)。

於二零一零年三月三十一日，貿易應收賬款結餘約為港幣1,000,000元(二零零九年：約港幣122,000,000元)，包括應收保付代理賬款港幣零元(二零零九年：約港幣53,000,000元)。除應收保付代理賬款有信貸保險保障外，所有其他貿易應收賬款均屬信用證形式。

於二零一零年三月三十一日，本集團之借貸合共約港幣412,000,000元(二零零九年：約港幣399,000,000元)，即約港幣286,000,000元為銀行借貸、約港幣123,000,000元為其他借貸及約港幣3,000,000元為融資租賃承擔。本集團的借貸以港幣及人民幣計值，並主要按市場利率基準計息。由於本集團於二零一零年三月三十日之資本處於淨虧蝕水平，故於該日按借貸淨額除股東資金計算之資產負債比率並不適用(二零零九年：資產負債比率94%)。

由於本集團大部分應收款項及應付款項均以美元結算，故所面對外匯波動風險不大。本集團就外匯風險設有自然對沖策略，並堅守不參與投機活動之政策。此外，本集團自本地銷售收取之人民幣足夠抵銷其於中國廠房的人民幣開支。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Litigations

Certain subsidiaries of the Company are or have been involved in ongoing litigations in Hong Kong and the PRC. Details of which are set out in note 45 to the financial statements.

Employee Relations

At 31 March 2010, the Group had approximately 195 employees in Hong Kong and the PRC. Salaries and wages for the year ended 31 March 2010 totalled approximately HK\$80.6 million. Employees' remuneration packages are generally structured by reference to market conditions, individual qualifications and performance. In addition to basic salary payment, other benefits offered to employees include contributions to mandatory provident fund, group medical insurance and group personal accident insurance. Employees may also be granted share options at the discretion of the Board under the Company's share option scheme.

訴訟

本公司若干附屬公司現時或曾經在香港及中國涉及正在進行之訴訟，詳情載於財務報表附註45。

僱員關係

於二零一零年三月三十一日，本集團在香港及中國僱用約195名員工。截至二零一零年三月三十一日止年度的薪金及工資合共約為港幣80,600,000元。本集團一般根據市況、個別員工的資歷及表現釐定員工薪酬組合。除基本薪金外，本集團亦向僱員提供其他福利，包括強制性公積金供款、團體醫療保險及團體個人工傷意外保險。僱員亦可獲授由董事會根據本公司購股權計劃酌情授出的購股權。

REPORT OF THE DIRECTORS

董事會報告

The directors present their report and the audited financial statements of the Group for the year ended 31 March 2010.

Principal Activities

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. There were no significant 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 22 to the financial statements.

Results and Dividends

The Group's loss for the year ended 31 March 2010 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 34 to 143.

The directors do not recommend the payment of any dividend in respect of the year.

Reserves

Details of movements in the reserves of the Company and of the Group during the year are set out in note 40(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

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 2010, the Company does not have reserves available for cash distribution and/or distribution in specie.

董事會謹此提呈截至二零一零年三月三十一日止年度董事會報告及本集團的經審核財務報表。

主要業務

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。年內，本集團主要業務性質並無重大變動。

本公司各附屬公司的主要業務詳情載於財務報表附註22。

業績及股息

本集團截至二零一零年三月三十一日止年度的虧損及本公司與本集團於該日的財務狀況載於第34至143頁財務報表內。

董事不建議就本年度派發任何股息。

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40(b)及綜合權益變動表。

可供分派儲備

董事認為，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。於二零一零年三月三十一日，本公司並無可作現金及／或實物分派用途的儲備。

REPORT OF THE DIRECTORS

董事會報告

Major Customers and Suppliers

During the year, the five largest customers in aggregate accounted for approximately 84% of the total revenue of the Group and the largest customer accounted for approximately 56% of the total revenue of the Group.

Purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for the year.

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 144. This summary does not form part of the audited financial statements.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the year are set out in note 19 to the financial statements.

Share Capital and Share Options

Details of movements during the year in the Company's share capital and the share options are respectively set out in notes 38 and 39 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.

主要客戶及供應商

年內，五大客戶合共佔本集團總收入約84%，而最大客戶則佔本集團總收入約56%。

本集團五大供應商的採購額佔本年度總採購額少於30%。

據董事知悉，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144頁。該概要並非經審核財務報表的任何部分。

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19。

股本及購股權

本公司之股本及購股權於年內之變動詳情分別載於財務報表附註38及39。

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。

REPORT OF THE DIRECTORS

董事會報告

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*)
Wong Ki Cheung
Li Fung Ching, Catherine
Lam Kwai Wah (*resigned on 12 January 2010*)

Independent non-executive directors:

Pang Hon Chung
Cheng Tsang Wai
Chung Hing Wah, Paul

In accordance with article 116 of the Company's articles of association, Mr. Wong Ki Cheung and Mr. Cheng Tsang Wai will retire and, being eligible, will offer themselves 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. Pang Hon Chung, Mr. Cheng Tsang Wai and Dr. Chung Hing Wah, Paul, and 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 page 8 of the annual report.

Directors' Service Contracts

All the executive directors have entered into service contracts with the Company for terms of three years commencing from 1 October 2009.

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, its holding company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

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(*主席及董事總經理*)
黃其昌
李鳳貞
林桂華(*於二零一零年一月十二日辭任*)

獨立非執行董事：

彭漢中
鄭曾偉
鍾慶華

根據本公司的組織章程細則第116條，黃其昌先生及鄭曾偉先生將於應屆股東週年大會上退任，惟彼等符合重選資格，並願意重選連任。

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退任之日止。

於本報告日期，本公司已接獲由彭漢中先生、鄭曾偉先生及鍾慶華博士發出的年度獨立身分確認書，且依舊認為彼等為獨立人士。

董事履歷

本集團董事之履歷詳情載於本年報第8頁。

董事服務合約

所有執行董事均與本公司訂有服務合約，由二零零九年十月一日起計，為期三年。

除上文披露者外，擬於應屆股東週年大會重選連任的董事，概無與本公司、其控股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 2010, 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 (the "Model Code"), were as follows:

董事擁有之股份及相關股份權益及淡倉

於二零一零年三月三十一日，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(「標準守則」)須另行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	Number of ordinary shares held	Percentage of the Company's issued share capital
		權益性質	所持普通股數目	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)	618,492,476	58.46
Li Fung Ching, Catherine	李鳳貞	Personal 個人	2,142,000	0.20
Wong Ki Cheung	黃其昌	Personal 個人	1,749,000	0.17
Cheng Tsang Wai	鄭曾偉	Personal 個人	1,626,000	0.15
			624,009,476	58.98

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：該等股份由一間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

Directors' Interests and Short Positions in Shares and Underlying Shares (continued)

(b) Long positions in share options of the Company

Name of director	董事姓名	Number of options directly beneficially owned 直接實益擁有的購股權數目
Ling Siu Man, Simon	凌少文	15,000,000
Wong Ki Cheung	黃其昌	2,715,000
Li Fung Ching, Catherine	李鳳貞	2,715,000
		20,430,000

(c) Associated corporation

At 31 March 2010, Ling Siu Man, Simon personally held 3,000 non-voting deferred shares of HK\$100 each of Tonic Electronics Limited, a subsidiary of the Company.

Save as disclosed above, as at 31 March 2010, 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.

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 section "Share Option Scheme" below, 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 spouses 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 46 to the financial statements, no contract of significance to which the Company, its holding 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.

董事擁有之股份及相關股份權益及淡倉(續)

(b) 本公司購股權之好倉

(c) 相聯法團

於二零一零年三月三十一日，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港幣100元之無投票權遞延股份共3,000股。

除上文披露者外，於二零一零年三月三十一日，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條規定所記錄，或根據標準守則須另行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」一節及下文「購股權計劃」一節所披露外，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，且彼等亦無行使任何該等權力；而本公司、其控股公司或其任何附屬公司亦無參與任何安排，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46披露者外，於年終或年內任何時間，本公司、其控股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。

REPORT OF THE DIRECTORS

董事會報告

Share Option Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Further details of the Scheme are disclosed in note 39 to the financial statements.

The following table discloses movements in the Company's share options during the year:

購股權計劃

本公司設有購股權計劃(「該計劃」)，旨在向曾對本集團業務成就作出貢獻的合資格參與人士提供獎勵及獎賞。該計劃之進一步詳情載於財務報表附註39。

下表披露本公司購股權於年內的變動：

	Number of share options 購股權數目			Date of grant ⁽¹⁾ 授出日期 ⁽¹⁾	Exercise period 行使期	Exercise price per share ⁽²⁾ 每股行使價 ⁽²⁾ HK\$ 港幣	Closing price of share immediately before date of grant 緊接授出日期前之股份收市價 HK\$ 港幣
	At 1 April 2009 於二零零九年四月一日	Lapsed during the year 於年內失效	At 31 March 2010 於二零一零年三月三十一日				
Directors 董事							
Ling Siu Man, Simon 凌少文	15,000,000	-	15,000,000	07-04-2000 二零零零年 四月七日	10-04-2000 to 09-04-2010 二零零零年 四月十日 至 二零一零年 四月九日	0.467	0.870
Wong Ki Cheung 黃其昌	2,715,000	-	2,715,000	07-04-2000 二零零零年 四月七日	10-04-2000 to 09-04-2010 二零零零年 四月十日 至 二零一零年 四月九日	0.467	0.870
Li Fung Ching, Catherine 李鳳貞	2,715,000	-	2,715,000	07-04-2000 二零零零年 四月七日	10-04-2000 to 09-04-2010 二零零零年 四月十日 至 二零一零年 四月九日	0.467	0.870

REPORT OF THE DIRECTORS

董事會報告

Share Option Scheme (continued)

購股權計劃(續)

	Number of share options 購股權數目			Date of grant ⁽¹⁾ 授出日期 ⁽¹⁾	Exercise period 行使期	Exercise price per share ⁽²⁾ 每股行使價 ⁽²⁾ HK\$ 港幣	Closing price of share immediately before date of grant 緊接授出日期前之股份收市價 HK\$ 港幣
	At 1 April 2009 於二零零九年四月一日	Lapsed during the year 於年內失效	At 31 March 2010 於二零一零年三月三十一日				
Lam Kwai Wah ⁽³⁾ 林桂華 ⁽³⁾	1,650,000	(1,650,000)	-	07-04-2000 二零零零年四月七日	10-04-2000 to 09-04-2010 二零零零年四月十日至二零一零年四月九日	0.467	0.870
	22,080,000	(1,650,000)	20,430,000				
Other employees 其他僱員							
In aggregate 合計	25,050,000	(20,025,000)	5,025,000	07-04-2000 二零零零年四月七日	10-04-2000 to 09-04-2010 二零零零年四月十日至二零一零年四月九日	0.467	0.870
	47,130,000	(21,675,000)	25,455,000				

Notes:

- (1) The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- (2) 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.
- (3) resigned on 12 January 2010.

附註：

- (1) 購股權之歸屬期間由授出日期起至行使期開始為止。
- (2) 購股權之行使價可因應供股或發行紅股，或本公司股本其他類似變動作出調整。
- (3) 於二零一零年一月十二日辭任。

REPORT OF THE DIRECTORS

董事會報告

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

At 31 March 2010, the following interests of more than 5% 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:

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
		Long position 好倉	Short position 淡倉	
Success Forever Limited (note 1) (附註1)	Directly beneficially owned 直接實益擁有	618,492,476 Existing Shares 股現有股份	–	58.46%
Skill China Limited (note 2) 華能有限公司 (附註2)	Beneficially interest 實益權益	930,943,165 New Shares 股新股份	–	87.99%

Notes:

- The entire issued share capital of Success Forever Limited is beneficially owned by Mr. Ling Siu Man, Simon, as disclosed in the section "Disclosure of interests" in this Appendix.
- The interest represents 930,943,165 New Shares to be subscribed by the Subscriber under the Subscription Agreement. The Subscriber is wholly-owned by Sinogrand Group Limited which in turn is owned (i) as to 59.5% by Joint profit Limited, a company wholly-owned by Dr. So; (ii) as to 39.5% by Greatkind Limited, a company wholly-owned by Mr. Ge Zhang; and (iii) as to 1% by Cheergreat Limited, a Company wholly-owned by the family trust of Mr. Chan Wai Dune, of which Mr. Chan Wai Dune is one of the beneficiaries.

Save as disclosed above, as at 31 March 2010, 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

Details of the connected transactions of the Company are set out in note 46 to the financial statements.

主要股東及其他人士於股份及相關股份之權益

於二零一零年三月三十一日，根據本公司按證券及期貨條例第336條須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
		Long position 好倉	Short position 淡倉	
Success Forever Limited (note 1) (附註1)	Directly beneficially owned 直接實益擁有	618,492,476 Existing Shares 股現有股份	–	58.46%
Skill China Limited (note 2) 華能有限公司 (附註2)	Beneficially interest 實益權益	930,943,165 New Shares 股新股份	–	87.99%

附註：

- 誠如本附錄「權益披露」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。
- 該權益指認購人根據認購協議將認購之930,943,165股新股份。認購人由華偉集團有限公司全資擁有，而華偉集團有限公司分別由：(i) 蘇博士全資擁有之公司合益有限公司擁有59.5%權益；(ii) 戈張先生全資擁有之公司駿惠有限公司擁有39.5%權益；及(iii) 陳維端先生家族信託(陳維端先生為受益人之一)全資擁有之公司展鴻有限公司擁有1%權益。

除上文披露者外，於二零一零年三月三十一日，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

本公司的關連交易詳情載於財務報表附註46。

REPORT OF THE DIRECTORS

董事會報告

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.

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.

Events after the reporting period

Details of the significant events after the reporting period of the Group are set out in note 47 to the financial statements.

Auditors

During the year, Ernst & Young resigned as auditors of the Company and ANDA CPA Limited was appointed by the Directors to fill the casual vacancy so arising. There have been no other changes of auditors in the past three years. A resolution for the reappointment of ANDA CPA Limited as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Ling Siu Man, Simon
Chairman

Hong Kong
27 July 2010

買賣或贖回本公司上市證券

於本年度，本公司或其任何附屬公司並無買賣或贖回本公司任何上市證券。

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。

足夠公眾持股量

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

報告期間後事項

有關本集團報告期間後之重大事項詳情，載於財務報表附註47。

核數師

年內，安永會計師事務所辭任本公司核數師，而安達會計師事務所有限公司獲董事委聘填補因此產生之臨時空缺。於過去三年內並無任何其他核數師變動。應屆股東週年大會上將提呈一項決議案，續聘安達會計師事務所有限公司為本公司核數師。

代表董事會

主席
凌少文

香港
二零一零年七月二十七日

CORPORATE GOVERNANCE REPORT

企業管治報告

Compliance with Code on Corporate Governance

The board of directors of the Company (the “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 (the “Principles”), code provisions (the “Code Provisions”) as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “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 2010, with a deviation from 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 of the Company (“Director”) 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 2010.

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. three executive Directors, and three 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 page 8 of this 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.

遵從企業管治守則

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。

截至二零一零年三月三十一日止財政年度內，除了偏離守則條文(i)第A.2.1條，有關主席及行政總裁所擔當之角色須明確劃分；及(ii)第A.4.2條，有關本公司董事(「董事」)須最少每三年輪值退任一次外，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。

下文載述本公司截至二零一零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發行人業務所需的適當技能與經驗。董事會擁有均衡的董事組合，即三位執行董事及三位獨立非執行董事。全體董事名單載於本報告第2頁的「公司資料」一節，而董事簡歷則載於本報告第8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。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board (continued)

Board composition (continued)

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, senior management or substantial shareholders or controlling shareholders of the Company.

During the year ended 31 March 2010, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors.

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 four 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 fourteen days before the meeting. Directors are consulted for matters to be included in the agenda and Board papers will be served at least three days before the meeting. Details of the attendance of the Board meetings held for the year ended 31 March 2010 and up to the date of the publication of this report were as follows:

董事會(續)

董事會組織構成(續)

除本報告披露者外，據董事所深知，董事會各成員之間、與本公司高級管理層或主要股東或控股股東並無財務、業務、家庭或其他重大／相關關係。

於截至二零一零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3位獨立非執行董事的規定。

本公司已接獲各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；並最低限度於舉行會議前三天送出會議稿件。有關截至二零一零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：

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board (continued) Board meetings (continued)

董事會(續) 董事會會議(續)

Name of Director	董事姓名	Attendance/ Number of Meetings 出席／會議數目
<i>Executive Directors</i>		
Mr. Ling Siu Man, Simon (Chairman and Managing Director)	凌少文先生(主席及董事總經理)	4/4
Mr. Wong Ki Cheung	黃其昌先生	4/4
Ms. Li Fung Ching, Catherine	李鳳貞女士	4/4
Mr. Lam Kwai Wah (resigned on 12 January 2010)	林桂華先生(於二零一零年一月十二日辭任)	3/4
<i>Independent Non-executive Directors</i>		
Mr. Pang Hon Chung	彭漢中先生	4/4
Mr. Cheng Tsang Wai	鄭曾偉先生	4/4
Dr. Chung Hing Wah, Paul	鍾慶華博士	4/4

Minutes of the Board, the Audit Committee, the Remuneration Committee and the 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.

董事會、審核委員會、薪酬委員會及執行委員會的會議記錄，對會議內曾考慮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通知，均可於任何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。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board (continued)

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 performed 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.

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, 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. Pang Hon Chung being independent non-executive Director of the Company, have a specific term of appointment. All 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.

董事會(續)

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。

守則條文第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。

董事的提名、委任、重選及免職

本集團訂有一套正規、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。除彭漢中先生(彼為本公司獨立非執行董事)外，本公司現任非執行董事並無特定任期。全部非執行董事均須遵守本公司組織章程細則之規定於股東週年大會上輪值退任，達到特定任期之相同目標。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board (continued)

Nomination, appointment, re-election and removal of Directors (continued)

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.

The Company's Articles of Association, on the other hand, is inconsistent with the 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 be 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 the Code Provision A.5.2(a) to (d) of the CG Code.

董事會(續)

董事的提名、委任、重選及免職(續)

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。包括具有特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。

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重選連任。董事會認為，董事會主席凌少文先生毋須受輪值退任規限，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，董事會亦負責通過以負責任及具效益的方式引導並監督本公司事務推動本集團的成就。每一位董事均有責任本著公司最佳利益下真誠行事。董事知悉，他們對於公司事務如何管理、控制及運作，須向本集團所有股東負起集體和個別的責任。

董事須時常負擔其作為董事的責任，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。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board (continued) 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.

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 three 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 Code on Corporate Governance Practices;
- (c) The Group's code of conduct regarding the securities transactions by the Directors;

董事會(續) 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職能，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。

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；

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board (continued)

Training for directors (continued)

- (d) Brief notes and guidelines on Model Code for Securities Transactions by Directors of the Company;
- (e) The Company's Code of Conduct for Securities Transactions by Directors of the Company;
- (f) A copy of the Corporate Governance Report; and
- (g) 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.

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 as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, the Company has confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2010.

Remuneration of Directors

The Company enters into directors' service agreements with each of the executive Directors. 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.

董事會(續)

董事培訓(續)

- (d) 本公司關於董事進行證券交易的標準守則的淺釋及指引；
- (e) 本公司有關本公司董事進行證券交易的行事守則；
- (f) 企業管治報告複印本；及
- (g) 本公司企業管治指南複印本。

隨後，本公司高級管理層及公司秘書在有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。

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內所載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截至二零一零年三月三十一日止整個年度均已遵守標準守則所載之規定標準。

董事薪酬

本公司與每一位執行董事訂立董事服務協議。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。

CORPORATE GOVERNANCE REPORT

企業管治報告

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 2010 and up to the date of this report were as follows:

Members of the Remuneration Committee	薪酬委員會成員	Attendance/ Number of Meeting 出席／會議數目
Mr. Cheng Tsang Wai (<i>Chairman</i>)	鄭曾偉先生(主席)	1/1
Mr. Pang Hon Chung	彭漢中先生	1/1
Ms. Li Fung Ching, Catherine	李鳳貞女士	1/1

There is a formal and transparent procedure for setting policy and procedure for fixing the remuneration packages of 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 make recommendation to the Board and have access to professional advice if necessary.

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 2010.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" on pages 31 to 33.

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。截至二零一零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：

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，已制訂正規及高透明度的程序。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。

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。

董事知悉他們對保存適當會計記錄及編製真實公平反映截至二零一零年三月三十一日止年度的賬目承擔責任。

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31至33頁的「獨立核數師報告」。

CORPORATE GOVERNANCE REPORT

企業管治報告

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 management is responsible for the Group's system of internal controls and the Board is responsible for reviewing its effectiveness of the Group's system of internal control and its subsidiaries at least annually. The function of reviewing its effectiveness of the Group's system of internal control is delegated to Audit Committee by the Board. The system will cover all material controls, including financial, operational and compliance controls and risk management functions. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee reviews the effectiveness of the internal control of the Group. The internal audit department carries out annual risk assessment on each audit area and derives an annual audit plan according to their risk rankings. The audit plan is reviewed and agreed by the Audit Committee. The Audit Committee receives summary reports from internal audit department. Copy of the minutes of Audit Committee meeting will also be sent to the Board for information.

Audit Committee

The Audit Committee comprises three independent non-executive Directors. Mr. Pang Hon Chung, chairman of the Audit 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 principles 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 2010 and up to the date of this report were as follows:

Members of the Audit Committee	審核委員會成員	Attendance/ Number of Meetings 出席／會議次數
Mr. Pang Hon Chung (Chairman)	彭漢中先生(主席)	1/2
Mr. Cheng Tsang Wai	鄭曾偉先生	2/2
Dr. Chung Hing Wah, Paul	鍾慶華博士	2/2

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。

管理層須負責本集團的內部監控系統，而董事會負責最低限度每年檢討本集團及其附屬公司內部監控系統的效能。董事會已將檢討本集團內部監控系統效能的職能，委託審核委員會執行。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。內部監控系統乃為管理而非消除未能達致業務目標的風險而設計，並僅可就避免出現重大錯誤陳述或虧損提供合理而非絕對的保證。

審核委員會審閱本集團的內部監控是否有效。內部審核部門對各審核範圍進行年度風險評估，並根據風險次序制訂年度審核計劃。年度審核計劃經由審核委員會審閱及同意。審核委員會將收到內部審核部門的概要報告。審核委員會會議記錄複印本亦會提交董事會作參考。

審核委員會

審核委員會由三名獨立非執行董事組成。審核委員會主席彭漢中先生於財務事項方面具備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、內部監控原則及與本公司核數師維持適當關係。截至二零一零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：

CORPORATE GOVERNANCE REPORT

企業管治報告

Audit Committee (continued)

The Audit Committee met with the external auditors during the year to discuss any areas of concern 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 2010 has been reviewed by the Audit Committee.

Auditors' Remuneration

During the year under review, the remuneration payable to the Company's auditors, ANDA CPA Limited, is set out as follows:

Audit services

審核服務

570

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 and Mr. Lam Kwai Wah (resigned on 12 January 2010). 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.

審核委員會(續)

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，亦會遵守會計準則、上市規則及法律規定。

審核委員會就本公司外聘核數師之甄選、委任、辭任或罷免與董事會並無持不同意見。

本公司截至二零一零年三月三十一日止年度之年度業績已由審核委員會審閱。

核數師酬金

於回顧年內，應付予本公司核數師安達會計師事務所有限公司之酬金如下：

(HK\$'000)
(港幣千元)

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、李鳳貞女士及林桂華先生(於二零一零年一月十二日辭任)。該委員會由董事會授權，並負責監控策略性計劃之執行及各業務單位之日常運作，以及就有關管理及經營之事項作出決定。

CORPORATE GOVERNANCE REPORT

企業管治報告

Executive Committee (continued)

Details of the attendance of the Executive Committee meetings held during the year ended 31 March 2010 and up to the date of this report were as follows:

Members of the Executive Committee

Mr. Ling Siu Man, Simon (*Chairman*)
Mr. Wong Ki Cheung
Ms. Li Fung Ching, Catherine
Mr. Lam Kwai Wah (resigned on 12 January 2010)

Securities Transaction by the Relevant Employees

Under the 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 to all relevant employees, the Company confirms that all relevant employees have complied with the written guidelines regarding securities transactions for the year.

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 this report.

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

執行委員會(續)

截至二零一零年三月三十一日止年度及截至本報告日期舉行之執行委員會會議之出席記錄詳情如下：

執行委員會成員

凌少文先生(主席)	12/12
黃其昌先生	12/12
李鳳貞女士	12/12
林桂華先生(於二零一零年一月十二日辭任)	9/12

有關僱員進行證券交易

根據企業管治守則之守則條文第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。

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報告寄發予股東之通函內。

本集團亦設立<http://www.tonic.com.hk>之網站，致使本公司股東、投資者及公眾人士可按時獲得本集團資料。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。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



TO THE SHAREHOLDERS OF TONIC INDUSTRIES HOLDINGS LIMITED (Incorporated in the Cayman Islands with limited liability)

We were engaged to audit the consolidated financial statements of Tonic Industries Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 34 to 143, which comprise the consolidated and Company statements of financial position as at 31 March 2010, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company (the "Directors") are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit 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. Except for the limitation in the scope of our work and the material uncertainties relating to the possible outcome of litigations and going concern basis as described in the basis for disclaimer of opinion paragraphs, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. However, because of the matters described in the basis for disclaimer of opinion paragraphs, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

致：東力實業控股有限公司列位股東
(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核載於第34至143頁之東力實業控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。此財務報表包括二零一零年三月三十一日之綜合及公司財務狀況報表，及截至該日止年度之綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量報表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔之責任

貴公司之董事(「董事」)須負責根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則及香港公司條例編撰及真實而公平地呈列財務報表。此責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師之責任

我們的責任是根據我們的審核對該等財務報表作出意見，並僅為全體股東報告，並不可作其他目的。我們並不就本報告之內容對任何其他人士負責或承擔責任。除有關工作範疇之限制及不發表意見之基準各段所述有關訴訟可能出現之結果及持續經營基準之重大不明朗因素外，我們已按照香港會計師公會頒佈之香港核數準則進行審核。這些準則要求我們遵守職業道德規範，並規劃及執行審核，從而獲得合理確定此等財務報表是否不存有任何重大錯誤陳述。然而，鑑於不發表意見之基準各段所述事項，我們無法取得充足適當審核證明，以為審核意見提供基礎。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

1. Scope limitation – opening inventories

Because we were appointed as auditors of the Group subsequent to the end of its last reporting period at 31 March 2009, we were unable to attend the Group's physical count of inventories as at that date. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves as to the opening inventories of approximately HK\$353,832,000. Since opening inventories enter into the determination of the Group's results, any adjustments to the figures might have significant consequential effects on the Group's results for the year ended 31 March 2010, the related opening balances and corresponding figures shown in the current year's consolidated financial statements.

2. Material uncertainties relating to possible outcome of outstanding litigations and the going concern basis

In forming our opinion, we have considered the adequacy of the disclosures made in note 45 to the financial statements concerning the outcome of the lawsuits and claims against certain subsidiaries of the Company which remained outstanding at 31 March 2010. The Group has been in discussion and negotiation with certain plaintiffs to reach an accommodation with the claimants and to explore the possibility of seeking a forbearance of the Group's payables. Apart from that, the Directors, based on their best estimates and legal advices, are of the view that several defendants have valid grounds for defending the claims made by the plaintiffs. However, with the litigations still ongoing up to the approval date of these financial statements, it is not possible to ascertain with any degree of reasonable certainty the outcome of those litigations and the existence or otherwise of any compensation payable should the related defense become unsuccessful, and the completeness of any other lawsuits and claims arose against the concerned subsidiaries of the Company. We consider that appropriate disclosures have been made, but, there is a material uncertainty as to whether the above actions can be successfully defended and accordingly, there may be a potential significant impact on the financial performance and position of the Group for the year ended 31 March 2010.

不發表意見之基準

1. 範疇限制 – 期初存貨

鑑於我們於 貴集團上個報告期間結算日二零零九年三月三十一日後獲委聘為 貴集團核數師，我們無法出席 貴集團於該日進行之存貨盤點。我們並無其他滿意審核程序可採取，以信納於期初之存貨金額約港幣353,832,000元。由於期初存貨計入 貴集團之業績計算中，對有關數字作出任何調整均可能對 貴集團截至二零一零年三月三十一日止年度之業績以及本年度綜合財務報表所示相關期初結餘及相關數字構成重大相應影響。

2. 有關尚未了結訴訟可能出現之結果及持續經營基準之重大不明朗因素

我們於達致意見時，已考慮財務報表附註45內有關對 貴公司若干附屬公司作出而於二零一零年三月三十一日仍未了結之訴訟及申索之結果所作出披露之充足程度。 貴集團已與若干原告人討論及磋商，以與申索人達成和解，並尋求暫緩償付 貴集團之應付款項。除此以外，董事按彼等之最佳估計及考慮法律意見後認為，數名被告人就原告人作出之申索具有力抗辯理據。然而，由於該等訴訟於此等財務報表批准日期仍在進行中，故無法以合理肯定程度確定該等訴訟之結果，以及相關抗辯會否敗訴以及因此可能應付之任何賠償，或對 貴公司相關附屬公司提出之其他訴訟完結及提出申索之情況。我們認為已作出適當披露，惟存在上述訴訟能否成功抗辯之重大不明朗因素，因此對 貴集團截至二零一零年三月三十一日止年度之財務業績及狀況可能出現潛在重大影響。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

We have also considered the adequacy of the disclosures made in note 2 to the financial statements concerning the adoption of the going concern basis on which the financial statements have been prepared. The Company has entered into a conditional arrangement with, among others, certain investors for the purpose of restructuring of the Group's indebtedness and revitalising the Group's business. The financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcome of the measures to be implemented and in process by the Group to improve the financial position and business of the Group. The financial statements do not include any adjustments that would result from the failure of these measures. We consider that appropriate disclosures have been made, but, because of the significant uncertainties relating to the outcome of the restructuring proposal are so extreme, we are unable to determine whether the going concern basis used in preparing the financial statements are appropriate.

In view of the extent and potential impacts of the material uncertainties as described above, we disclaim our opinion on the financial statements for the year ended 31 March 2010.

DISCLAIMER OF OPINION: DISCLAIMER ON VIEW GIVEN BY THE FINANCIAL STATEMENTS

Because of the significance of the scope limitation and the material uncertainties relating to the possible outcome of litigations and going concern basis as described in the basis for disclaimer of opinion paragraphs, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the company and of the Group as at 31 March 2010 and of the Group's results and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Practising Certificate Number P03614

Hong Kong, 27 July 2010

我們亦已考慮財務報表附註2所作出有關編製財務報表所採納持續經營基準之披露。貴公司已與(其中包括)若干投資者訂立有條件安排,以重組貴集團之債務及重振貴集團之業務。財務報表乃按持續經營基準編製,其有效性須取決於將予實行之措施能否奏效,以及貴集團就改善貴集團財務狀況及業務所採取程序。財務報表並無包括任何因該等措施無效而須作出之調整。我們認為已作出適當披露,惟基於有關重組建議結果之重大不明朗因素極為嚴重,故我們無法確定編製財務報表所採用持續經營基準是否適當。

鑑於上文所述重大不明朗因素之程度及潛在影響,我們不就截至二零一零年三月三十一日止年度之財務報表發表意見。

不發表意見：不就財務報表所提供見解發表意見

鑑於範疇限制及不發表意見之基準各段所述有關訴訟可能出現之結果及持續經營基準之重大不明朗因素,我們不就綜合財務報表是否已按照香港財務報告準則真實公平反映貴公司及貴集團於二零一零年三月三十一日之財務狀況以及貴集團截至該日止年度之業績及現金流量發表意見。就所有其他方面,我們認為綜合財務報表已按照香港公司條例之披露規定妥為編製。

安達會計師事務所有限公司

執業會計師

施連燈

執業證書號碼P03614

香港,二零一零年七月二十七日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 March 2010
截至二零一零年三月三十一日止年度

		NOTES 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
CONTINUING OPERATION				
Turnover	持續經營業務 營業額	8	486,237	2,055,805
Cost of sales	銷售成本		(522,321)	(2,064,790)
Gross loss	毛損		(36,084)	(8,985)
Other income	其他收入	9	5,675	37,692
Selling expenses and distribution costs	銷售支出及分銷成本		(1,430)	(3,313)
Administrative expenses	行政支出		(100,420)	(78,970)
Gains/(losses) on equity investments at fair value through profit or loss	按公平值計入損益之 股本投資之收益/(虧損)		1,094	(1,488)
Provision for impairment of assets	資產減值撥備	10	(224,832)	(60,697)
Provision against inventories and loss on auctions of sequestrated inventories	存貨撥備及拍賣被 扣押存貨之虧損	10	(426,945)	(10,981)
Loss from operations	經營虧損		(782,942)	(126,742)
Finance costs	融資成本	11	(22,454)	(25,716)
Loss before tax	除稅前虧損		(805,396)	(152,458)
Income tax	所得稅	12	14,982	(140)
Loss for the year from continuing operation	持續經營業務 之本年度虧損		(790,414)	(152,598)
DISCONTINUED OPERATION	已終止經營業務			
Loss for the year from discontinued operation	已終止經營業務之本年度 虧損	13	-	(22,289)
Loss for the year attributable to equity holders of the Company	本公司權益持有人應佔 本年度虧損	10, 18	(790,414)	(174,887)
Loss per share	每股虧損	16		
Basic (HK cents per share)	基本(每股港仙)			
- Continuing operation	- 持續經營業務		(74.7)	(14.4)
- Discontinued operation	- 已終止經營業務		-	(2.1)
From continuing and discontinued operations	來自持續經營業務及 已終止經營業務		(74.7)	(16.5)
Diluted (HK cents per share)	攤薄(每股港仙)		N/A 不適用	N/A 不適用

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

		Notes 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Loss for the year attributable to equity holders of the Company	本公司權益持有人應佔 本年度虧損	10, 18	(790,414)	(174,887)
Translation differences of foreign operations	境外業務之匯兌差額		283	(1,283)
(Deficit)/surplus on property revaluation	物業重估(虧絀)/盈餘		(27,384)	1,177
Deferred tax on property revaluation reserve:	物業重估儲備之遞延稅項：			
Deficit/(surplus) on revaluation	重估虧絀/(盈餘)		6,901	(274)
Change in tax rate	稅率變動		–	7
Release on disposal	出售時解除		624	190
Other comprehensive income for the year, net of tax	年內其他全面收入， 扣除稅項		(19,576)	(183)
Total comprehensive income for the year, net of tax	年內全面收入總額， 扣除稅項		(809,990)	(175,070)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

As at 31 March 2010
於二零一零年三月三十一日

			2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
	NOTES 附註			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	19	365,775	661,300
Prepaid lease payments	預付租賃款項	20	34,270	41,091
Intangible assets	無形資產	21	–	10,345
Available-for-sale investments	可供出售之投資	23	–	–
Deposits for acquisition of items of property, plant and equipment	購買物業、廠房及設備項目按金		–	53
			400,045	712,789
Current assets	流動資產			
Inventories	存貨	24	1,466	353,832
Accounts and bills receivables	應收賬款及票據	25	831	68,495
Factored accounts receivables	應收保付代理賬款	26	–	53,394
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	27	935	16,418
Prepaid lease payments	預付租賃款項	20	762	909
Equity investments at fair value through profit or loss	按公平值計入損益之股本投資	28	–	2,592
Derivative financial instruments	衍生金融工具	29	–	382
Current tax assets	即期稅項資產		1,919	–
Cash and bank balances	現金及銀行結存	30	30,176	36,758
			36,089	532,780
Current liabilities	流動負債			
Accounts payables	應付賬款	31	319,210	342,022
Accruals and other payables	應計費用及其他應付款項	32	82,249	43,548
Borrowings	借貸	33	412,094	337,427
Due to directors	應付董事款項	35	629	–
Current tax liabilities	即期稅項負債		13,785	21,265
			827,967	744,262
Net current liabilities	流動負債淨值		(791,878)	(211,482)
Total assets less current liabilities	資產總值減流動負債		(391,833)	501,307

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

As at 31 March 2010
於二零一零年三月三十一日

		NOTES 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Non-current liabilities	非流動負債			
Borrowings	借貸	33	–	61,144
Deferred tax	遞延稅項	37	31,477	53,483
			31,477	114,627
NET (LIABILITIES)/ASSETS	(負債)/資產淨值		(423,310)	386,680
Capital and reserves	股本及儲備			
Share capital	股本	38	105,789	105,789
Reserves	儲備	40(a)	(529,099)	280,891
TOTAL EQUITY	權益總額		(423,310)	386,680

Approved by:

經以下人士批准：

Ling Siu Man, Simon

凌少文
Director
董事

Li Fung Ching, Catherine

李鳳貞
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2010
截至二零一零年三月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔						Total
		Share capital	Share premium account	Contributed reserve	Property revaluation reserve	Foreign currency translation reserve	Retained profits/ (accumulated losses)	Total
		股本	股份溢價賬	繳入儲備	物業重估儲備	外幣換算儲備	保留溢利/ (累積虧損)	總計
		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
At 1 April 2008	於二零零八年四月一日	105,789	71,388	280	98,165	8,463	277,665	561,750
Total comprehensive income for the year	年內全面收入總額	-	-	-	1,100	(1,283)	(174,887)	(175,070)
Transfer on disposal	出售時轉撥	-	-	-	(1,554)	-	1,554	-
At 31 March 2009 and 1 April 2009	於二零零九年三月三十一日及二零零九年四月一日	105,789	71,388	280	97,711	7,180	104,332	386,680
Total comprehensive income for the year	年內全面收入總額	-	-	-	(19,859)	283	(790,414)	(809,990)
Transfer on disposal	出售時轉撥	-	-	-	(3,784)	-	3,784	-
At 31 March 2010	於二零一零年三月三十一日	105,789	71,388	280	74,068	7,463	(682,298)	(423,310)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

For the year ended 31 March 2010
截至二零一零年三月三十一日止年度

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Cash flows from operating activities	經營業務之現金流量		
Loss before tax:	除稅前虧損：		
From continuing operation	來自持續經營業務	(805,396)	(152,458)
From discontinued operation	來自已終止經營業務	–	(21,980)
Adjustments for:	經下列各項調整：		
Finance costs	融資成本	22,454	25,955
Bank interest income	銀行利息收入	(71)	(174)
Dividend income from listed investments	來自上市投資之股息收入	(167)	(143)
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損／(收益)	43,083	(29,886)
(Gains)/losses on, net:	(收益)／虧損，淨額：		
Equity investment at fair value through profit or loss	按公平值計入損益之股本投資	(1,094)	1,488
Derivative financial instruments – forward currency contract, net	衍生金融工具–貨幣遠期合約，淨額	(464)	(382)
Depreciation	折舊	40,452	66,813
Provision against inventories and loss on auctions of sequestrated inventories	存貨撥備及拍賣被扣押存貨之虧損	426,945	10,981
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	764	981
Amortisation of software development costs and trademarks	軟件開發成本及商標攤銷	55	357
Amortisation of deferred development costs	遞延開發成本攤銷	5,577	8,330
Provision for impairment of assets	資產減值撥備	224,832	65,795
Operating loss before working capital changes	營運資金變動前之經營虧損	(43,030)	(24,323)
Change in inventories	存貨變動	(74,579)	162,022
Change in accounts and bills receivables	應收賬款及票據變動	34,954	131,132
Change in factored accounts receivable	應收保付代理賬款變動	33,703	(53,394)
Change in prepayments, deposits and other receivables	預付款項、按金及其他應收款項變動	4,684	2,124
Change in accounts payables	應付賬款變動	(21,966)	(175,055)
Change in accruals and other payables	應計費用及其他應付款項變動	38,699	(25,986)
Cash (used in)/generated from operations	經營業務(耗用)／產生之現金	(27,535)	16,520
Interest received	已收利息	71	174
Interest paid	已付利息	(22,337)	(25,361)
Interest element on finance lease rental payment	融資租賃租金利息部分	(117)	(594)
Hong Kong profits tax paid	已付香港利得稅	(8,611)	(55)
Oversea taxes paid	已付海外稅項	(298)	–
Net cash used in operating activities	經營業務耗用之現金淨額	(58,827)	(9,316)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

For the year ended 31 March 2010
截至二零一零年三月三十一日止年度

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Cash flows from investing activities	投資活動之現金流量		
Dividends received from listed investment	已收上市投資股息	167	143
Purchase of items of property, plant and equipment	購買物業、廠房及設備項目	(23,687)	(13,921)
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	57,791	35,619
Additions to intangible assets	無形資產增加	–	(3,867)
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	3,686	–
Decrease in loans receivable	應收貸款減少	–	93
Net cash generated from investing activities	投資活動產生之現金淨額	37,957	18,067
Cash flows from financing activities	融資活動之現金流量		
Decrease in trust receipt loans	信託收據貸款減少	(3,708)	(76,059)
New bank and other loans	新借銀行及其他貸款	81,091	226,850
Repayment of bank and other loans	償還銀行及其他貸款	(63,175)	(151,883)
Capital element of finance lease rental payment	融資租賃租金本金部分	(3,294)	(8,445)
Advances from directors	董事墊款	629	–
Net cash generated from/(used in) financing activities	融資活動產生/(耗用)之現金淨額	11,543	(9,537)
Net decrease in cash and cash equivalents	現金及等同現金項目減少淨額	(9,327)	(786)
Cash and cash equivalents at beginning of year	年初現金及等同現金項目	26,143	26,732
Effect of changes in foreign exchange rate	匯率變動影響	182	197
Cash and cash equivalents at end of year	年終現金及等同現金項目	16,998	26,143
Analysis of cash and cash equivalents	現金及等同現金項目分析		
Cash and bank balances	現金及銀行結存	30,176	36,758
Bank overdrafts – secured	銀行透支 – 有抵押	(13,178)	(10,615)
		16,998	26,143

STATEMENT OF FINANCIAL POSITION

財務狀況報表

As at 31 March 2010
於二零一零年三月三十一日

		NOTES 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資	22	—	58,812
Available-for-sale investments	可供出售之投資	23	—	—
			—	58,812
Current assets	流動資產			
Due from subsidiaries	應收附屬公司款項	22	—	210,676
Cash and bank balances	現金及銀行結存		—	138
			—	210,814
Current liabilities	流動負債			
Accruals and other payables	應計費用及其他應付款項		579	9
Financial guarantee liabilities	財務擔保負債	36	157,795	—
Due to subsidiaries	應付附屬公司款項	22	411	—
			158,785	9
Net current (liabilities)/assets	流動(負債)/資產淨值		(158,785)	210,805
NET (LIABILITIES)/ASSETS	(負債)/資產淨值		(158,785)	269,617
Capital and reserves	資本及儲備			
Issued capital	已發行股本	38	105,789	105,789
Reserves	儲備	40(b)	(264,574)	163,828
TOTAL EQUITY	權益總額		(158,785)	269,617

Approved by:

經以下人士批准：

Ling Siu Man, Simon

凌少文
Director
董事

Li Fung Ching, Catherine

李鳳貞
Director
董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2010
截至二零一零年三月三十一日止年度

1. GENERAL INFORMATION

The Company 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 address of its principal place of business is Flat K2, Block 2, 2/F., Kaiser Estate, 51 Man Yue Street, Hung Hom, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company and the principal activities of its subsidiaries during the year are design, manufacture and sale of consumer electronic products and components.

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

2. BASIS OF PREPARATION

(a) Going Concern

At 31 March 2010, the Group had consolidated net current liabilities of approximately HK\$791,878,000 (2009: HK\$211,482,000) and consolidated net liabilities of approximately HK\$423,310,000 (2009: net assets of approximately HK\$386,680,000). The group incurred a net loss attributable to equity holders of the Company for the year ended 31 March 2010 of approximately HK\$790,414,000 (2009: HK\$174,887,000). During the year ended 31 March 2010 and as at that date, the Group has breached certain terms and defaulted on the repayment of certain banking facilities. At 31 March 2010, bank borrowings of approximately HK\$169,166,000 became repayable on demand as a result of the breaches.

1. 一般資料

本公司為一家於開曼群島註冊成立的有限公司。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，而主要營業地點則位於香港九龍紅磡民裕街51號凱旋工商中心2座2樓K2室。本公司股份於香港聯合交易所有限公司（「聯交所」）主板上市。

本公司為投資控股公司，旗下附屬公司年內主要從事設計、製造及銷售消費電子產品及零件之業務。

董事認為，本集團之控股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. 編製基準

(a) 持續經營基準

於二零一零年三月三十一日，本集團錄得綜合流動負債淨值約港幣791,878,000元（二零零九年：港幣211,482,000元），以及綜合負債淨值約港幣423,310,000元（二零零九年：資產淨值約港幣386,680,000元）。於截至二零一零年三月三十一日止年度，本集團錄得本公司權益持有人應佔虧損淨額約港幣790,414,000元（二零零九年：港幣174,887,000元）。於截至二零一零年三月三十一日止年度及於該日，本集團已違反若干銀行信貸條款並拖欠還款。於二零一零年三月三十一日，約港幣169,166,000元之銀行借貸因上述違規而須應要求償還。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2010
截至二零一零年三月三十一日止年度

2. BASIS OF PREPARATION (continued)

(a) Going Concern (continued)

To address the issues above, the Group has been in discussion and negotiation with creditors to explore the possibility of seeking a forbearance of the Group's borrowings and with potential investors to explore the possibility of injecting new funds into the Group through a restructuring proposal. The restructuring proposal (the "Restructuring Proposal") is conditional upon passing of special resolutions (the "Resolutions") by the shareholders of the Company with an extraordinary general meeting to approve the proposed capital reorganisation, the proposed group reorganisation, the proposed creditor scheme and the proposed subscription of new shares (as further disclosed in the circular of Company dated 28 June 2010 and hereinafter referred to as the "Circular") and other conditions precedent further detailed in the Circular. Pursuant to the Resolutions passed on 26 July 2010, the Restructuring Proposal was approved by the shareholders. The remaining conditions precedent will be processed subsequently in accordance with the scheduled working timetable of the Restructuring Proposal. The Restructuring Proposal, if successfully implemented, consists of, among other things, the principal elements as summarised below. Unless otherwise specified, capitalised terms used herein shall have the same meanings as in the Circular.

(i) Capital Reorganisation

The Company will undergo the Capital Reorganisation comprising the Capital Reduction, Share Sub-division and Share Consolidation. Before the Capital Reorganisation, the authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 Existing Shares of HK\$0.10 each, and the issued share capital of the Company is HK\$105,788,996.20 divided into 1,057,889,962 Shares. Immediately after completion of the Capital Reorganisation, the authorised share capital of the Company will be HK\$300,000,000, divided into 30,000,000,000 New Shares of HK\$0.010 each and the issued share capital of the Company will be reduced to approximately HK\$1,057,889.96 divided into 105,788,996 New Shares of HK\$0.010 each. The Shares will rank pari passu in all respects with each other.

2. 編製基準(續)

(a) 持續經營基準(續)

為應付上述事宜，本集團已與債權人討論及磋商，以探討尋求暫緩償還本集團借貸之可能性，並與潛在投資者討論及磋商透過重組建議向本集團注入新資金之可能性。誠如本公司日期為二零一零年六月二十八日之通函(以下稱為「通函」)進一步披露，重組建議(「重組建議」)須待本公司股東於股東特別大會上通過特別決議案(「決議案」)批准建議股本重組、建議集團重組、建議債權人計劃及建議認購新股份以及通函進一步詳述之其他先決條件達成後，方可作實。根據於二零一零年七月二十六日通過之決議案，重組建議已獲股東批准。餘下先決條件其後將根據重組建議預訂工作時間表處理。重組建議如獲成功實行，將涉及(其中包括)下文概述各主要部分。除另有註明者外，本文所用詞彙與通函具有相同之涵義。

(i) 股本重組

本公司將進行股本重組，其中涉及股本削減、股份拆細及股份合併。於股本重組前，本公司法定股本為港幣300,000,000元，分為3,000,000,000股每股面值港幣0.10元之現有股份，而本公司已發行股本為港幣105,788,996.20元，分為1,057,889,962股股份。緊隨股本重組完成後，本公司法定股本將為港幣300,000,000元，分為30,000,000,000股每股面值港幣0.010元之新股份，而本公司已發行股本將削減至約港幣1,057,889.96元，分為105,788,996股每股面值港幣0.010元之新股份。股份於各方面彼此享有同等地位。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2010
截至二零一零年三月三十一日止年度

2. BASIS OF PREPARATION (continued)

(a) Going Concern (continued)

(ii) Group Reorganisation

The proposed Group Reorganisation and Creditor Scheme will split the Group into a group comprising the Company and certain subsidiaries retained under the control of the Company (the "Retained Subsidiaries") (altogether with the Company referred to as the "Retained Group") and a group comprising the other subsidiaries to be held outside the Retained Group (the "Scheme Subsidiaries") by a special purpose vehicle wholly-owned by the scheme administrators (the "Schemeco") for the purpose of the Creditor Scheme.

(iii) Creditor Scheme

Pursuant to the proposed Creditor Scheme, upon it has become effective, all Claims against the Company will be released and discharged and (i) a cash payment of HK\$80 million (which will be funded by the Company out of the proceeds of the Subscription); (ii) the funds received through the realisation or winding up of the Scheme Subsidiaries after payment of the liabilities of the respective Scheme Subsidiaries; (iii) any funds received through the realisation or holding of 63,473,398 Options Shares, representing approximately 5.94% of the share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and Remuneration Shares, and (iv) the balances between the members of Retained Group and Scheme Subsidiaries as at the Effective Date will be subject to certain debt settlement and/or assignment arrangement for the purpose of the Creditor Scheme.

2. 編製基準(續)

(a) 持續經營基準(續)

(ii) 集團重組

建議集團重組及債權人計劃會將本集團分割為由本公司、若干維持由本公司控制之附屬公司(「保留附屬公司」，連同本公司統稱為「保留集團」)，以及保留集團以外將由計劃管理人為債權人計劃而全資擁有之特殊用途公司(「計劃公司」)所持有其他附屬公司(「計劃附屬公司」)組成之集團。

(iii) 債權人計劃

根據建議債權人計劃，待其生效後，所有對本公司之申索將獲免除及解除，而(i)將由本公司以認購所得款項撥資之現金款項港幣80,000,000元；(ii)各計劃附屬公司於償還負債後透過變現或清盤而取得之資金；(iii)透過變現或持有63,473,398股期權股份(佔本公司經配發及發行認購股份及酬金股份擴大之股本約5.94%)而收取之任何資金；及(iv)於生效日期保留集團成員公司與計劃附屬公司間之結餘將根據債權人計劃作出若干債務清償及/或轉讓安排。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2010
截至二零一零年三月三十一日止年度

2. BASIS OF PREPARATION (continued)

(a) Going Concern (continued)

(iv) Subscription of New Shares

Pursuant to the Subscription Agreement dated 15 January 2010 as amended by the supplemental subscription agreement dated 24 June 2010, the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for 909,785,366 Subscription Shares, representing approximately 85.15% of the share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and Remuneration Shares, at par value of HK\$0.010 each at a Subscription Price of approximately HK\$0.0879 per Subscription Share, resulting in the cash consideration of HK\$80 million.

The financial statements have been prepared on the basis that the Restructuring Proposal of the Company will be implemented in accordance with its terms and the Group will be able to improve its financial position and business upon completion of the proposed restructuring. As at the approval date of these financial statements, subject to the fulfillment of conditions precedent as further detailed in the Circular, the Directors are not aware of any circumstances or reasons that would likely affect the implementation of the Restructuring Proposal. In light of the foregoing, the Directors opined that it is appropriate to prepare with the financial statements on a going concern basis. The financial statements do not incorporate any adjustments for possible failure of the above-mentioned Restructuring Proposal and the continuance of the Group as a going concern.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, and to provide for any further liabilities which may arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these adjustments have not been reflected in the financial statements for the year ended 31 March 2010 and as at that date.

2. 編製基準(續)

(a) 持續經營基準(續)

(iv) 認購新股份

根據日期為二零一零年一月十五日之認購協議(經日期為二零一零年六月二十四日之補充認購協議修訂)，本公司已有條件同意向認購人配發及發行，而認購人已有條件同意按認購價每股認購股份約港幣0.0879元認購909,785,366股每股面值港幣0.010元之認購股份，相當於經配發及發行認購股份及酬金股份擴大後本公司股本約85.15%。現金代價為港幣80,000,000元。

編製財務報表之基準為本公司將根據重組建議項下之條款進行重組建議，而本集團將能夠於建議重組完成後改善其財務狀況及業務。於此等財務報表批准日期(須待通函進一步詳述之先決條件達成)，董事概無發現任何將有可能對實行重組建議構成影響之情況或原因。鑑於上述各項，董事認為按持續經營基準編製財務報表屬恰當做法。財務報表並未包括上述重組建議及本集團持續經營可能無法實行之任何調整。

倘本集團未能成功重組及持續經營其業務，則或可能需要作出調整以重列資產價值至其可收回金額，並就任何可能產生之進一步負債計提撥備及將非流動資產及負債分別重新分類為流動資產及負債。上述調整之影響並未於截至二零一零年三月三十一日止年度及於該日之財務報表反映。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2010
截至二零一零年三月三十一日止年度

2. BASIS OF PREPARATION (continued)

(b) Possible outcome of outstanding litigations

Certain subsidiaries of the Company are or have been involved in litigations in respect of goods sold and services delivered, trade and other payables to third parties. The Directors determine the provision for litigations based on their best estimates and legal advices. However, with the litigations still ongoing up to the approval date of these financial statements, it is not possible to ascertain with any degree of reasonable certainty the outcome of those litigations and the existence or otherwise of any compensation payable should the related defense become unsuccessful, and the completeness of any other lawsuits and claims arose. There is a material uncertainty as to whether the above actions can be successfully defended and accordingly, there may be a potential significant impact on the financial performance and position of the Group.

Any adjustment arising from the matters described above might have a significant consequential effect on the Group's results and financial position for the year ended 31 March 2010 and related disclosures thereof in the financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

During the year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 April 2009. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting polices, presentation of the Group's financial statements and amounts reported for the current year and prior years except as stated below.

2. 編製基準(續)

(b) 待決訴訟可能產生之結果

本公司若干附屬公司就與第三方有關之已售出貨品及所提供服務、貿易及其他應付款項現時或曾經牽涉訴訟。董事按照彼等之最佳估計及法律意見計提訴訟撥備。然而，就直至此等財務報表批准日期止仍在進行之訴訟而言，並不可能以任何合理肯定程度確定該等訴訟之結果，以及會否出現相關抗辯敗訴及因此可能應付之任何賠償，或任何其他訴訟完結及提出申索之情況。鑑於存在有關上述訴訟能否成功抗辯之重大不明朗因素，故或可能對本集團財務表現及狀況構成潛在重大影響。

因上述事宜而作出之任何調整可能會對本集團截至二零一零年三月三十一日止年度之業績及財務狀況，以及財務報表所載相關披露構成重大相應影響。

3. 採納新訂及經修訂香港財務報告準則

年內，本集團已採納香港會計師公會（「香港會計師公會」）頒佈之所有新訂及經修訂香港財務報告準則（「香港財務報告準則」），該等準則與其業務有關，並於二零零九年四月一日開始之會計年度有效。香港財務報告準則包括香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋。除下述者外，採納此等新訂及經修訂香港財務報告準則不會對本集團之會計政策、本集團財務報表之呈列以及本年度及過往年度所呈報金額構成重大變動。

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財務報表附註

For the year ended 31 March 2010
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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

(a) Presentation of Financial Statements

HKAS 1 (Revised) "Presentation of Financial Statements" affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cash flow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the income statement, the statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. HKAS 1 (Revised) also requires disclosures of the reclassification adjustments and tax effects relating to each component of other comprehensive income for the year. HKAS 1 (Revised) has been applied retrospectively.

(b) Operating Segments

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Previously, HKAS 14 "Segment Reporting" required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving as the starting point for the identification of such segments. The primary segments reported under HKAS 14 are the same as the segments reported under HKFRS 8. HKFRS 8 has been applied retrospectively.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 財務報表之呈列

香港會計準則第1號(經修訂)「財務報表之呈列」影響財務報表之若干披露及呈列。資產負債表改稱為財務狀況報表，而現金流量表則由現金流量表改為現金流量報表。所有與非擁有人進行交易而產生之收入及開支均於收益表及全面收益表呈列，而總額則轉入權益變動表。擁有人之權益變動於權益變動表呈列。香港會計準則第1號(經修訂)亦規定披露與本年度其他全面收入各組成部分有關之重新分類調整及稅務影響。香港會計準則第1號(經修訂)已追溯應用。

(b) 經營分部

香港財務報告準則第8號「經營分部」要求按由主要營運決策人就向分部調撥資源及評估其表現定期檢討之本集團組成部分內部呈報為基準識別經營分部。過往香港會計準則第14號「分部呈報」要求實體須利用風險及回報法識別兩組分部(業務及地區分部)，而該實體以向主要管理人員作出之內部財務呈報制度作為識別有關分部之起始點。根據香港會計準則第14號所呈報之主要分部與根據香港財務報告準則第8號所呈報之分部相同。香港財務報告準則第8號已追溯應用。

本集團並無應用已頒佈但尚未生效之新訂香港財務報告準則。本集團已著手評估該等新訂香港財務報告準則之影響，惟尚未能呈述該等新訂香港財務報告準則會否對其經營業績及財務狀況造成重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2010
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4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the financial statements include applicable disclosures required by the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

These financial statements have been prepared under the historical cost convention, except for buildings, derivative financial instruments and certain investments, which have been measured at fair value. The financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of the financial statements in conformity with HKFRSs requires the use of key assumptions and estimates. It also requires management to exercise its judgments in the process of applying the accounting policies. The areas involving critical judgments and areas where assumptions and estimates are significant to the financial statements are further disclosed in note 5 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

Consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its carrying amount together with any remaining goodwill relating to the subsidiary and also any related accumulated foreign currency translation reserve.

4. 主要會計政策 合規聲明

財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，財務報表包括香港公司條例及聯交所證券上市規則(「上市規則」)規定之適用披露。

財務報表乃按歷史成本法編製，惟樓宇、衍生金融工具及若干投資乃以公平值計量。財務報表以港幣(「港幣」)呈列，除另有註明者外，所有數值均四捨五入至最接近千位。

編製符合香港財務報告準則之財務報表需要運用主要假設及估計，亦要求管理層須於應用會計政策時作出判斷。涉及重大判斷以及就財務報表而言屬重大假設及估計之範疇於財務報表附註5進一步披露。

就編製財務報表應用之主要會計政策載列如下。

綜合賬目

綜合財務報表包括本公司及其附屬公司截至三月三十一日止之財務報表。附屬公司指本集團擁有其控制權之實體。控制權乃指有權支配一間實體之財務及經營政策，以從其業務中獲取利益。於評估本集團是否擁有控制權時，會考慮現時是否存在可行使或可轉換之潛在表決權及其影響。

附屬公司在控制權轉移至本集團之日起綜合入賬，並在控制權終止之日起停止綜合入賬。

出售附屬公司之盈虧乃指出售所得款項與本集團所佔其賬面值連同與該附屬公司有關之餘下商譽以及任何相關累計外幣換算儲備兩者間之差額。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued) Consolidation (continued)

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. 主要會計政策(續) 綜合賬目(續)

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已按需要調整，以確保符合本集團採納之會計政策。

外幣換算

(a) 功能及呈列貨幣

本集團旗下各實體之財務報表包括之項目，均使用實體經營所在之主要經濟環境採用之貨幣（「功能貨幣」）計算。綜合財務報表以港幣呈列，該貨幣乃本公司之功能及呈列貨幣。

(b) 於各實體財務報表之交易及結餘

外幣交易於初步確認時採用交易當日之現行匯率換算為功能貨幣。以外幣為單位之貨幣資產及負債乃以各報告期間結算日之匯率換算。此換算政策所產生收益及虧損於損益中確認。

按公平值以外幣計算之非貨幣項目以釐定公平值當日之匯率換算。

倘非貨幣項目之收益或虧損於其他全面收入中確認，任何該收益或虧損之匯兌部分於其他全面收入中確認。倘非貨幣項目之收益或虧損於損益中確認，任何該收益或虧損之匯兌部分則於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued) Foreign currency translation (continued)

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Property, plant and equipment

Buildings comprise mainly factories and offices and are carried at fair values, based on periodic valuations by external independent values, less subsequent depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

4. 主要會計政策(續) 外幣換算(續)

(c) 綜合賬目時換算

功能貨幣與本公司之呈列貨幣有所不同之所有集團實體之業績及財務狀況乃按下列方法換算為本公司之呈列貨幣：

- (i) 各份財務狀況報表呈列之資產及負債，均按該財務狀況報表日期之收市匯價換算；
- (ii) 各份收益表之收入及開支乃按平均匯率換算，惟倘該平均匯率並不足以合理反映於交易日期適用匯率之累計影響，則在此情況下，收入及開支乃以交易日之匯率進行換算；及
- (iii) 所有因此而產生之匯兌差額於外幣換算儲備內確認。

於綜合賬目時，因換算海外實體投資淨額及借貸所產生之匯兌差額於外幣換算儲備內確認。當出售海外業務時，該等匯兌差額於綜合損益確認為出售盈虧之一部分。

物業、廠房及設備

樓宇主要包括工廠及辦公室，按公平值減其後折舊及減值虧損列賬，公平值乃以外聘獨立估值師所作出定期估值計算。於重估日期之任何累計折舊會與資產之賬面總值對銷，而淨值重列為資產之經重估金額。所有其他物業、廠房及設備按成本減累計折舊及減值虧損列賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued) Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in profit or loss during the period in which they are incurred.

Revaluation increases of buildings are recognised in profit or loss to the extent that the increases reverse revaluation decreases of the same asset previously recognised in profit or loss. All other revaluation increases are credited to the property revaluation reserve as other comprehensive income. Revaluation decreases that offset previous revaluation increases of the same asset remaining in the property revaluation reserve are charged against the property revaluation reserve as other comprehensive income. All other decreases are recognised in profit or loss. On the subsequent sale or retirement of a revalued building, the attributable revaluation increases remaining in the property revaluation reserve is transferred directly to retained profits.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line and a reducing balance basis. The principal annual rates are as follows:

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

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

4. 主要會計政策(續) 物業、廠房及設備(續)

僅於項目相關未來經濟利益將流入本集團及項目成本能可靠地計量時，其後成本方會計入資產之賬面值或確認為一項獨立資產(視適用情況而定)。所有其他維修及保養均於產生期間之損益支銷。

樓宇之重估增加於增加金額撥回同一資產過往於損益確認之重估金額減少情況下於損益確認。所有其他重估增加均作為其他全面收入計入物業重估儲備。物業重估儲備內抵銷同一資產過往重估增加之重估減少作為其他全面收入自物業重估儲備扣除。所有其他減少均於損益確認。於重估樓宇其後出售或報廢時，於物業重估儲備內之應估重估增加直接轉撥至保留溢利。

物業、廠房及設備扣除餘值後以直線及餘額遞減法，於其估計可使用年期，按足以撇銷成本之比率折舊，主要年率如下：

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

餘值、可使用年期及折舊法乃於各報告期間結算日檢討，並於適當時作出調整。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued) Property, plant and equipment (continued)

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these property, plant and equipment, on the same basis as other property, plant and equipment, commences when the property, plant and equipment are ready for their intended use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit or loss.

Prepaid land lease payment

Prepaid land lease payment represents interest in land held under operating lease arrangements and is amortised on a straight-line basis over the lease terms.

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipments. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

Intangible assets

(a) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is carried at cost less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation is provided to write off the cost of development expenditure on a straight-line basis over its estimated useful life of three years.

4. 主要會計政策(續)

物業、廠房及設備(續)

在建工程包括正在建設作生產或自用之物業、廠房及設備，乃按成本減任何已確認減值虧損列賬。在建工程乃於完成及可作擬定用途時分類至物業、廠房及設備之適當類別，並於有關資產可作擬定用途時按其他物業、廠房及設備之相同基準計提折舊。

出售物業、廠房及設備之盈利或虧損指出售所得款項淨額與相關資產賬面值間之差額，於損益確認。

預付土地租賃款項

預付土地租賃款項指根據經營租賃安排所持有土地之利息，乃以直線法於租期內攤銷。

土地及樓宇租賃中之土地及樓宇部分應就租賃分類獨立入賬，除非租賃款項未能可靠地分配至土地及樓宇部分之間，在此情況下整項租賃一概視為融資租賃，並入賬列作物業、廠房及設備。若租賃款項能可靠地分配，土地租賃權益一概作為經營租約列賬。

無形資產

(a) 研發支出

研究活動支出於產生期間確認為開支。

自開發支出所內部衍生之無形資產，僅在預期自清楚界定之項目產生並能可靠計量之開發成本可透過未來商業活動收回之情況下，方獲確認。所得資產按成本減其後累計攤銷及任何累計減值虧損列賬。開發支出乃於其三年估計可使用年期以直線法攤銷其成本值攤銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

(a) Research and development expenditure (continued)

Where no internally-generated intangible asset can be recognised, development expenditure is charged to the profit or loss in the period in which it is incurred.

(b) Trademarks

Trademarks are stated at cost less accumulated amortisation and any accumulated impairment losses. The amortisation is calculated on a straight-line basis over their estimated useful lives of ten years.

Leases

(a) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(b) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets over the shorter of the lease term and their estimated useful lives.

4. 主要會計政策(續)

無形資產(續)

(a) 研發支出(續)

倘若並無內部產生之無形資產可予確認，開發支出於產生期間之損益扣除。

(b) 商標

商標乃按成本減累計攤銷及任何累計減值虧損列賬。攤銷乃於其十年估計可使用年期以直線法計量。

租約

(a) 經營租約

並不將資產擁有權之所有風險及回報大部分轉移至本集團之租約，分類為經營租約。租賃款項在扣除自出租人收取之任何獎勵金後，於租期內以直線法確認為開支。

(b) 融資租約

將資產擁有權之所有風險及回報大部分轉移至本集團之租約，分類為融資租約。融資租約在開始時按租賃資產之公平值與最低租賃款項現值(兩者均於租賃開始時釐定)間之較低者入賬。

出租人之相應債務於財務狀況報表列作融資租約應付款項。租賃款項按比例分配為融資費用及削減未付債務。融資費用於各租期內攤分，以就債務結餘得出一個貫徹之定期利率。

融資租約項下之資產與自置資產之相同方法於租期或其估計可使用年期(以較短者為準)計算折舊。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued) Discontinued operation

Discontinued operation is a component of the Group, the operation and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operation, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operation, or is a subsidiary acquired exclusively with a view to resale.

Classification as discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs when the operation is abandoned.

When an operation is classified as discontinued, a single amount is presented on the face of the income statement, which comprises:

- (a) The post-tax profit or loss of the discontinued operation; and
- (b) The post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

4. 主要會計政策(續) 已終止經營業務

已終止經營業務為本集團業務一部分，其業務及現金流量可與本集團餘下業務清楚劃分，並代表主要獨立業務綫或經營地區或為出售主要獨立業務綫或經營地區之單一協調計劃其中部分，或為個別收購以轉讓之附屬公司。

業務於出售或有關業務符合標準可分類為持作出售(以較早者為準)時劃分為已終止經營業務，業務被廢棄時亦作出有關分類。

倘業務被分類為已終止經營，則於收益表上呈列單一金額，當中包括：

- (a) 已終止經營業務之除稅後溢利或虧損；及
- (b) 計算公平值減銷售成本或於出售時計算構成已終止經營業務之資產或出售組合所確認除稅後收益或虧損。

存貨

存貨按成本及可變現淨值兩者之較低者入賬。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所有經常成本，以及(如適用)分包開支。可變現淨值即於一般業務過程中之估計售價，減完成及出售所需估計成本。

確認及不再確認金融工具

當本集團成為工具合約條款之一方時，會在財務狀況報表確認金融資產及金融負債。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition and derecognition of financial instruments (continued)

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

(a) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

4. 主要會計政策(續)

確認及不再確認金融工具(續)

當自資產收取現金流量之合約權利屆滿時；或本集團將資產所有權絕大部分風險及回報轉讓時；或本集團概無轉讓亦無保留資產之絕大部分風險及回報惟並無保留對資產之控制權時，則不再確認金融資產。於不再確認金融資產時，資產賬面值與已收及應收代價以及於權益直接確認之累計損益之總和差額於損益確認。

當有關合約內指定之責任獲解除、取消或屆滿時不再確認金融負債。不再確認金融負債之賬面值與已付代價之差額於損益確認。

投資

倘購入或出售投資乃按合約進行，而合約條款要求於相關市場所定時限內交付投資，則有關投資按交易日基準確認及不再確認，並初步按公平值加直接應佔交易成本計量，惟按公平值計入損益之金融資產除外。

(a) 可供出售金融資產

可供出售金融資產為並無分類為貿易及其他應收款項、持至到期投資或按公平值計入損益之金融資產的非衍生金融資產。可供出售金融資產其後按公平值計量。此等投資公平值變動所產生之盈虧於其他全面收入中確認，直至投資被出售或有客觀證據顯示投資已減值，屆時先於其他全面收入確認之累計盈虧會於損益確認。按實際利率法計算之利息於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued) Investments (continued)

(a) Available-for-sale financial assets (continued)

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale financial assets are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in profit or loss if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

(b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in profit or loss.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in the profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

4. 主要會計政策(續) 投資(續)

(a) 可供出售金融資產(續)

分類為可供出售金融資產的股本投資於損益內確認減值虧損，有關減值虧損其後不能自損益撥回。倘債務工具的公平值增加與確認減值虧損後發生事件客觀相關，則分類為可供出售金融資產的債務工具已在損益內確認的減值虧損，其後撥回並於損益中確認。

(b) 按公平值計入損益之金融資產

初步確認時，按公平值計入損益的金融資產均分類為持作買賣或指定為按公平值計入損益的投資。此等投資其後按公平值計量。此等投資公平值變動所產生的損益均於損益確認。

貿易及其他應收款項

貿易及其他應收款項指附有固定或可釐訂付款額及無活躍市場報價之非衍生金融資產，初步按公平值確認，其後採用實際利率法按攤銷成本扣除減值撥備計算。倘有客觀憑證顯示本集團將不能按應收款項之原有條款收回所有到期款項，則會對貿易及其他應收款項作出減值撥備。撥備數額為應收款項賬面值與估計未來現金流量現值間之差額，並按初步確認之實際利率貼現。該撥備數額於損益確認。

當應收款項之可收回金額增加乃客觀地與於確認減值後發生之事件有關時，則減值虧損會於隨後期間撥回並在損益確認，惟應收款項於減值被撥回日期應有之賬面值不得超過倘無確認減值之攤銷成本。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Borrowing

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

- (a) the amount of the obligations under the contracts, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and
- (b) the amount initially recognised less cumulative amortisation recognised in profit or loss on a straight-line basis over the terms of the guarantee contracts.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 主要會計政策(續)

現金及等同現金項目

就現金流量報表而言，現金及等同現金項目指銀行及手頭現金、存放於銀行及其他財務機構之活期存款，以及短期高流通性之投資（可轉換為已知數額現金款項及受極輕微價值變動風險所限）。現金及等同現金項目亦包括須按要求償還及為本集團整體現金管理一部分之銀行透支。

借貸

借貸初步按公平值，扣除所產生之交易成本確認，其後使用實際利率法按攤銷成本計量。

除非本集團有無條件權利延遲償還負債直至報告期後最少12個月，否則借貸應分類為流動負債。

財務擔保合約負債

財務擔保合約負債初步按其公平值計量，其後按以下較高者計量：

- (a) 根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之合約項下責任金額；及
- (b) 初步確認金額減於擔保合約年期內按直線法於損益確認之累計攤銷。

貿易及其他應付款項

貿易及其他應付款項初步按公平值列賬，其後則採用實際利率法按攤銷成本計量，惟如貼現影響並不重大，則以成本列賬。

股本工具

本公司發行之股本工具乃按已收取之所得款項扣除直接發行成本入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

- (a) Revenues from the sales of goods are recognised 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) Handling services fee is recognised when the services have been rendered.
- (c) Interest income is recognised 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.
- (d) Dividend income is recognised when the shareholders' right to receive payment has been established.

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basis salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

4. 主要會計政策(續)

收益確認

收益按所收取或應收取代價之公平值計量，並當經濟利益很可能流入本集團且收益金額能可靠計量時予以確認。

- (a) 銷售貨品之收益於擁有權大部分風險及回報已轉歸買方，而本集團不再參與通常與所售出貨品之擁有權或實際控制權有關的管理時確認。
- (b) 手續費於提供服務時確認。
- (c) 利息收入按累計基準利用實際利率法確認，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。
- (d) 股息收入於股東可獲取派息之權利確立時確認。

僱員福利

(a) 僱員應享假期

僱員可享有之年假及長期服務假期乃在其權利產生時確認。本集團為截至各報告期間結算日止僱員已提供之服務而產生之年假及長期服務假期之估計負債作出撥備。

僱員之病假及產假直至僱員正式休假時方予確認。

(b) 退休金責任

本集團為所有僱員提供定額供款退休計劃。本集團及僱員向計劃作出之供款乃根據僱員基本薪金之百分比計算。於損益扣除之退休福利計劃成本指本集團應付予有關基金之供款。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying assets, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditure on that assets. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying assets.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. 主要會計政策(續)

借貸成本

收購、興建或生產合資格資產直接應佔之借貸成本將資本化作為該等資產成本一部分，並於該資產大致可供用作擬定用途時終止資本化。就用於合資格資產開支前作短暫投資之特定借貸所賺取投資收入，自合資格撥充資本之借貸成本扣除。就於一般情況及用作取得合資格資產而借入之資金而言，合資格資本化之借貸成本乃就用於該資產之開支應用資本化比率計量。資本化比率為適用於本集團該期間內尚未償還借貸（不包括就取得合資格資產而借入之特定借貸）之加權平均借貸成本。

所有其他借貸成本均在產生之期間內於損益確認。

稅項

所得稅指即期稅項及遞延稅項之總和。

即期應付稅項乃根據年內應課稅溢利計算。應課稅溢利與於損益確認之溢利不同，原因是應課稅溢利不包括其他年度之應課稅或可予扣稅之收入或開支項目，亦不包括免稅或不可扣稅之項目。本集團有關即期稅項之負債乃採用於各報告期間結算日已實施或實質已實施之稅率計算。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued) Taxation (continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4. 主要會計政策(續) 稅項(續)

遞延稅項乃指在財務報表內資產及負債之賬面值與計算應課稅溢利採用之相應稅基之差額。遞延稅項負債一般按所有應課稅暫時差額確認入賬，而遞延稅項資產則會在預期應課稅溢利可供作抵銷可予扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認入賬。倘暫時差額乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不會確認有關資產及負債。

遞延稅項負債乃按於附屬公司之投資而產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回，並預期該暫時差額將不會在可見將來撥回者除外。

遞延稅項資產之賬面值乃於各報告期間結算日進行檢討，並於預期將不可能有充裕之應課稅溢利以抵銷所有或部分資產時調減。

遞延稅項乃根據於各報告期間結算日已實施或實質實施之稅率，按預期在負債償還或資產變現期間適用之稅率計算。遞延稅項乃於損益中確認，惟倘遞延稅項與於其他全面收入或直接於權益確認之項目相關，則在此情況下亦會在其他全面收入或直接於權益內確認。

當有合法執行權利許可將即期稅項資產與即期稅項負債抵銷，並涉及與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is related to the Group if:

- (a) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a joint venture;
- (d) the party is a member of the key management personnel of the Company or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) 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 (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. 主要會計政策(續)

關連人士

下列人士將被視為與本集團有關連：

- (a) 直接或間接透過一間或多間中介實體控制本集團、被本集團控制或與本集團受到共同控制；擁有本集團權益並可對本集團發揮重大影響力；或與他人共同擁有本集團控制權之人士；
- (b) 該人士為聯營公司；
- (c) 該人士為合營企業；
- (d) 該人士為本公司或其母公司之主要管理人員；
- (e) 該人士為(a)或(d)中所述個別人士之近親；
- (f) 該人士為(d)或(e)中所述任何人士直接或間接控制、共同控制或對該實體有重大影響力或擁有重大投票權之實體；或
- (g) 該人士為本集團或與本集團有關連之實體為其僱員而設之離職後福利計劃。

分部報告

經營分部及各分部項目於財務報表內呈報之金額，乃根據就資源分配及評估本集團不同業務所在地區之表現定期提供予本集團最高行政管理人員的財務資料識別。

就財務報告而言，除非分部具備類似經濟特徵及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似，否則各個重大經營分部不會進行合算。就個別非重大經營分部而言，倘若符合上述大部分標準，則可進行合算。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, except for deferred tax assets, investments, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. 主要會計政策(續) 資產減值

於各報告期間結算日，本集團審閱其有形及無形資產之賬面值，以釐定有否跡象顯示該等資產出現減值虧損，遞延稅項資產、投資、存貨及應收款項除外。倘若出現任何該等跡象，則估計資產之可收回金額，以釐定任何減值虧損。倘若未能估計個別資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。

可收回金額乃公平值減銷售成本及使用價值兩者中較高者。在評估使用價值時，估計日後現金流按當時市場對該項資產之貨幣時值及資產特定風險之評估的折現率折算至其現值。

倘若估計資產或現金產生單位之可收回金額低於其賬面值，則資產或現金產生單位之賬面值減至其可收回金額。減值虧損即時於損益確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損視作重估價值減少處理。

倘若減值虧損其後撥回，資產或現金產生單位之賬面值乃增加至其經重新估計之可收回金額，惟已增加賬面值不得超過於過往年度並無確認資產或現金產生單位減值虧損而釐定之賬面值(扣除攤銷或折舊)。減值虧損撥回即時於損益確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損撥回視作重估價值增加處理。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in these financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

5. KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Going concern basis

These financial statements have been prepared on a going concern basis, the validity of which depends upon the Group being able to achieve a successful restructuring and continue its business. Details are explained in note 2 to the financial statements.

4. 主要會計政策(續) 撥備及或然負債

當本集團因已發生的事件須承擔現有法律或推定責任，而履行責任有可能導致經濟利益流出，並可估計責任金額的情況下，須對這些時間或金額不確定之負債確認撥備。倘時間價值重大，則撥備之金額乃按預期用於解除該責任之支出之現值列賬。

倘需要流出經濟利益的機會不大，或責任金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出之可能性極低則另作別論。可能出現之責任，即是否存在將取決於日後是否會發生一宗或多宗事件，除非經濟利益流出之可能性極低，否則這些負債亦披露為或然負債。

報告期間後事項

為本集團於各報告期間結算日狀況提供額外資料或顯示持續經營假設並不適合之報告期間後事項均屬於調整事項，於財務報表內反映。並非屬調整事項之報告期間後事項如屬重大，則於財務報表附註中披露。

5. 主要假設

應用會計政策時的關鍵判斷

於應用會計政策過程中，管理層已作出以下對財務報表中所確認金額具有重大影響的判斷，在下文處理涉及估計之判斷除外。

持續經營基準

此等財務報表乃按持續經營基準編製，其有效性視乎本集團能否成功重組及持續經營業務而定。詳情於財務報表附註2說明。

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5. KEY ESTIMATES (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) 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.

(b) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line and a reducing balance basis over their estimated useful lives, after taking into account of their estimated residual values. The determination of the useful lives and residual values involves management's estimation. The Group assesses annually the residual values and the useful lives of the property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

5. 主要假設(續)

估計不確定因素之主要來源

很大可能導致下一個財政年度資產及負債賬面值須作出重大調整之未來主要假設，以及於各報告期間結算日估計不確定因素之其他主要來源於下文討論。

(a) 資產減值

本集團須於釐訂資產是否出現減值或過往導致資產減值之事件是否不再存在時作出判斷，尤其於評估下列事項時：(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已不再存在；(2)資產賬面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，包括該等現金流預測是否以合適之貼現率折算。管理層就釐訂減值水平所選定之假設(包括現金流量預測所採用之貼現率或增長率假設)之變動，或會對減值測試中所採用之現值淨額構成重大影響。

(b) 物業、廠房及設備之折舊

物業、廠房及設備按其估計可使用年期經計及其估計餘值後採用直線法及遞減結餘基準計提折舊。釐定可使用年期及餘值涉及管理層之估計。本集團每年對物業、廠房及設備之餘值及可使用年期進行評估，倘預期與原本估計不同，則有關差異可能對本年度之折舊帶來影響，而未來期間之估計將有所改變。

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5. KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(c) Allowance for bad and doubtful debts

The Group performs ongoing credit evaluations of its customers and adjusts credit limits based on payment history and the customer's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience and any specific customers collection issues that have been identified. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses.

(d) Allowance for inventories

The management of the Group reviews an aging analysis at the end of the reporting period, and makes allowances for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of the reporting period and makes allowances for obsolete items.

(e) Estimation of fair value of buildings

The best evidence of fair value is current prices in an active market for similar buildings. In the absence of such information, the Group considers information from a variety of sources, including: (a) by reference to independent valuations; (b) current prices in an active market for buildings of a different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences; (c) 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 (d) 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.

5. 主要假設(續)

估計不確定因素之主要來源(續)

(c) 呆壞賬撥備

本集團對其客戶持續進行信用評估，並根據付款記錄及客戶當前之信貸情況(通過審核其當前信貸資料而釐定)調整信用額度。本集團持續監察收款及其客戶之付款情況，並根據過往經驗及任何已確認向特定客戶收款之情況保持一定撥備以應付預計之信貸虧損。信貸虧損一直符合本集團預期，並將持續監察向客戶收款之情況，以及保持適當之預計信貸虧損水平。

(d) 存貨撥備

本集團管理層於各報告期間結算日審查賬齡分析，就所識別不再適合生產用途之陳舊及滯銷存貨項目作出撥備。管理層主要依據最近期發票價格及現行市況估計此等製成品之可變現淨值。本集團於各報告期間結算日就個別產品進行存貨審查，並就陳舊項目計提撥備。

(e) 樓宇公平值之估算

公平值之最佳憑證為活躍市場上類似樓宇之現行價格。如欠缺該等資料，本集團將考慮多項資料來源，包括：(a)參考獨立估值；(b)活躍市場內不同性質、狀況有別或處於不同地點(或受制於不同租約或其他合約)之樓宇的現行價格，並作出調整以反映該等差異；(c)類似樓宇於交投較為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狀況變動；及(d)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，以及在可行情況下以外界證據(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。

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5. KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(e) Estimation of fair value of buildings (continued)

The principal assumptions for the Group's estimation of the fair value include those related to current market prices for similar buildings in the same location and condition, appropriate discount rates, expected future market prices and future maintenance costs. The carrying amount of the Group's buildings are disclosed in note 19 to the financial statements.

(f) Deferred tax

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details are contained in note 37 to the financial statements.

(g) Income taxes

The Hong Kong Inland Revenue Department (the "IRD") initiated tax queries on certain subsidiaries of the Company for the years of assessment from 2005/2006 to 2008/2009. Since the tax queries are still at a fact-finding stage with different views being exchanged with the IRD, the outcome of the tax queries cannot be readily ascertained with any degree of accuracy. In cases where the tax charged by the IRD are different from the estimated amounts, a material tax charge may arise.

(h) Provision for litigation

Certain subsidiaries of the Company are or have been involved in certain litigations in respect of goods sold and services delivered, trade and other payables to third parties by the Group. The Directors determine the provision for litigation based on their best estimates and legal advices. If the final outcome of litigations is different from the estimation made by the Directors, additional provision for litigation may be required.

5. 主要假設(續)

估計不確定因素之主要來源(續)

(e) 樓宇公平值之估算(續)

本集團估算公平值時之主要假設包括處於相同地點及狀況相同之類似樓宇之現行市價、合適貼現率、預期未來市價及未來保養成本。本集團樓宇之賬面值於財務報表附註19披露。

(f) 遞延稅項

當有應課稅溢利可用作抵銷虧損時將會就所有未運用稅項虧損確認遞延稅項資產。決定確認之遞延稅項資產金額需要管理層根據可能出現之時間及未來應課稅溢利之程度及未來稅項計劃政策作出重大判斷。詳情載於財務報表附註37。

(g) 所得稅

香港稅務局(「稅務局」)自二零零五／二零零六年至二零零八／二零零九年之課稅年度就本公司若干附屬公司進行稅務審查。由於稅務審查仍在資料搜集及交換意見階段，最後稅務審查結果還未能合理確定。倘稅務局徵收稅項與估計金額不符，可能出現重大稅務支出。

(h) 訴訟撥備

本集團若干附屬公司涉及有關本集團向第三方售出貨品及提供服務、貿易及其他應付款項之若干訴訟。董事按照彼等之最佳估計及法律意見計提訴訟撥備。倘若訴訟之最終結果與董事所估計者有異，則可能需要就訴訟作出進一步撥備。

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has certain 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 operation. The Group also has various other financial assets and liabilities such as accounts and bills receivables and accounts payables, which arise directly from its operation.

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

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, price risk and liquidity risk. The Directors reviewed and agreed on the 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 4 to the financial statements.

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligation with a floating interest rate.

The following table demonstrates the sensitivity analysis to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before tax (through the impact on floating-rate borrowings).

		2010 二零一零年 (Increase)/ decrease in loss before tax 除稅前虧損 (增加)/減少 HK\$'000 港幣千元	2009 二零零九年 (Increase)/ decrease in loss before tax 除稅前虧損 (增加)/減少 HK\$'000 港幣千元
Interest rate on floating-rate borrowings	浮息借貸利率		
– Increase in 100 basis point	– 增加100個基點	(2,893)	(3,289)
– Decrease in 100 basis point	– 減少100個基點	2,893	3,289

6. 財務風險管理目標及政策

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

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

本集團金融工具產生之主要風險為利率風險、外匯風險、信貸風險、價格風險及流動資金風險。董事負責檢討及協定管理各類該等風險之政策，該等政策於下文概述。本集團有關衍生工具之會計政策，載於財務報表附註4。

(a) 利率風險

本集團所承擔之市場利率變動風險主要與本集團以浮動利率計息之債項承擔有關。

下表列示利率於合理可能變動而所有其他變數保持不變之情況下，本集團除稅前虧損(透過浮息借貸之影響)之敏感性分析。

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from a substantial portion of sales or purchases by operating units in RMB.

The following table demonstrates the sensitivity analysis at end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities).

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
(Increase)/decrease in loss before tax	除稅前虧損(增加)/減少		
– if Hong Kong dollar weakens against RMB with 5%	– 倘港幣兌人民幣貶值5%	(4,301)	(9,525)
– if Hong Kong dollar strengthens against RMB with 5%	– 倘港幣兌人民幣升值5%	4,301	9,525

The Group constantly reviews the economic situation and its foreign currency risk profile, and considers implementing appropriate hedging measures in future as the need arises.

(c) Credit risk

The Group intends to trade 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.

The credit risk of the Group's other financial assets, which comprise cash and bank balances, derivative financial instruments, equity investments at fair value through profit or loss and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

6. 財務風險管理目標及政策(續)

(b) 外匯風險

本集團須承受外匯交易風險。該等風險來自大部分以人民幣為經營單位之銷售或採購。

下表列示於各報告期間結算日人民幣匯率之合理可能變動而所有其他變數保持不變時，本集團除稅前虧損(由於貨幣資產及負債公平值變動)之敏感性分析。

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

(c) 信貸風險

本集團僅與獲認可及信譽良好之第三方進行貿易。本集團之政策為所有欲以信貸條款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。

本集團其他金融資產(其中包括現金及銀行結存、衍生金融工具、按公平值計入損益之股本投資及其他應收款項)乃因對手方違約而產生信貸風險，其最大風險相等於該等工具之賬面值。

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

Since the Group has policies in place to ensure that sales are made to customers with appropriate credit history, there is generally no requirement for collateral.

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts and bills receivables are disclosed in note 25 to the financial statements.

(d) Price risk

The Group's financial assets at fair value through profit or loss and available-for-sale financial assets are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to equity security price risk. The Directors manage this exposure by maintaining a portfolio of investments with different risk profiles. At the end of the reporting period, the Group is not exposed to significant price risk.

(e) Liquidity risk

The Group is exposed to liquidity risk at 31 March 2010 as its financial assets due within one year was less than its financial liabilities due within one year. The Group reported the consolidated net current liabilities of HK\$791,878,000 and the consolidated net liabilities of HK\$423,310,000 at 31 March 2010.

The Directors have given careful consideration on the measures currently undertaken in respect of the Group's liquidity position. The Directors believe that the Group will be able to meet in full its financial obligations as they fall due upon the completion of the Restructuring Proposal as further explained in note 2 to the financial statements.

6. 財務風險管理目標及政策(續)

(c) 信貸風險(續)

由於本集團已設立政策確保與具備合適信貸歷史之客戶進行銷售，故一般毋須抵押品。

有關本集團承受由應收賬款及票據所產生之信貸風險的進一步量化數據於財務報表附註25披露。

(d) 價格風險

本集團按公平值計入損益之金融資產及可供出售金融資產於各報告期間結算日按公平值計量。因此，本集團須承擔股本證券價格風險。董事透過維持具不同風險特性之投資組合管理有關風險。於各報告期末，本集團並無承擔重大價格風險。

(e) 流動資金風險

於二零一零年三月三十一日，鑑於其於一年內到期之金融資產少於其於一年內到期之金融負債，本集團須承受流動資金風險。於二零一零年三月三十一日，本集團錄得綜合流動負債淨額及綜合負債淨額分別港幣791,878,000元及港幣423,310,000元。

董事已審慎考慮本集團目前就其流動資金狀況採取之措施。董事相信，於重組建議完成後，本集團將能全數應付其到期之財務承擔，進一步詳情於財務報表附註2說明。

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財務報表附註

For the year ended 31 March 2010
截至二零一零年三月三十一日止年度

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Liquidity risk (continued)

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

Group	本集團	On demand 按要求償還 HK\$'000 港幣千元	Less than 3 months 少於三個月 HK\$'000 港幣千元	3 to less than 12 months 三個月至少於十二個月 HK\$'000 港幣千元	1 to 5 years 一至五年 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 31 March 2010	於二零一零年三月三十一日					
Accounts payables	應付賬款	134	225	318,851	–	319,210
Financial liabilities included in accruals and other payables	計入應計費用及其他應付款項之金融負債	21,203	–	–	–	21,203
Borrowings	借貸	161,798	1,998	248,318	–	412,114
Due to directors	應付董事款項	629	–	–	–	629
		183,764	2,223	567,169	–	753,156
At 31 March 2009	於二零零九年三月三十一日					
Accounts payables	應付賬款	59,452	240,389	42,181	–	342,022
Financial liabilities included in accruals and other payables	計入應計費用及其他應付款項之金融負債	–	10,418	–	–	10,418
Borrowings	借貸	123,726	81,006	132,962	61,144	398,838
		183,178	331,813	175,143	61,144	751,278

6. 財務風險管理目標及政策(續)

(e) 流動資金風險(續)

於各報告期間結算日，本集團之已訂約未折現金融負債的到期概況如下：

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For the year ended 31 March 2010
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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(f) Financial instrument by category

The carrying amount for each category of the Group's financial instruments at the end of the reporting period is as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Financial assets:	金融資產：		
– Financial assets at fair value through profit or loss	– 按公平值計入損益之金融資產	–	2,974
– Loans and receivables	– 貸款及應收款項	1,766	130,022
– Cash and bank balances	– 現金及銀行結存	30,176	36,758
Financial liabilities:	金融負債：		
– Financial liabilities at amortised cost	– 按攤銷成本列賬之金融負債	753,136	751,011

7. SEGMENT INFORMATION

The Group has had two reportable segments which are the electronic products and components segment and the home appliance products segment. The business of the home appliance products was discontinued during the prior year. In the current year, the Group retains a reportable segment which is design, manufacture and sale of consumer electronic products and components.

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies.

6. 財務風險管理目標及政策(續)

(f) 按類別劃分之金融工具

本集團各類金融工具於報告期間結算日之賬面值如下：

7. 分部資料

本集團有兩個可報告分部，分別為電子產品及零件分部及家庭電器產品分部。家庭電器產品業務已於往年度終止經營。於本年度，本集團保留一個可報告分部，即設計、製造及銷售電子產品及零件。

本集團之可報告分部為提供不同產品之策略業務單位。由於各業務須應用不同技術及市場策略，故可報告分部乃分開管理。

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財務報表附註

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7. SEGMENT INFORMATION (continued)

The accounting policies of the operating segments are the same as those described in note 4 to the financial statements. Segment profits or losses do not include dividend income, interest income, gains or losses from investments and derivative financial instruments, finance costs, income tax and unallocated corporate income and expenses. Segment assets do not include available-for-sale investments, loans receivables, equity investments at fair value through profit and loss, derivative financial instruments, tax assets, cash and bank balances, and other unallocated corporate assets. Segment liabilities do not include borrowings, amounts due to directors, derivative financial instruments, tax liabilities and unallocated corporate liabilities. Segment non-current assets do not include financial instruments and tax assets.

The Group accounts for intersegment sales and transfers as if the sales or transfers were made to third parties, i.e. at current market prices.

7. 分部資料(續)

經營分部之會計政策與財務報表附註4所述者相同。分部溢利或虧損不包括股息收入、利息收入、投資及衍生金融工具之盈虧、融資成本、所得稅以及未分配公司收入及開支。分部資產不包括可供出售之投資、應收貸款、按公平值計入損益之股本投資、衍生金融工具、稅項資產、現金及銀行結存以及其他未分配公司資產。分部負債不包括借貸、應付董事款項、衍生金融工具、稅項負債及未分配公司負債。分部非流動資產不包括金融工具及稅項資產。

本集團分部間銷售及轉讓按現行市價入賬，猶如銷售或轉讓乃向第三方作出。

Electronic products and components 電子產品及零件 HK\$'000 港幣千元

Year ended 31 March 2010	截至二零一零年三月三十一日止年度	
Revenue from external customers	來自外界客戶之收益	486,237
Segment losses	分部虧損	783,180
Interest revenue	利息收入	71
Interest expense	利息開支	22,454
Other material item of income and expense:	其他重大收支項目：	
Gains on equity at fair value through profit or loss	按公平值計入損益之股本之收益	1,094
Depreciation and amortisation	折舊及攤銷	6,396
Income tax	所得稅	14,982
Other material non-cash item:	其他重大非現金項目：	
Provision against inventories and loss on auctions of sequestrated inventories	存貨撥備及拍賣已扣押存貨之虧損	426,945
Additions to segment non-current assets	添置分部非流動資產	23,687
At 31 March 2010	於二零一零年三月三十一日	
Segment assets	分部資產	404,039
Segment liabilities	分部負債	401,450

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7. SEGMENT INFORMATION (continued)

7. 分部資料(續)

		Home appliance products (Discontinued operation) 家庭電器產品 (已終止經營業務)	Electronic products and components 電子產品及零件	Total 總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Year ended 31 March 2009	截至二零零九年 三月三十一日止年度			
Revenue from external customers	來自外界客戶之收益	340,198	2,055,805	2,396,003
Segment losses	分部虧損	21,741	126,425	148,166
Interest revenue	利息收入	–	174	174
Interest expense	利息開支	239	25,716	25,955
Other material items of income and expense:	其他重大收支項目：			
Losses on equity at fair value through profit or loss	按公平值計入損益之 股本之虧損	–	1,488	1,488
Surplus on revaluation recognised directly in equity	直接於權益確認之重估盈餘	–	1,177	1,177
Depreciation and amortisation	折舊及攤銷	1,743	73,757	75,500
Income tax	所得稅	309	140	449
Other material non-cash items:	其他重大非現金項目：			
Provision against inventories	存貨撥備	6,745	4,236	10,981
Provision for impairment of assets	資產減值撥備	5,098	60,697	65,795
Additions to segment non-current assets	添置分部非流動資產	626	19,508	20,134
At 31 March 2009	於二零零九年三月三十一日			
Segment assets	分部資產	11,971	1,193,866	1,205,837
Segment liabilities	分部負債	9,043	376,518	385,561

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財務報表附註

For the year ended 31 March 2010
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7. SEGMENT INFORMATION (continued)

Reconciliations of reportable segment revenue, profit and loss, assets and liabilities:

7. 分部資料(續)

可報告分部收益、溢利及虧損、資產及負債之對賬：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Revenue	收益		
Total turnover of reportable segments disclosed as consolidated turnover from continuing and discontinued operations	以來自持續經營及已終止經營業務之綜合營業額形式披露之可報告分部總營業額	486,237	2,396,003
Profit or loss	溢利或虧損		
Total loss of reportable segments	可報告分部虧損總額	(783,180)	(148,166)
Other profit and loss	其他溢利及虧損	(7,234)	(26,721)
Consolidated loss	綜合虧損	(790,414)	(174,887)
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Assets	資產		
Total assets of reportable segments	可報告分部資產總值	404,039	1,205,837
Other assets	其他資產	32,095	39,732
Consolidated total assets	綜合資產總值	436,134	1,245,569
Liabilities	負債		
Total liabilities of reportable segments	可報告分部負債總額	401,450	385,561
Other liabilities	其他負債	457,994	473,328
Consolidated total liabilities	綜合負債總額	859,444	858,889

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財務報表附註

For the year ended 31 March 2010
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7. SEGMENT INFORMATION (continued)

Geographical information:

		Revenue 收益	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Revenue	收益		
Americas	美洲	128,545	1,447,920
Europe	歐洲	67,663	326,538
Asia Pacific countries	亞太區國家	287,693	548,722
Others	其他	2,336	72,823
Discontinued operation	已終止經營業務	—	(340,198)
Consolidated total	綜合總計	486,237	2,055,805

In presenting the geographical information, revenue is based on the locations of the customers. At the end of the reporting period, all non-current assets of the Group were located in Asia Pacific countries.

編製地區資料時，收益乃按客戶所在地劃分。於報告期間結算日，本集團所有非流動資產均位於亞太區國家。

8. TURNOVER

The Group's turnover is analysed as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Design, manufacture and sale of electronic products and components attributable to continuing operation	持續經營業務應佔設計、製造及銷售電子產品及零件	486,237	2,055,805
Design, manufacture and sale of home appliance products attributable to discontinued operation (note 13)	已終止經營業務應佔設計、製造及銷售家庭電器產品(附註13)	—	340,198
		486,237	2,396,003

7. 分部資料(續)

地區資料：

8. 營業額

本集團營業額分析如下：

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財務報表附註

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9. OTHER INCOME

The Group's other income from continuing operation (discontinued operation: HK\$nil) is analysed as follows:

9. 其他收入

本集團來自持續經營業務之其他收入 (已終止經營業務：港幣零元) 分析如下：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Bank interest income	銀行利息收入	71	174
Dividend income from listed investments	來自上市投資之股息收入	167	143
Foreign exchange differences, net	匯兌差額淨額	–	9
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之收益	–	29,886
Sales of scrap materials and raw materials	銷售廢料及原材料	–	7,287
Sundry income	雜項收入	5,437	193
		5,675	37,692

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10. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following#:

10. 本年度虧損

本集團之本年度虧損已扣除/(計入)以下各項後列賬#:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Cost of inventories sold	已售存貨成本	522,321	2,404,936
Provision against inventories:	存貨撥備:		
Continuing operation	持續經營業務	270,945	4,236
Discontinued operation	已終止經營業務	-	6,745
Loss on auctions of sequestrated inventories:	拍賣被扣押存貨之虧損:		
Continuing operation **	持續經營業務**	156,000	-
		426,945	10,981
Gains on derivative financial instruments - forward currency contracts, net	衍生金融工具收益— 遠期貨幣合約·淨額	(464)	(382)
Depreciation	折舊	40,452	66,813
Amortisation of software development costs*	軟件開發成本攤銷*	55	75
Amortisation of trademark*	商標攤銷*	-	282
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	764	981
Research and development costs:	研究及開發成本:		
Deferred development costs amortised*	遞延開發成本攤銷*	5,577	8,330
Current year expenditure	本年度開支	123	2,115
		5,700	10,445
Minimum lease payments under operating leases on land and buildings	土地及樓宇經營租約之最低租金	524	3,771
Auditors' remuneration	核數師酬金	570	1,180
Employee benefits expense (including directors' remuneration – note 14):	員工福利開支 (包括董事酬金—附註14):		
Wages and salaries	工資及薪金	79,828	160,378
Pension scheme contributions	退休金計劃供款	819	2,386
Less: Forfeited contributions**	減: 沒收供款**	-	-
		80,647	162,764
Provision for impairment of assets:	資產減值撥備:		
Continuing operation:	持續經營業務:		
Impairment of items of property, plant and equipment	物業、廠房及設備項目減值	156,268	37,409
Impairment of deposits for acquisition of items of property, plant and equipment	收購物業、廠房及 設備項目之按金減值	53	-
Impairment of intangible assets	無形資產減值	4,713	7,551
Impairment of accounts receivables	應收賬款減值	32,710	10,179
Impairment of factored accounts receivables	應收保付代理賬款減值	19,691	-
Impairment of deposits and other receivables	按金及其他應收款項減值	10,799	5,558
Impairment of prepaid land lease payments	預付土地租賃款項減值	598	-
		224,832	60,697
Discontinued operation:	已終止經營業務:		
Impairment of items of property, plant and equipment	物業、廠房及設備項目減值	-	5,098
		224,832	65,795
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之 虧損/(收益)	43,083	(29,886)

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10. LOSS FOR THE YEAR (continued)

- * The amortisation of software development costs, trademarks, and the 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.
- ** The Group had no forfeited contributions available to offset its future employers' contributions during the year.
- # The disclosures presented in this note include those amounts in relation to the discontinued operation.
- ## Further details of the auctions are stated in note 19 to the financial statements.

10. 本年度虧損(續)

- * 本年度之軟件開發成本、商標及遞延開發成本攤銷已分別計入綜合收益表之「銷售及分銷成本」及「銷售成本」。
- ** 年內，本集團並無沒收供款可供日後抵銷本集團之僱主供款。
- # 本附註所列披露包括已終止經營業務之金額。
- ## 有關拍賣之進一步詳情載於財務報表附註19。

11. FINANCE COSTS

11. 融資成本

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Interest on:	就下列項目支付之利息：		
Bank and other borrowings wholly repayable within five years	須於五年內全數償還之銀行及其他借貸	22,337	25,361
Finance leases	融資租賃	117	594
		22,454	25,955
Attributable to:	應佔：		
Continuing operation	持續經營業務	22,454	25,716
Discontinued operation (note 13)	已終止經營業務(附註13)	—	239
		22,454	25,955

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12. INCOME TAX

12. 所得稅

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Current – Hong Kong	即期－香港		
Charge for the year	本年度費用	–	3,113
Overprovision in prior year	往年度超額撥備	(904)	(1,393)
Current – Mainland China	即期－中國內地		
Charge for the year	本年度費用	410	1,142
Deferred tax (note 37)	遞延稅項(附註37)	(14,488)	(2,722)
		(14,982)	140

Hong Kong profits tax is provided at a rate of 16.5% (2009: 16.5%) based on assessable profit for the year less allowable losses brought forward. Certain allowable losses of the Company's subsidiaries incorporated in Hong Kong are yet to be agreed by the IRD. Tax charge on profits assessable in the PRC have been calculated at the rates of tax prevailing in the PRC, based on existing legislation, interpretation and practices in respect thereof.

During the year, the IRD initiated tax queries on four subsidiaries of the Company for the years of assessment from 2005/2006 to 2008/2009. The management is of the opinion that, in all the relevant years, adequate Hong Kong tax provisions were made on the Hong Kong sourced income. Since the tax queries are still at a fact-finding stage, the outcome of the tax queries cannot be readily ascertained. After consulting with professional advisors, the management is of the opinion that the existing provisions are adequate.

香港利得稅按年內應課稅溢利減承前結轉可扣減虧損以稅率16.5%(二零零九年: 16.5%)作出撥備。本公司若干於香港註冊成立之附屬公司的可扣稅虧損尚未獲稅務局同意。中國應課稅溢利稅項支出乃按中國現行稅率根據相關現行法例、詮釋及慣例計算。

年內，稅務局就二零零五／二零零六年至二零零八／二零零九年評稅年度向本公司四家附屬公司提出稅務質詢。管理層認為已於所有相關年度就源自香港之收入作出足夠香港稅項撥備。鑑於有關稅務質詢尚處於搜證階段，故未能輕易確定其結果。經諮詢專業顧問後，管理層認為現有撥備屬充足。

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12. INCOME TAX (continued)

The reconciliation between the income tax and the loss before tax multiplied by the Hong Kong profits tax rate is as follows:

12. 所得稅(續)

所得稅與除稅前虧損乘以香港利得稅稅率所得之對賬如下：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Loss before tax:	除稅前虧損：		
From continuing operation	持續經營業務	(805,396)	(152,458)
From discontinued operation	已終止經營業務	–	(21,980)
		(805,396)	(174,438)
Tax at the domestic income tax rate of 16.5% (2009: 16.5%)	按當地所得稅稅率16.5% (二零零九年：16.5%)計算之稅項	(132,891)	(28,782)
Effect of different tax rates of subsidiaries	附屬公司不同稅率之影響	(26,406)	(5,909)
Effect of change in tax rate	稅率變動之影響	–	(159)
Loss not subject to tax, due to concession	因稅務優惠而毋須課稅之虧損	–	326
Adjustments in respect of current tax of previous year	就往年度即期稅項作出調整	(904)	(1,393)
Income not subject to tax	毋須課稅收入	(226)	(67)
Expenses not deductible for tax	不可扣稅支出	103,977	12,606
Tax losses utilised from previous periods	動用過往期間之稅項虧損	(300)	–
Tax losses not recognised	未確認之稅項虧損	41,492	22,832
Others	其他	276	995
Tax at the Group's effective rate	按本集團實際稅率計算之稅項	(14,982)	449
Tax attributable to:	應佔稅項：		
Continuing operation	持續經營業務	(14,982)	140
Discontinued operation (note 13)	已終止經營業務(附註13)	–	309
		(14,982)	449

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13. DISCONTINUED OPERATION

On 28 December 2008, the Group discontinued its home appliances products division, which is a major line of business and is part of the Mainland China and Hong Kong operation. The Group had decided to cease its home appliances products business because it plans to focus its resources on electronic products and components business.

The results of home appliances products business during the prior period were presented below:

13. 已終止經營業務

本集團於二零零八年十二月二十八日終止其家庭電器產品部門，該部門為主要業務分部，並為中國內地與香港業務之一部分。由於本集團計劃將其資源集中投放於電子產品及零件業務，故決定終止其家庭電器產品業務。

家庭電器產品業務於過往期間之業績呈列如下：

		Year ended 31 March 2010 截至二零一零年 三月三十一日 止年度 HK\$'000 港幣千元	Period ended 28 December 2008 截至二零零八年 十二月二十八日 止期間 HK\$'000 港幣千元
Turnover	營業額	—	340,198
Cost of sales	銷售成本	—	(340,146)
Expenses	開支	—	(9,950)
Impairment of items of property, plant and equipment	物業、廠房及設備項目減值	—	(5,098)
Provision against inventories	存貨撥備	—	(6,745)
Finance costs	融資成本	—	(239)
Loss before tax from discontinued operation	已終止經營業務之除稅前虧損	—	(21,980)
Income tax	所得稅	—	(309)
Loss for the period from discontinued operation	已終止經營業務之期間虧損	—	(22,289)

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13. DISCONTINUED OPERATION (continued)

The net cash outflow incurred by home appliances products business during the prior period was as follows:

13. 已終止經營業務(續)

家庭電器產品業務於過往期間產生之現金流出淨額如下：

		Year ended 31 March 2010 截至二零一零年 三月三十一日 止年度 HK\$'000 港幣千元	Period ended 28 December 2008 截至二零零八年 十二月二十八日 止期間 HK\$'000 港幣千元
Operating activities	經營業務	—	1,547
Investing activities	投資活動	—	417
Financing activities	融資活動	—	3,097
Net cash outflow	現金流出淨額	—	5,061

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For the year ended 31 March 2010
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14. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

14. 董事及五位最高薪僱員之薪酬

Name of Directors	董事姓名	Fees	Salaries, allowances and benefits in kind	Pension scheme contribution	Total emoluments
		袍金	薪金、津貼及實物福利	退休金計劃供款	總薪酬
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Executive directors: 執行董事：					
Ling Siu Man, Simon	凌少文	—	2,997	120	3,117
Wong Ki Cheung	黃其昌	—	1,588	79	1,667
Li Fung Ching, Catherine	李鳳貞	—	1,588	79	1,667
Lam Kwai Wah (a)	林桂華(a)	—	1,110	6	1,116
Independent non-executive directors: 獨立非執行董事：					
Pang Hon Chung	彭漢中	86	—	—	86
Cheng Tsang Wai	鄭曾偉	85	—	—	85
Chung Hing Wah, Paul	鍾慶華	70	—	—	70
Total for the year ended 31 March 2010	截至二零一零年三月三十一日止年度總計	241	7,283	284	7,808

(a): Resigned as a director on 12 January 2010.

(a)：於二零一零年一月十二日辭任董事。

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For the year ended 31 March 2010
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14. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

14. 董事及五位最高薪僱員之薪酬 (續)

Name of Directors	董事姓名	Salaries, allowances and benefits in kind			Pension scheme contribution	Total emoluments
		Fees 袍金	薪金、津貼及 實物福利	退休金 計劃供款	總薪酬	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
Executive directors: 執行董事：						
Ling Siu Man, Simon	凌少文	300	4,505	194	4,999	
Wong Ki Cheung	黃其昌	300	1,794	97	2,191	
Li Fung Ching, Catherine	李鳳貞	300	1,794	97	2,191	
Lam Kwai Wah	林桂華	300	1,650	12	1,962	
Au Wai Man (b)	區偉民(b)	300	1,183	55	1,538	
Independent non-executive directors: 獨立非執行董事：						
Pang Hon Chung	彭漢中	107	—	—	107	
Cheng Tsang Wai	鄭曾偉	106	—	—	106	
Chung Hing Wah, Paul	鍾慶華	88	—	—	88	
Total for the year ended 31 March 2009	截至二零零九年三月三十一日止年度總計	1,801	10,926	455	13,182	

(b): Resigned as a director on 1 January 2009.

(b) : 於二零零九年一月一日辭任董事。

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14. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

During the prior year, all five highest paid employees were directors, and details of whose emoluments are reflected in the analysis presented above. The five highest paid individuals in the Group during the year included 4 directors. The emolument of the remaining individual for the current year, falling within the band ranging from HK\$nil to HK\$1,000,000, is detailed below:

Salaries and allowances	薪金及津貼
Pension scheme contributions	退休金計劃供款

2010

二零一零年

HK\$'000

港幣千元

706

8

714

There was no arrangement under which a director waived or agreed to waive any remuneration during the two years ended 31 March 2010 and 2009.

15. DIVIDEND

No dividend has been proposed or declared by the Company during the two years ended 31 March 2010 and 2009.

14. 董事及五位最高薪僱員之薪酬 (續)

於往年度，全部五位最高薪僱員均為董事，有關彼等酬金之詳情於上文所呈列分析反映。年內，本集團五位最高薪僱員包括四名董事。餘下人士於本年度之酬金介乎港幣零元至港幣1,000,000元之範圍，詳情如下：

截至二零一零年及二零零九年三月三十一日止兩個年度內並無任何董事放棄或同意放棄任何酬金之安排。

15. 股息

本公司並無就截至二零一零年及二零零九年三月三十一日止兩個年度建議派付或宣派任何股息。

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16. LOSS PER SHARE

(a) From continuing and discontinued operations

The calculation of basic loss per share attributable to equity holders of the Company is based on the loss for the year attributable to equity holders of the Company of approximately HK\$790,414,000 (2009: HK\$174,887,000) and the weighted average number of 1,057,889,962 (2009: 1,057,889,962) ordinary shares in issue during the year.

(b) From continuing operation

The calculation of basic loss per share from continuing operation attributable to equity holders of the Company is based on the loss for the year from continuing operation attributable to equity holders of the Company of approximately HK\$790,414,000 (2009: HK\$152,598,000) and the denominator for number of shares in issue is the same as that detailed above for basic loss per share from continuing and discontinued operations.

(c) From discontinued operation

Basic loss per share from the discontinued operation for the prior year was HK2.1 cents per share based on the loss for the prior year from discontinued operation attributable to the equity holders of the Company of approximately HK\$22,289,000 and the denominator for number of shares in issue is the same as those detailed above for basic loss per share from continuing and discontinued operations.

No diluted loss per share is presented as the Company has not had any dilutive potential ordinary shares during the two years ended 31 March 2010 and 2009.

16. 每股虧損

(a) 來自持續經營及已終止經營業務

本公司權益持有人應佔每股基本虧損乃根據本公司權益持有人應佔年度虧損約港幣790,414,000元(二零零九年:港幣174,887,000元)及年內已發行普通股之加權平均數1,057,889,962股(二零零九年:1,057,889,962股)計算。

(b) 來自持續經營業務

本公司權益持有人應佔持續經營業務之每股基本虧損乃根據本公司權益持有人應佔持續經營業務之年度虧損約港幣790,414,000元(二零零九年:港幣152,598,000元)計算,而所用已發行股份數目之分母與上文所詳述就持續經營及已終止經營業務之每股基本虧損所用者相同。

(c) 來自已終止經營業務

往年度來自已終止經營業務之每股基本虧損為每股2.1港仙,乃根據本公司權益持有人應佔往年度來自已終止經營業務之虧損約港幣22,289,000元計算,而所用已發行股份數目之分母與上文所詳述就持續經營及已終止經營業務之每股基本虧損所用者相同。

鑑於本公司於截至二零一零年及二零零九年三月三十一日止兩個年度均無任何潛在攤薄普通股,故並無呈列每股攤薄虧損。

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17. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for all qualifying employees in Hong Kong. The Group's contribution to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,000 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligation of all existing and future retired employees of the subsidiaries. The only obligation of the subsidiaries with respect to the central pension scheme are to meet the required contributions under the scheme.

18. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated loss attributable to equity holders of the Company includes a loss of approximately HK\$428,402,000 (2009: HK\$597,000) for the year, which has been dealt with in the financial statements of the Company. (note 40(b))

17. 退休福利計劃

本集團按照香港強制性公積金計劃條例為其全體合資格香港僱員設立強制性公積金計劃(「強積金計劃」)。本集團須按僱員薪金及工資之5%向強積金計劃作出供款，每月供款上限為每名僱員港幣1,000元，於向強積金計劃作出供款後，即悉數歸屬僱員。

本集團於中國成立之附屬公司僱員為地方市政府營辦之中央退休金計劃成員。該等附屬公司須按僱員基本薪金及工資之若干百分比向中央退休金計劃作出供款，以支付有關退休福利。地方市政府承諾承擔該等附屬公司所有現有及日後退休僱員之退休福利責任。該等附屬公司就中央退休金計劃之唯一責任為根據該計劃作出所需供款。

18. 本公司權益持有人應佔本年度虧損

本公司權益持有人應佔綜合虧損包括本年度虧損約港幣428,402,000元(二零零九年：港幣597,000元)，已於本公司財務報表內處理(附註40(b))。

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19. PROPERTY, PLANT AND EQUIPMENT Group

19. 物業、廠房及設備 本集團

		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 2010	二零一零年三月三十一日								
At 1 April 2009, net of accumulated depreciation and impairments	於二零零九年四月一日，已扣除累計折舊及減值	332,832	92,027	59,363	9,987	149,413	862	16,816	661,300
Additions	添置	–	–	11,703	125	400	–	11,459	23,687
Disposals	出售	(3,840)	–	(10,837)	(932)	(78,477)	(15)	(1,150)	(95,251)
Impairments	減值	–	(89,397)	(33,830)	(5,948)	(7,120)	(228)	(19,745)	(156,268)
Deficit on revaluation	重估虧絀	(27,384)	–	–	–	–	–	–	(27,384)
Depreciation provided during the year	年內提撥之折舊	(12,520)	–	(5,874)	(1,385)	(13,170)	(123)	(7,380)	(40,452)
Transfers	轉撥	2,654	(2,654)	–	–	–	–	–	–
Exchange differences	匯兌差額	88	24	27	1	3	–	–	143
At 31 March 2010, net of accumulated depreciation and impairments	於二零一零年三月三十一日，已扣除累計折舊及減值	291,830	–	20,552	1,848	51,049	496	–	365,775
At 31 March 2010 Cost or valuation	於二零一零年三月三十一日 成本或估值	291,830	–	35,759	16,528	92,584	6,152	–	442,853
Accumulated depreciation and impairments	累計折舊及減值	–	–	(15,207)	(14,680)	(41,535)	(5,656)	–	(77,078)
Net carrying amount	賬面淨值	291,830	–	20,552	1,848	51,049	496	–	365,775
Analysis of cost or valuation at 31 March 2010	於二零一零年三月三十一日之成本或估值分析								
At cost	按成本值	–	–	35,759	16,528	92,584	6,152	–	151,023
At valuation	按估值	291,830	–	–	–	–	–	–	291,830
		291,830	–	35,759	16,528	92,584	6,152	–	442,853
31 March 2009	二零零九年三月三十一日								
At 1 April 2008, net of accumulated depreciation and impairments	於二零零八年四月一日，已扣除累計折舊及減值	335,172	87,773	61,886	11,513	201,381	1,379	36,980	736,084
Additions	添置	–	1,964	5,404	1,443	4,543	–	2,913	16,267
Disposals	出售	(2,300)	–	–	–	(825)	(160)	–	(3,285)
Impairments	減值	–	–	(451)	(905)	(32,286)	(13)	(8,852)	(42,507)
Surplus on revaluation	重估盈餘	1,177	–	–	–	–	–	–	1,177
Depreciation provided during the year	年內提撥之折舊	(14,272)	–	(9,290)	(2,281)	(25,163)	(360)	(15,447)	(66,813)
Transfers	轉撥	–	(1,222)	–	–	–	–	1,222	–
Exchange differences	匯兌差額	13,055	3,512	1,814	217	1,763	16	–	20,377
At 31 March 2009, net of accumulated depreciation and impairments	於二零零九年三月三十一日，已扣除累計折舊及減值	332,832	92,027	59,363	9,987	149,413	862	16,816	661,300
At 31 March 2009 Cost or valuation	於二零零九年三月三十一日 成本或估值	332,832	92,027	137,878	40,065	407,438	9,963	113,954	1,134,157
Accumulated depreciation and impairments	累計折舊及減值	–	–	(78,515)	(30,078)	(258,025)	(9,101)	(97,138)	(472,857)
Net carrying amount	賬面淨值	332,832	92,027	59,363	9,987	149,413	862	16,816	661,300
Analysis of cost or valuation at 31 March 2009	於二零零九年三月三十一日之成本或估值分析								
At cost	按成本值	–	92,027	137,878	40,065	407,438	9,963	113,954	801,325
At valuation	按估值	332,832	–	–	–	–	–	–	332,832
		332,832	92,027	137,878	40,065	407,438	9,963	113,954	1,134,157

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19. PROPERTY, PLANT AND EQUIPMENT (continued)

The recoverable amount of impaired asset is estimated in order to determine the extent of any impairment loss on property, plant and equipments ("PPE"). The recoverable amount of the PPE is the higher of its estimated fair value and value in use. As there are uncertainties relating to the implementation of the future business and production plan of the Group pursuant to the Restructuring Proposal, the Directors considered that it is more appropriate to determine the recoverable amounts on the basis of their estimated fair values. The fair values of the Group's PPE have been estimated by reference to market evidence of recent transactions for similar assets. The impairment loss is recognised and charged to income statement in the period in which it arises to the extent that the carrying amount exceeds its recoverable amount.

During the prior year, the Group closed down the operation of a factory located in Qishi Town, Dongguan, PRC (the "Qishi Factory"), which was principally engaged in the manufacture of components for its electronic products and components division, and home appliance products division. The Directors considered that certain items of the PPE of the Qishi Factory, with the carrying amounts of HK\$42,507,000, were impaired, and the resultant impairment losses with the equivalent amounts were charged to the consolidated income statement during the year ended 31 March 2009.

During the current year, the Group has experienced rapid and continuing deterioration in its business due to the drastic decline in turnover, customers' purchase orders, production scale and customer confidence as a consequence of the financial turmoil. With a view to further reduce costs and to mitigate the loss-making position of the Group, the Group has suspended and closed down the remaining operations of the manufacturing plants in Qi Shi Town and Tangxia Town, Dongguan, PRC. In light of the changes in economic conditions, the Directors considered that certain items of the PPE of the Group, with the carrying amounts of HK\$156,268,000, were impaired, and the resultant impairment losses with the equivalent amounts were recognised and charged to the consolidated income statement during the year.

19. 物業、廠房及設備(續)

已減值資產會估計可收回金額，以釐定物業、廠房及設備(「物業、廠房及設備」)之任何減值虧損程度。物業、廠房及設備可收回金額為其估計公平值與使用值之較高者。由於有關日後執行本集團根據重組建議之業務及生產計劃之不確定因素，董事認為按其估計公平值之基準釐定可收回金額較為適合。本集團物業、廠房及設備之公平值乃參照近期類似資產交易之市場證據而作出估計。倘賬面值高於其可收回金額，則會確認減值虧損及於期內收益表中扣除。

於往年度，本集團關閉一間位於中國東莞市企石鎮之廠房(「企石廠房」)之業務，其主要業務為就電子產品及零件分部以及家庭電器產品分部製造零件。董事認為，賬面值為港幣42,507,000元之若干企石廠房物業、廠房及設備項目已減值，而得出之等額減值虧損已於截至二零零九年三月三十一日止年度自綜合收益表扣除。

於本年度，受金融海嘯所影響，營業額、客戶訂單、生產規模及客戶信心顯著下跌，本集團業務急速及持續轉壞。為進一步削減成本及改善本集團虧損狀況，本集團已暫停及關閉中國東莞企石鎮及塘廈鎮生產廠房之餘下業務。鑑於經濟狀況有變，董事認為本集團賬面值為港幣156,268,000元之若干物業、廠房及設備項目已減值，而得出之等額減值虧損已於年內確認及自綜合收益表扣除。

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19. PROPERTY, PLANT AND EQUIPMENT (continued)

Due to adverse impact of the down-sizing of the operations and the resultant immense pressure on the cash flow of the Group, the Group had delayed salary payments to certain of its workers and staff during the year. In November 2009, actions have been taken by 東莞市塘廈鎮石潭埔社區居民委員會 (“Dongguan Tangxia Town Shitanpu Community Residents’ Committee”) and 東莞市塘廈鎮石潭埔勞動服務站 (“Dongguan Tangxia Town Shitanpu Labour Service Station”) to sequester certain of the Group’s assets (collectively “Sequestered Assets”) located in the Tangxia Factory with the carrying amounts of approximately HK\$21,048,000 for equipment and machines (which was included in the aggregate amounts of PPE disposals as disclosed above for the year) and approximately HK\$160,196,000 for inventories respectively.

The auctions of these Sequestered Assets had subsequently been held from 2 December 2009 to 13 December 2009. The proceeds of approximately HK\$15,876,000 for equipment and machines, and approximately HK\$4,196,000 for inventories from the auctions were fully used to settle part of the salary and compensation payables to the respective workers and staff working in the Tangxia Factory. The resultant losses of approximately HK\$161,172,000, in aggregate, on auctions of Sequestered Assets, approximately HK\$5,172,000 for equipment and machines, and approximately HK\$156,000,000 for inventories respectively, representing the difference between the net proceeds and the net carrying amounts of the Sequestered Assets, were recognised and charged to the consolidated income statement for the year ended 31 March 2010.

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

19. 物業、廠房及設備(續)

由於本集團精簡營運架構及因而導致對現金流量造成沉重壓力之不利影響，本集團年內拖欠若干工人及員工薪金。於二零零九年十一月，東莞市塘廈鎮石潭埔社區居民委員會及東莞市塘廈鎮石潭埔勞動服務站採取行動，扣押本集團若干位於塘廈廠房賬面值分別約港幣21,048,000元之設備及機器(已計入上文所披露年內出售物業、廠房及設備總額)及約港幣160,196,000元之存貨之資產(統稱「已扣押資產」)。

此等已扣押資產之拍賣其後於二零零九年十二月二日至二零零九年十二月十三日舉行。拍賣之所得款項分別約港幣15,876,000元(設備及機器)及約港幣4,196,000元(存貨)，全數用於清償應付予於塘廈廠房工作之該廠工人及員工之部分薪金及賠償。拍賣已扣押資產所帶來的虧損合共約港幣161,172,000元(當中設備及機器以及存貨分別佔約港幣5,172,000元及約港幣156,000,000元，相當於所得款項淨額與已扣押資產賬面淨值之差額)已於截至二零一零年三月三十一日止年度之綜合收益表中確認及扣除。

本集團樓宇按以下租期持有：

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
<i>At valuation:</i>		
Held under medium term leases		
– Hong Kong	4,790	8,206
– Mainland China	287,040	324,626
	291,830	332,832

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19. PROPERTY, PLANT AND EQUIPMENT (continued)

In determining the fair value, the valuers have utilised a method of valuation which involves certain estimates. The Directors have exercised their judgements and are satisfied that the method of valuation is reflective of the current market conditions. The Group's buildings were revalued at 31 March 2009 and at 31 March 2010 by the independent professional valuers, Sallmanns (Far East) Limited and Jones Lang Lassalle Sallmanns Limited respectively, on an open market basis at approximately HK\$332,832,000 and HK\$291,830,000 respectively. A revaluation surplus of approximately HK\$1,177,000 at 31 March 2009 and a revaluation deficit of approximately HK\$27,384,000 at 31 March 2010, resulting from the above valuations, have been dealt with as movement in the property revaluation reserve.

At 31 March 2010, had the whole class of the Group's buildings been carried at cost less accumulated depreciation, their carrying amounts would have been included in the financial statements at the carrying amount of approximately HK\$206,097,000. (2009: HK\$220,765,000).

Included in the carrying amounts of equipment and tools at 31 March 2010 were assets held under finance leases with a carrying amount of approximately HK\$19,359,000 (2009: HK\$21,475,000).

At 31 March 2010, the Group was in the process of obtaining the building ownership certificates in respect of the Group's certain factories located in Mainland China with the carrying amounts of HK\$183,999,000 (2009: HK\$261,944,000).

19. 物業、廠房及設備(續)

於釐定公平值時，估值師已運用涉及若干估計之估值方法。董事已作出判斷，並信納估值法可反映現行市況。於二零零九年三月三十一日及二零一零年三月三十一日，獨立專業估值師西門(遠東)有限公司及仲量聯行西門有限公司已各自按公開市場基準對本集團樓宇作出重新估值分別約港幣332,832,000元及港幣291,830,000元。於二零零九年三月三十一日及二零一零年三月三十一日，因上述估值分別產生重估盈餘約港幣1,177,000元及重估虧絀約港幣27,384,000元，已於物業重估儲備中處理為變動。

於二零一零年三月三十一日，倘本集團整個類別樓宇按成本減累計折舊入賬，則其賬面值應按賬面值約港幣206,097,000元(二零零九年：港幣220,765,000元)計入財務報表。

於二零一零年三月三十一日，設備及工具賬面值包括賬面值約為港幣19,359,000元(二零零九年：港幣21,475,000元)根據融資租賃持有之資產。

於二零一零年三月三十一日，本集團已就其位於中國內地賬面值為港幣183,999,000元(二零零九年：港幣261,944,000元)之若干廠房領取房屋所有權證。

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19. PROPERTY, PLANT AND EQUIPMENT (continued)

At 31 March 2010, certain of the Group's buildings with the carrying amounts of approximately HK\$226,631,000 (2009: HK\$208,059,000) were pledged to secure for certain bank and other borrowings of the Group as further detailed in note 33 to the financial statements. Included in the carrying amounts of the Group's pledged leasehold buildings at 31 March 2010, approximately HK\$5,180,000 (2009: HK\$nil) of which is owned by a scheme subsidiary, Tonic Technology (Shenzhen) Ltd., is subject to various charging orders issued by the Shenzhen City Futian District People's Court.

Subsequent to the end of the reporting period, on 8 April 2010, equipment and tools with the carrying amounts of approximately HK\$19,084,000 were pledged to secure for an additional other borrowing of approximately HK\$9,072,000.

* The English name is for identification purpose only

19. 物業、廠房及設備(續)

誠如財務報表附註33進一步詳述，於二零一零年三月三十一日，本集團將賬面值約港幣226,631,000元(二零零九年：港幣208,059,000元)之若干樓宇抵押作為本集團所獲授若干銀行及其他借貸之抵押品。於二零一零年三月三十一日本集團已抵押租賃樓宇之賬面值其中約港幣5,180,000元(二零零九年：港幣零元)由計劃附屬公司東力科技(深圳)有限公司擁有。東力科技(深圳)有限公司受深圳市福田區人民法院發出之多項押記令所限。

於報告期間結算日後，於二零一零年四月八日，賬面值約港幣19,084,000元之設備及工具已抵押作為一筆額外其他借貸約港幣9,072,000元之擔保。

20. PREPAID LEASE PAYMENTS

Carrying amount at beginning of year	年初之賬面值	42,000	44,250
Disposals	出售	(5,622)	(2,445)
Amortisation of prepaid land lease payments during the year	年內預付土地租賃款項攤銷	(764)	(981)
Impairments	減值	(598)	-
Exchange differences	匯兌差額	16	1,176
Carrying amount at end of year	年終之賬面值	35,032	42,000
Current portion	即期部分	(762)	(909)
Non-current portion	非即期部分	34,270	41,091

20. 預付租賃款項

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Carrying amount at beginning of year	年初之賬面值	42,000	44,250
Disposals	出售	(5,622)	(2,445)
Amortisation of prepaid land lease payments during the year	年內預付土地租賃款項攤銷	(764)	(981)
Impairments	減值	(598)	-
Exchange differences	匯兌差額	16	1,176
Carrying amount at end of year	年終之賬面值	35,032	42,000
Current portion	即期部分	(762)	(909)
Non-current portion	非即期部分	34,270	41,091

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20. PREPAID LEASE PAYMENTS (continued)

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

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Held under medium term leases	以中期租約持有		
– Hong Kong	– 香港	6,580	12,437
– Mainland China	– 中國內地	28,452	29,563
		35,032	42,000

Having regard to the market conditions and the existing use of the Group's leasehold lands, the Directors carried out a review on the recoverable amount of the Group's prepaid land lease payments at 31 March 2010. The recoverable amount of the prepaid land lease payments has been determined on the basis of its estimated fair value. The review led to the recognition of an impairment loss of approximately HK\$598,000 that was recognised and charged to consolidated income statement.

The Group has been applying for land use right certificates in respect of certain of the Group's leasehold lands in Mainland China. At 31 March 2010, these leasehold lands had an aggregate carrying amount of approximately HK\$16,700,000 (2009: HK\$17,619,000).

At 31 March 2010, the leasehold lands of approximately HK\$35,032,000 (2009: HK\$42,000,000) were pledged to secure for certain bank and other borrowings as further detailed in note 33 to the financial statements. Included in the carrying amounts of the Group's pledged leasehold lands at 31 March 2010, approximately HK\$1,335,000 of which is owned by a scheme subsidiary, Tonic Technology (Shenzhen) Ltd., is subject to various charging orders issued by the Shenzhen City Futian District People's Court.

20. 預付租賃款項(續)

本集團之租賃土地乃按下列租期持有：

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Held under medium term leases		
– Hong Kong	6,580	12,437
– Mainland China	28,452	29,563
	35,032	42,000

考慮到市況及本集團租賃土地現時用途，董事審閱本集團於二零一零年三月三十一日之預付土地租賃款項之可收回金額。預付土地租賃款項之可收回金額已按其估計公平值釐定。審閱導致確認減值虧損約港幣598,000元，並已自綜合收益表確認及扣除。

本集團一直就若干於中國內地之租賃土地申請土地使用權證。於二零一零年三月三十一日，該等租賃土地之賬面總值約為港幣16,700,000元(二零零九年：港幣17,619,000元)。

誠如財務報表附註33進一步詳述，於二零一零年三月三十一日，本集團將約港幣35,032,000元(二零零九年：港幣42,000,000元)之租賃土地抵押作為若干銀行及其他借貸之抵押品。於二零一零年三月三十一日本集團已抵押租賃土地之賬面值其中約港幣1,335,000元由計劃附屬公司東力科技(深圳)有限公司擁有。東力科技(深圳)有限公司受深圳市福田區人民法院發出之多項押記令所限。

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21. INTANGIBLE ASSETS

Group

21. 無形資產

本集團

		Software development costs	Trademarks	Deferred development costs	Total
		軟件開發成本	商標	遞延開發成本	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
31 March 2010	二零一零年三月三十一日				
At 1 April 2009, net of accumulated amortisation and impairments	二零零九年四月一日，已扣除累計攤銷及減值	481	–	9,864	10,345
Impairments	減值	(426)	–	(4,287)	(4,713)
Amortisation provided during the year	年內計提之攤銷	(55)	–	(5,577)	(5,632)
At 31 March 2010	二零一零年三月三十一日	–	–	–	–
At 31 March 2010 Cost	二零一零年三月三十一日成本	742	2,821	60,104	63,667
Accumulated amortisation and impairments	累計攤銷及減值	(742)	(2,821)	(60,104)	(63,667)
Net carrying amount	賬面淨值	–	–	–	–
31 March 2009	二零零九年三月三十一日				
At 1 April 2008, net of accumulated amortisation and impairments	二零零八年四月一日，已扣除累計攤銷及減值	556	763	21,397	22,716
Additions	添置	–	–	3,867	3,867
Impairments	減值	–	(481)	(7,070)	(7,551)
Amortisation provided during the year	年內計提之攤銷	(75)	(282)	(8,330)	(8,687)
At 31 March 2009	二零零九年三月三十一日	481	–	9,864	10,345
At 31 March 2009 Cost	二零零九年三月三十一日成本	742	2,821	60,104	63,667
Accumulated amortisation and impairments	累計攤銷減值	(261)	(2,821)	(50,240)	(53,322)
Net carrying amount	賬面淨值	481	–	9,864	10,345

During the year, the Directors considered that certain of the Group's intangible assets, with the carrying amounts of approximately HK\$4,713,000 (2009: HK\$7,551,000) were impaired as the Group ceased to develop the related products. The impairment loss is recognised in the period in which it arises to the extent that the carrying amount exceeds its recoverable amount on the basis of the respective estimated fair value. The resultant impairment losses of approximately HK\$4,713,000 (2009: HK\$7,551,000) were recognised and charged to the consolidated income statement during the year.

年內，董事認為本集團若干賬面值約為港幣4,713,000元(二零零九年：港幣7,551,000元)之無形資產已減值，原因為本集團已停止開發相關產品。減值虧損於產生之期間在賬面值超出其按相關估計公平值計算之可收回金額時確認。減值虧損約港幣4,713,000元(二零零九年：港幣7,551,000元)已於年內確認及自綜合收益表扣除。

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22. INVESTMENTS IN SUBSIDIARIES

22. 於附屬公司之投資

		COMPANY 本公司	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Unlisted investments, at cost	非上市投資·按成本值	58,812	58,812
Less: Impairments	減: 減值	(58,812)	–
		–	58,812
Due from subsidiaries	應收附屬公司款項	210,811	210,972
Less: Impairments	減: 減值	(210,811)	(296)
Due to subsidiaries	應付附屬公司款項	–	210,676
		(411)	–
Due (to)/from subsidiaries	(應付)/應收附屬公司款項	(411)	210,676

The balances with subsidiaries were unsecured, interest-free and had no fixed term of repayment. The carrying amounts of the balances with subsidiaries approximated to their amortised costs.

附屬公司結餘乃無抵押、免息及毋須於自報告期間結算日起一年內償還。附屬公司結餘之賬面值與其攤銷成本相若。

Particulars of the Company's subsidiaries are as follows:

本公司附屬公司之詳情如下:

Name 名稱	Place of incorporation/ registration and operation 註冊成立/登記 及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 實繳股本面值	Percentage of equity attributable to the Group 本集團所佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Directly held: 直接持有:					
Agility Investments Limited	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	US\$1 1美元	100	–	Investment holding 投資控股
Champion Apex Limited# 華先有限公司#	Hong Kong 香港	HK\$10,000 港幣10,000元	100	–	Business not commenced 尚未展開業務

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22. INVESTMENTS IN SUBSIDIARIES (continued)

22. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/登記 及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 實繳股本面值	Percentage of equity attributable to the Group 本集團所佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Grand Golden Profit Limited* 創金利有限公司*	Hong Kong 香港	HK\$10,000 港幣10,000元	100	–	Inactive 暫無業務
Gold Beam Developments Limited 金萊發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	–	Inactive 暫無業務
Tonic Centerus Wind Energy (Holdings) Limited 東力生泰時風能(控股)有限公司	BVI 英屬處女群島	US\$200 200美元	100	–	Inactive 暫無業務
Tonic Electronics (B.V.I.) Limited 英屬處女群島	BVI 英屬處女群島	HK\$1 港幣1元	100	–	Investment holding 投資控股
Tonic Technology Limited 東力科技有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	100	–	Inactive 暫無業務
Indirectly held: 間接持有：					
東莞金萊電子有限公司## (Dongguan Gold Beam Electronics Co., Ltd.*)	PRC 中國	HK\$24,527,340 港幣24,527,340元	–	100	Inactive 暫無業務
東莞東力電子有限公司## (Dongguan Tonic Electronic Co., Ltd.*)	PRC 中國	HK\$90,299,051 港幣90,299,051元	–	100	Inactive 暫無業務
東莞鑫聯數碼科技 有限公司## (Dongguan Xin Lian Digital Technology Co., Ltd.*)	PRC 中國	RMB56,730,488 人民幣56,730,488元	–	100	Manufacture and sale of electronic products 製造及銷售電子產品

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22. INVESTMENTS IN SUBSIDIARIES (continued)

22. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/登記 及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 實繳股本面值	Percentage of equity attributable to the Group 本集團所佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Panatone Licensing Limited	BVI 英屬處女群島	US\$1 1美元	–	100	Inactive 暫無業務
Tonic Digital Products Limited 東力數碼產品有限公司	Hong Kong 香港	HK\$100 港幣100元	–	100	Inactive 暫無業務
Tonic DVB Marketing Limited	BVI/PRC 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 Electronics Limited 東力電子有限公司	Hong Kong 香港	Ordinary HK\$200 Non-voting deferred HK\$300,000 ^{###} 普通股港幣200元 無投票權遞延股 港幣300,000元 ^{###}	–	100	In Liquidation** 清盤中**
Tonic Enterprises Limited	BVI 英屬處女群島	US\$1 1美元	–	100	Inactive 暫無業務
Tonic International Limited	BVI/PRC 英屬處女群島/中國	HK\$0.01 港幣0.01元	–	100	Inactive 暫無業務
Tonic International Investment Limited 東力國際投資有限公司	BVI 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
Tonic Investment (B.V.I.) Limited	BVI 英屬處女群島	HK\$0.01 港幣0.01元	–	100	Investment holding 投資控股
Tonic Marketing Limited	BVI 英屬處女群島	US\$0.01 0.01美元	–	100	Investment holding 投資控股
東力科技(深圳)有限公司 [#] (Tonic Technology (Shenzhen) Ltd.*)	PRC 中國	RMB15,400,000 人民幣15,400,000元	–	100	Inactive 暫無業務

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22. INVESTMENTS IN SUBSIDIARIES (continued)

22. 於附屬公司之投資(續)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/登記 及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 實繳股本面值	Percentage of equity attributable to the Group 本集團所佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Tonic Trading Development Limited 東力商務發展有限公司	Hong Kong 香港	HK\$100 港幣100元	–	100	Inactive 暫無業務
Tonic Venture Capital Limited 東力創業投資有限公司	Hong Kong 香港	HK\$1,000,000 港幣1,000,000元	–	100	Investment holding 投資控股
TA Limited	Hong Kong 香港	HK\$10,000 港幣10,000元	–	100	Inactive 暫無業務
東莞市錦聯科技製品有限公司** (Dongguan Jin Lian Technology Products Ltd. *)	PRC 中國	RMB500,000 人民幣500,000元	–	100	Inactive 暫無業務
Technotrend Trading Limited	Hong Kong 香港	HK\$10,000 港幣10,000元	–	100	Inactive 暫無業務

Companies incorporated during the year

於年內註冊成立之公司

** Wholly-foreign-owned enterprises

** 外商獨資企業

*** The non voting deferred shares carrying 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 HK\$500,000,000,000,000. None of the non-voting deferred shares was held by members of the Group at the end of the reporting period.

*** 無投票權遞延股份持有人可在普通股持有人收取港幣1,000,000,000,000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港幣500,000,000,000,000元後收取任何盈餘的一半餘額作為退回股本。本集團各成員公司於報告期末概無持有無投票權遞延股份。

* The English name is for identification purpose only

* 英文名稱僅供識別

** Subsequent to the end of reporting period, on 30 June 2010, Tonic Electronics Limited ("TEL") was wound up by the High Court of Hong Kong. On the same date, Messrs. Huen Ho Yin and Huen Yuen Fun have been appointed as the Joint and Several Provisional Liquidators of TEL by the official receiver. Further details are stated in note 45 to the financial statements.

** 於報告期間結算日後，於二零一零年六月三十日，東力電子有限公司(「東力電子」)已由香港高等法院清盤。同日，Huen Ho Yin先生及Huen Yuen Fun先生獲破產管理署署長委任為東力電子之共同及個別臨時清盤人。進一步詳情載於財務報表附註45。

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財務報表附註

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23. AVAILABLE-FOR-SALE INVESTMENTS

23. 可供出售之投資

		Group and Company 本集團及本公司	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Unlisted equity securities, at cost	非上市股本投資， 按成本值	24,366	24,366
Less: Impairments	減：減值	(24,366)	(24,366)
		—	—

The above investment was designated as available-for-sale financial asset and had no fixed maturity date or coupon rate.

上述投資被列為可供出售金融資產，並無固定到期日或票面利率。

Unlisted equity securities were carried at cost less impairments as they did not have a quoted market price in an active market and whose fair value cannot be reliably measured.

非上市股本證券以成本扣除減值列賬，原因為有關證券並無於活躍市場報價，且其公平值不能可靠計量。

24. INVENTORIES

24. 存貨

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Raw materials	原料	1,466	223,563
Work in progress	在製品	—	85,662
Finished goods	製成品	—	44,607
		1,466	353,832

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25. ACCOUNTS AND BILLS RECEIVABLES

25. 應收賬款及票據

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Accounts receivables	應收賬款	33,541	78,674
Less: Impairments (note 10)	減：減值(附註10)	(32,710)	(10,179)
		831	68,495

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 days extending up to 90 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 receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

The aging analysis of accounts and bills receivables at the end of the reporting period, based on the invoice date, is as follows:

本集團與客戶之貿易條款主要是信貸方式。信貸期一般為30日，主要客戶的信貸期則最多為90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層管理人員定期審閱。鑑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，所以並無重大信貸風險集中之情況。

於報告期間結算日按發票日期計算的應收賬款及票據之賬齡分析如下：

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
30 days or less	30日或以下	831	45,221
31 to 60 days	31至60日	—	7,948
61 to 90 days	61至90日	—	11,192
Over 90 days	超過90日	—	4,134
		831	68,495

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For the year ended 31 March 2010
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25. ACCOUNTS AND BILLS RECEIVABLES (continued)

The Group's accounts and bills receivables are non interest-bearing and their carrying amounts approximate to their amortised costs.

Included in the provision for impairment of accounts and bills receivables are individually impaired accounts receivables of HK\$32,710,000 (2009: HK\$10,179,000) with an equivalent gross carrying amount at the end of the reporting period. The individually impaired accounts receivables relate to customers that were in default of payment. The Group does not hold any collateral or other credit enhancements over these balances.

An aged analysis of the Group's accounts and bills receivables at the end of the reporting period that are not considered to be impaired is as follows:

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Neither past due nor impaired	無逾期或減值	831	62,878
Less than 30 days	少於30日	—	2,321
30 to 90 days past due	逾期30日至90日	—	2,494
Over 90 days past due	逾期90日以上	—	802
		831	68,495

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

25. 應收賬款及票據(續)

本集團之應收賬款及票據為免息，其賬面值與其攤銷成本相若。

應收賬款及票據之減值撥備中計入個別減值應收賬款港幣32,710,000元(二零零九年：港幣10,179,000元)，與報告期間結算日之總賬面值相同。個別減值應收賬款與拖欠還款之客戶有關。本集團並無就此等結餘持有任何抵押品或其他信貸提升。

於報告期間結算日並無視為減值之本集團應收賬款及票據之賬齡分析如下：

並無逾期或減值之應收賬款涉及大量近期並無欠債記錄之不同客戶。

逾期但無減值之應收賬款與在本集團內有良好往績記錄之若干獨立客戶有關。根據過往經驗，由於信貸質素並無重大變動，而此等結餘仍被視為可全數收回，故董事認為毋須就此等結餘作出減值準備。本集團並無就此等結餘持有任何抵押品或其他信貸提升。

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26. FACTORED ACCOUNTS RECEIVABLES

26. 應收保付代理賬款

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Factored accounts receivables	應收保付代理賬款	19,691	53,394
Less: Impairments (note 10)	減：減值(附註10)	(19,691)	—
		—	53,394

At 31 March 2010, the Group factored trade receivables of HK\$19,691,000 (2009: HK\$53,394,000), to banks on a non-recourse basis for cash. The Group continued to recognise the factored accounts receivables in the consolidated statement of financial position because, in the opinion of the Directors, the Group still retained the risks and rewards of ownership associated with the accounts receivables and the financial assets derecognition conditions as stipulated in HKAS 39 Financial Instruments: Recognition and Measurement have not been fulfilled. Accordingly, bank factored loans of the Group's accounts receivables have been accounted for as liabilities in the consolidated statement of financial position. These factoring facilities were secured by a corporate guarantee granted by the Company, cross-corporate guarantees granted by certain subsidiaries and the Company. The maturity date of the factored accounts receivables range from 60 to 90 days.

於二零一零年三月三十一日，本集團按無追溯權基準將港幣19,691,000元(二零零九年：港幣53,394,000元)的貿易應收保付代理賬款交由銀行追收現金。本集團繼續於綜合財務狀況報表確認應收保付代理賬款，原因為董事認為本集團仍保留有關擁有應收賬款的風險及回報，以及未能符合香港會計準則第39號金融工具：確認及計量訂明的金融資產撇除確認條件。因此，本集團應收保付代理賬款的銀行貸款已於綜合財務狀況報表列作負債。該等保付代理貸款由本公司作出的企業擔保，以及若干附屬公司與本公司互相作出的企業擔保作抵押。應收保付代理賬款之到期日介乎60至90日。

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26. FACTORED ACCOUNTS RECEIVABLES (continued)

The aging analysis of factored accounts receivables at the end of the reporting period is as follows:

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
30 days or less	30日或以下	–	23,493
31 to 60 days	31至60日	–	7,276
61 to 90 days	61至90日	–	12,993
Over 90 days	超過90日	–	9,632
		–	53,394

There was a provision for individually impaired factored accounts receivables of HK\$19,691,000 with an equivalent gross carrying amount at 31 March 2010. The individually impaired factored accounts receivables relate to customers that were in default of payment. The Group does not hold any collateral or other credit enhancements over these balances.

An aged analysis of the Group's factored accounts receivables at the end of the reporting period that are not considered to be impaired is as follows:

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Neither past due nor impaired	無逾期或減值	–	43,763
Less than 30 days	逾期少於30日	–	6,995
30 to 90 days past due	逾期30日至90日	–	–
Over 90 days past due	逾期超過90日	–	2,636
		–	53,394

26. 應收保付代理賬款(續)

應收保付代理賬款於報告期間結算日之賬齡分析如下：

另有個別減值應收保付代理賬款撥備港幣19,691,000元，於二零一零年三月三十一日之總賬面值相同。個別減值應收保付代理賬款與拖欠還款之客戶有關。本集團並無就此等結餘持有任何抵押品或其他信貸提升。

於報告期間結算日並無視為減值的本集團應收保付代理賬款之賬齡分析如下：

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27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

27. 預付款項、按金及其他應收款項

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Prepayments	預付款項	7,119	13,843
Deposits and other receivables	按金及其他應收款項	4,615	8,133
		11,734	21,976
Less: Impairments (note 10)	減：減值(附註10)	(10,799)	(5,558)
		935	16,418

The carrying amounts of the Group's prepayments, deposits and other receivables approximated to their amortised costs.

Included in the impairment recognised in respect of prepayments, deposits and other receivables are individually impaired deposits and other receivables of approximately HK\$10,799,000 (2009: HK\$5,558,000) with an equivalent gross carrying amount at the end of the reporting period. The individually impaired other receivables relate to counterparties that were in default of payment. The Group does not hold any collateral or other credit enhancements over these balances.

Save as disclosed, none of the above assets is either past due nor impaired and the financial assets included in the above balances related to receivables for which there was no recent history of default.

本集團預付款項、按金及其他應收款項之賬面值與其攤銷成本相若。

預付款項、按金及其他應收款項已確認減值中計入個別減值按金及其他應收款項約港幣10,799,000元(二零零九年：港幣5,558,000元)，於報告期間結算日之總賬面值相同。個別減值之其他應收賬款與拖欠還款之客戶有關。本集團並無就此等結餘持有任何抵押品或其他信貸提升。

除所披露者外，概無上述資產已逾期或減值，而上述結餘包括之金融資產與近期並無拖欠記錄之應收款項有關。

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28. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

28. 按公平值計入損益之股本投資

	Group 本集團	
	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Listed equity investments in Hong Kong, 香港上市股本投資 at fair value 按公平值	—	2,592

The above equity investments at the end of the reporting period were classified as held for trading. The fair values of the listed equity investments were based on quoted market prices.

上述於報告期間結算日之股本投資被分類為持作買賣。上市股本投資之公平值按市場報價計算。

29. DERIVATIVE FINANCIAL INSTRUMENTS

29. 衍生金融工具

	Group 本集團	
	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Forward currency contracts 遠期貨幣合約	—	382

Forward currency contracts with standard terms and conditions and traded on active liquid markets were determined with reference to quoted market bid prices and ask prices. The carrying amounts of the forward currency contracts approximated to their fair values.

附帶標準條款及條件並於活躍之高流通量市場買賣之遠期貨幣合約乃參考市場所報買盤價及賣盤價釐定。遠期貨幣合約之賬面值與其公平值相若。

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29. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The Group has entered into various forward currency contracts to manage its exchange rate exposures which did not meet the criteria for hedge accounting. Net gains of non-hedging currency derivatives amounting to approximately HK\$464,000 (2009: HK\$382,000) were credited to the consolidated income statement during the year.

At 31 March 2010, the Group did not have any outstanding forward currency contracts (2009: HK\$162 million) to hedge payables denominated in United States dollars ("US\$"). The carrying amounts of the Group's forward currency contracts approximate their respective fair values.

30. CASH AND BANK BALANCES

At 31 March 2010, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted approximately to HK\$3,072,000 (2009: HK\$12,091,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and bank balances approximate to their fair values.

29. 衍生金融工具(續)

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。已扣自年內綜合收益表之非對沖貨幣衍生工具之收益淨額約為港幣464,000元(二零零九年：港幣382,000元)。

於二零一零年三月三十一日，本集團並無任何未平倉遠期貨幣合約(二零零九年：港幣162,000,000元)對沖應付美元(「美元」)款項。本集團遠期貨幣合約之賬面值與其公平值相若。

30. 現金及銀行結存

於二零一零年三月三十一日，本集團以人民幣(「人民幣」)計值之現金及銀行結存為港幣3,072,000元(二零零九年：港幣12,091,000元)。人民幣不可自由兌換為其他貨幣，然而，根據中國內地外匯管理法及結匯、售匯及付匯管理規定，本集團可在獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

銀行現金根據每天銀行存款利率賺取浮動利率利息。銀行結存乃存放於並無近期拖欠記錄的良好信譽銀行。現金及銀行結存之賬面值與其公平值相若。

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31. ACCOUNTS PAYABLES

The aging analysis of accounts payables at end of the reporting period, based on the invoice date, is as follows:

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
30 days or less	30日或以下	134	123,488
31 to 60 days	31至60日	–	24,509
61 to 90 days	61至90日	225	7,346
Over 90 days	超過90日	318,851	186,679
		319,210	342,022

31. 應付賬款

於報告期間結算日按發票日期計算的應付賬款之賬齡分析如下：

32. ACCRUALS AND OTHER PAYABLES

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Deferred income	遞延收入	–	4,396
Other payables	其他應付款項	21,203	10,418
Accruals	應計費用	61,046	28,734
		82,249	43,548

32. 應計費用及其他應付款項

Other payables are non interest-bearing and have an average term of three months.

其他應付款項為免息及平均年期為三個月。

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33. BORROWINGS

33. 借貸

		Effective interest rate (%) 實際利率(%)	Maturity 到期	Group 本集團	
				2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Current	即期				
Finance lease payables (note 34) [#]	融資租賃應付款項 (附註34) [#]	1.5	On demand 按要求	3,387	6,681
Bank overdrafts – secured [#]	銀行透支 – 有抵押 [#]	5.35-13	On demand 按要求	13,178	10,615
Bank factored loans [#]	銀行保付代理貸款 [#]	3.29	On demand 按要求	14,626	53,394
Trust receipt loans [#]	信託收據貸款 [#]	1.3-3.29	On demand 按要求	100,904	104,612
Bank loans – unsecured	銀行貸款 – 無抵押	1.65	February 2011 ^{##} 二零一一年二月 ^{##}	10,726	–
Bank loans – secured	銀行貸款 – 有抵押	1.40-5.84	April 2010 – April 2011 ^{##} 二零一零年四月至 二零一一年四月 ^{##}	146,491	162,125
Other loan – unsecured	其他貸款 – 無抵押	36	January 2011 二零一一年一月	4,536	–
Other loans – secured	其他貸款 – 有抵押	2-7.11	January – March 2011 二零一一年 一月至三月	118,246	–
				412,094	337,427
Non-current	非即期				
Bank loans – secured	銀行貸款 – 有抵押			–	12,395
Other loan – secured	其他貸款 – 有抵押			–	48,749
				–	61,144
				412,094	398,571

[#] At 31 March 2010, the Group was in breach of certain covenant requirements as set out in the bank facilities letters for certain of its bank borrowings. These bank borrowings included finance lease payables, bank overdrafts, bank factored loans, trust receipt loans and bank loans of approximately HK\$3,387,000, HK\$13,178,000, HK\$14,626,000, HK\$100,904,000 and HK\$37,071,000, respectively, at 31 March 2010. Due to the Group's non-compliance of the covenant requirements, all these banks borrowings became due for repayment on demand at 31 March 2010. In addition, the non-current portion of bank loans of HK\$1,500,000 at 31 March 2010, with original maturity term ending April 2011, was also classified as current portion at 31 March 2010. On 15 January 2010, the Group received a Standstill Letter from certain bank creditors stating that these banks have agreed, until further written notice by the majority of these banks, not to make demand or take any action to enforce the payment of monies under any of the existing facilities in order to facilitate the discussion of the debt restructuring of the Group.

^{##} Due to the breach of covenants, these bank borrowings, with maturity dates listed above, became due for repayment on demand at the end of the reporting period.

[#] 於二零一零年三月三十一日，本集團違反其若干銀行借貸之銀行融資函件所載的若干契約規定。此等銀行借貸包括於二零一零年三月三十一日分別約港幣3,387,000元、港幣13,178,000元、港幣14,626,000元、港幣100,904,000元及港幣37,071,000元之融資租賃應付款項、銀行透支、銀行保付代理貸款、信託收據貸款及銀行貸款。由於本集團未能遵守契約規定，所有此等銀行借貸須於二零一零年三月三十一日按要求償還。此外，於二零一零年三月三十一日，原到期日為至二零一一年四月之銀行貸款的非即期部分港幣1,500,000元亦已於二零一零年三月三十一日分類為即期部分。於二零一零年一月十五日，本集團接獲若干銀行債權人之暫緩還款書，表明該等銀行同意，直至該等銀行大多數發出進一步書面通知前，不會要求或採取任何行動強制償還任何現有融資項下款項，以便就本集團之債務重組進行磋商。

^{##} 由於違反契約，此等銀行借貸(其到期日載於上文)須於報告期間結算日按要求償還。

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33. BORROWINGS (continued)

33. 借貸(續)

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 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	一年內或按要求時償還	285,925	330,746
In the second year	第二年	–	4,023
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	–	8,372
		285,925	343,141
Finance lease payable (note 34)	融資租賃應付款項(附註34)		
Within one year	一年內	3,387	6,681
Other borrowings repayable:	須於下列年期償還的其他借貸：		
Within one year	一年內	122,782	–
Beyond one year	一年後	–	48,749
		122,782	48,749
		412,094	398,571

At 31 March 2010, the Group's pledged bank borrowings were secured by a corporate guarantee granted by the Company, cross-corporate guarantees granted by certain subsidiaries and the Company, all monies debenture executed by certain subsidiaries of the Company, and the mortgages over certain of the Group's buildings and prepaid land lease payments which had the aggregate carrying amounts of approximately HK\$107,831,000 (2009: HK\$70,890,000) and HK\$18,251,000 (2009: HK\$24,383,000) respectively.

於二零一零年三月三十一日，本集團之有抵押銀行借貸以本公司作出之企業擔保及若干附屬公司及本公司作出之相互企業擔保，本公司若干附屬公司簽立之全數金額債券，賬面總值分別約港幣107,831,000元(二零零九年：港幣70,890,000元)及港幣18,251,000元(二零零九年：港幣24,383,000元)之本集團若干樓宇及預付土地租賃款項之抵押作抵押。

At 31 March 2010, the Group's pledged other borrowings were secured by a share charge over the entire issued capital of a wholly-owned subsidiary of Company and the mortgages over certain of the Group's buildings and prepaid land lease payments which had the aggregate carrying amounts of approximately HK\$118,800,000 (2009: HK\$137,169,000) and HK\$16,781,000 (2009: HK\$17,617,000) respectively.

於二零一零年三月三十一日，本集團之有抵押其他借貸以本公司全資附屬公司全部已發行股本之股份抵押以及賬面總值分別約港幣118,800,000元(二零零九年：港幣137,169,000元)及港幣16,781,000元(二零零九年：港幣17,617,000元)之本集團若干樓宇及預付土地租賃款項之抵押作抵押。

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34. FINANCE LEASE PAYABLE

The Group leases certain of its plant and machinery for its operation. These leases are classified as finance leases and had a remaining lease term of one year. At the end of the reporting period, the total future minimum lease payments under finance leases and their present values were as follows:

Group		Minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Present value of minimum lease payments
本集團		最低租金	最低租金	最低租金現值	最低租金現值
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Total minimum finance lease payments payable within one year	一年內應付之融資租賃最低租金總額	3,407	6,948	3,387	6,681
Future finance charges	未來融資費用	(20)	(267)		
Total net finance lease payables	總融資租賃應付款項淨額	3,387	6,681		
Portion classified as current liabilities	歸類為流動負債部分	(3,387)	(6,681)		
Non-current portion	非流動部分	-	-		

34. 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，餘下租期為一年。於報告期間結算日，按融資租賃須付未來最低租金總額及其現值如下：

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35. DUE TO DIRECTORS

The amounts due to directors were unsecured, interest free and had no fixed term of repayment. The carrying amounts of balances with the directors approximated to their amortised costs.

36. FINANCIAL GUARANTEE LIABILITIES

At 31 March 2010, the Company has given corporate guarantees to certain banks to secure for general banking facilities granted to its subsidiaries, and approximately HK\$169,165,000 (2009: HK\$349,822,000) of those were utilised by the subsidiaries as at that date. As disclosed in note 2 and 33 to the financial statements, the Group has breached certain terms and defaulted on the repayment of certain bank borrowings. At the end of the reporting period, it is probable that the Company will be liable to the claims under any of these guarantees. Accordingly, a provision for financial guarantee liabilities of approximately HK\$157,795,000 (2009: HK\$nil) has been made against the probable uncovered exposures to be borne by the Company under the guarantees at 31 March 2010.

35. 應付董事款項

應付董事款項乃無抵押、免息及無固定還款期。與董事之結餘之賬面值與其攤銷成本相若。

36. 財務擔保負債

於二零一零年三月三十一日，本公司就其附屬公司所獲一般銀行融資向若干銀行作出公司擔保，而截至該日附屬公司已動用其中約港幣169,165,000元(二零零九年：港幣349,822,000元)。誠如財務報表附註2及33所披露，本集團違反若干條款及拖欠償還若干銀行借貸。於報告期間結算日，本公司可能將要承擔任何該等擔保項下之申索。因此，於二零一零年三月三十一日，本公司已就擔保項下其可能須承擔之無保障安排風險淨額作出財務擔保負債撥備約港幣157,795,000元(二零零九年：港幣零元)。

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37. DEFERRED TAX

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

37. 遞延稅項

年內遞延稅項的變動如下：

Deferred tax liabilities/(assets)	遞延稅項負債/(資產)	Accelerated tax	Development	Group	Others	Total
		depreciation	costs	Revaluation		
		加速稅項折舊	開發成本	重估物業	總計	其他
		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
At 1 April 2008	於二零零八年四月一日	19,143	2,360	33,806	(863)	54,446
(Credited)/debited to income statement for the year	年內於收益表(計入)/扣除	(2,411)	(865)	(309)	863	(2,722)
Deferred tax debited/(credited) to other comprehensive income:	於其他全面收入扣除/(計入)之遞延稅項：					
Release on disposal	於出售時解除	-	-	(190)	-	(190)
Surplus on revaluation	重估盈餘	-	-	274	-	274
Change in tax rate	稅率變動	-	-	(7)	-	(7)
Exchange differences	匯兌差額	-	-	1,682	-	1,682
At 31 March 2009 and 1 April 2009	於二零零九年三月三十一日及二零零九年四月一日	16,732	1,495	35,256	-	53,483
Credited to income statement for the year	年內於收益表計入	(12,993)	(1,495)	-	-	(14,488)
Deferred tax credited to other comprehensive income:	於其他全面收入計入之遞延稅項：					
Release on disposal	於出售時解除	-	-	(624)	-	(624)
Deficit on revaluation	重估虧絀	-	-	(6,901)	-	(6,901)
Exchange differences	匯兌差額	-	-	7	-	7
At 31 March 2010	於二零一零年三月三十一日	3,739	-	27,738	-	31,477

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37. DEFERRED TAX (continued)

At 31 March 2010, the Group had tax losses arising in Hong Kong of approximately HK\$286,922,000 (2009: HK\$91,518,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. At 31 March 2010, the Group also had tax losses arising in Mainland China of HK\$98,551,000 (2009: HK\$65,009,000) that will expire in one to five years for offsetting against future taxable profit. Deferred tax assets have not been recognised in respect of these losses as the Directors consider not probable that the subsidiaries will have sufficient future taxable profits against which those tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 March 2010, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiaries established in Mainland China, as these subsidiaries did not have any distributable earnings as at that date. At 31 March 2009, the temporary difference associated with unremitted earnings for which deferred tax liabilities had not been recognised was approximately HK\$457,000.

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

37. 遞延稅項(續)

於二零一零年三月三十一日，本集團有於香港產生之稅項虧損約港幣286,922,000元(二零零九年：港幣91,518,000元)，可無限期結轉，以抵銷產生虧損之公司未來應課稅溢利。於二零一零年三月三十一日，本公司亦有於中國大陸產生之稅項虧損港幣98,551,000元(二零零九年：港幣65,009,000元)，將於一至五年內就可用以抵銷未來應課稅溢利屆滿。董事認為附屬公司可能並無充足未來應課稅溢利以對銷該等稅項虧損，因此，並無就該等虧損確認遞延稅項資產。

根據中國企業所得稅法，於中國大陸成立之外資企業向外國投資者宣派之股息將徵收10%預扣稅。該規定於二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後產生之盈利。倘中國與外國投資者所屬司法權區之間訂有稅務優惠協議，則可應用較低之預扣稅率。本集團之適用稅率為5%或10%。因此，本集團須就該等於中國大陸成立之附屬公司自二零零八年一月一日起產生之盈利分派股息繳納預扣稅。

於二零一零年三月三十一日，由於本集團於中國大陸成立之附屬公司並無任何可供分派盈利，故並無就於該日該等附屬公司之未匯出盈利應付預扣稅確認任何遞延稅項。於二零零九年三月三十一日，與未匯出盈利相關而並無確認遞延稅項負債之暫時差額約為港幣457,000元。

本公司派付予其股東之股息並無附帶所得稅後果。

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38. SHARE CAPITAL

38. 股本

		COMPANY 本公司	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Authorised:	法定：		
3,000,000,000 (2009: 3,000,000,000) ordinary shares of HK\$0.10 each*	3,000,000,000股(二零零九年： 3,000,000,000股) 每股面值港幣0.10元的普通股*	300,000	300,000
Issued and fully paid:	已發行及繳足：		
1,057,889,962 (2009: 1,057,889,962) ordinary shares of HK\$0.10 each	1,057,889,962股(二零零九年： 1,057,889,962股) 每股面值港幣0.10元的普通股	105,789	105,789

* Pursuant to an ordinary resolution passed on 18 September 2008, the authorised share capital of the Company was increased from HK\$120,000,000 to HK\$300,000,000 by the creation of 1,800,000,000 additional shares of HK\$0.10 each, ranking pari passu in all respects with the existing share capital of the Company.

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Except for the compliance of certain bank covenants for maintaining the Group's bank facilities, the Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the two years ended 31 March 2010 and 2009.

* 根據於二零零八年九月十八日通過之普通決議案，本公司藉增設1,800,000,000股每股港幣0.10元之額外股份(在各方面均與本公司現有股本享有同等權益)，將本公司之法定股本由港幣120,000,000元增至港幣300,000,000元。

資本管理

本集團資本管理之主要目的為保障本集團持續經營之能力及維持穩健資本比率以支持其業務及盡量提高股東價值。

本集團根據經濟狀況變化管理其資本結構及作出調整。本集團或會透過調整對股東派發之股息、向股東發還資本或發行新股以維持或調整資本結構。除遵守若干銀行契約以維持本集團之銀行信貸外，本集團不受任何外部實施之資本規定限制。於截至二零一零年及二零零九年三月三十一日止兩個年度，資本管理之目標、政策或程序概無轉變。

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38. SHARE CAPITAL (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the capital. The Group's policy is to maintain the gearing ratio below 100%. Net debt includes interest-bearing bank and other borrowings less cash and bank balances, and excludes discontinued operation. Capital includes total equity. The gearing ratios at the end of reporting period were as follows:

		Group 本集團	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借貸	412,094	398,571
Less: Cash and bank balances	減：現金及銀行結存	(30,176)	(36,758)
Net debt	債務淨額	381,918	361,813
Capital	資本	(423,310)	386,680
Gearing ratio	資本負債比率	N/A# 不適用#	93.60% —

As the Group had a net deficiency in capital at 31 March 2010, the Group's gearing ratio as at that date was not applicable.

38. 股本(續)

本公司使用資本負債比率(債務淨額除資本)監察資本。本集團之政策為維持資本負債比率於100%以下。債務淨額包括計息銀行及其他借貸減現金及銀行結存及不包括已終止經營業務。資本包括總權益。於報告期間結算日之資本負債比率如下：

由於本集團於二零一零年三月三十一日有資本虧絀淨額，故本集團之資本負債比率於該日並不適用。

39. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Option Scheme") for the purpose of providing incentive and rewards to eligible participants who contribute to the success of the Group's operation. 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 ten years from that date.

39. 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。除被取消或修訂外，該計劃將自該日起生效，為期十年。

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39. SHARE OPTION SCHEME (continued)

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 at any time. No option may be granted to any 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.

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 10th anniversary of such date, provided that the employee can only exercise a maximum of 20% of the options granted to him/her 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 prices of the shares on the Stock Exchange on the date of grant and the average of the closing prices of the shares on the Stock Exchange for the five trading days immediately preceding the date of grant. Up to the approval date of these financial statements, the Company has not granted any options on or after 1 September 2001.

39. 購股權計劃(續)

根據購股權計劃目前可予授出的尚未行使購股權數目，於購股權獲行使時最多不得超過本公司於任何時間已發行股份的10%。倘向任何僱員授出購股權，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。

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港幣1.00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。截至財務報表批准日期，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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39. SHARE OPTION SCHEME (continued)

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

		2010 二零一零年 Number of share options 購股權數目 '000 千份	2009 二零零九年 Number of share options 購股權數目 '000 千份
Outstanding at beginning of year*	於年初尚未行使*	47,130	56,820
Lapsed during the year	於年內失效	(21,675)	(9,690)
Outstanding at end of year*	於年結日尚未行使*	25,455	47,130

* The exercise price and weighted average exercise price of all outstanding share options is HK\$0.467 per share, which is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital. The exercise period for the outstanding options range from 10 April 2000 to 9 April 2010.

At 31 March 2010, the Company had 25,455,000 (2009: 47,130,000) share options outstanding under the Option Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 25,455,000 (2009: 47,130,000) additional shares totalling HK\$2,546,000 (2009: HK\$4,713,000) and share premium of HK\$9,342,000 (2009: HK\$17,297,000), before issue expenses.

At 31 March 2010, the Company had 25,455,000 share options outstanding under the Option Scheme, which represented approximately 2.4% of the Company shares in issue at that date.

39. 購股權計劃(續)

年內，購股權計劃下尚未行使的購股權如下：

	2010 二零一零年 Number of share options 購股權數目 '000 千份	2009 二零零九年 Number of share options 購股權數目 '000 千份
Outstanding at beginning of year*	47,130	56,820
Lapsed during the year	(21,675)	(9,690)
Outstanding at end of year*	25,455	47,130

* 所有尚未行使購股權之行使價及加權平均行使價為每股港幣0.467元，可因應供股或發行紅股，或本公司股本其他類似變動作調整。尚未行使購股權之行使期介乎二零零零年四月十日至二零一零年四月九日。

於二零一零年三月三十一日，本公司根據購股權計劃共有25,455,000份(二零零九年：47,130,000份)尚未行使購股權。按本公司現有股本架構計算，全面行使餘下購股權將導致本公司發行額外25,455,000股(二零零九年：47,130,000股)股份，合共港幣2,546,000元(二零零九年：港幣4,713,000元)及股份溢價港幣9,342,000元(二零零九年：港幣17,297,000元)(未計發行開支)。

於二零一零年三月三十一日，本公司根據購股權計劃共有25,455,000份尚未行使購股權，相當於本公司於該日之已發行股份約2.4%。

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40. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the two years ended 31 March 2010 and 2009 are presented in the consolidated statement of changes in equity of the financial statements.

The contributed reserve of the Group represents the difference between the nominal value of the share capital of the former holding 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.

(b) Company

40. 儲備

(a) 本集團

本集團於截至二零一零年及二零零九年三月三十一日止兩個年度之儲備及有關變動數額於財務報表之綜合權益變動表呈列。

本集團的繳入儲備指本集團因就籌備本公司股份在聯交所上市而整頓本集團架構所進行集團重組之前控股集團股本面值，超出本公司就交換而發行股份面值的差額。

(b) 本公司

		Share premium account	Contributed reserve	Retained profits/ (accumulated losses)	Total
		股份溢價賬 HK\$'000 港幣千元	繳入儲備 HK\$'000 港幣千元	保留溢利/ (累積虧損) HK\$'000 港幣千元	總計 HK\$'000 港幣千元
At 1 April 2008	於二零零八年四月一日	71,388	58,794	34,243	164,425
Total comprehensive income for the year	本年度全面收入總額	-	-	(597)	(597)
At 31 March 2009 and 1 April 2009	於二零零九年三月三十一日及 二零零九年四月一日	71,388	58,794	33,646	163,828
Total comprehensive income for the year	本年度全面收入總額	-	-	(428,402)	(428,402)
At 31 March 2010	於二零一零年三月三十一日	71,388	58,794	(394,756)	(264,574)

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40. RESERVES (continued)

(c) Nature and purpose of reserves

(i) Share premium account

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 reserve and retained profits.

(ii) Contributed reserve

The contributed reserve 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.

(iii) Property revaluation reserve

The property revaluation reserve has been set up and are dealt with in accordance with the accounting policies adopted for buildings in note 4 to the financial statements.

(iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operation. The reserve is dealt with in accordance with the accounting policies set out in note 4 to the financial statements.

40. 儲備(續)

(c) 儲備性質及用途

(i) 股份溢價賬

根據開曼群島公司法(二零零二年修訂本)，在本公司組織章程大綱或細則條文規限下，本公司股份溢價賬可用作分派予股東，惟本公司須於緊隨派發股息後能夠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、繳入儲備及保留溢利。

(ii) 繳入儲備

本集團的繳入儲備指本集團因就籌備本公司股份在聯交所上市而整頓本集團架構所進行集團重組之前控股集團股本面值，超出本公司就交換而發行股份面值的差額。

(iii) 物業重估儲備

物業重估儲備已根據財務報表附註4就樓宇所採納會計政策設立及處理。

(iv) 外幣換算差額

外幣換算儲備包括換算海外業務財務報表所產生所有匯兌差額。該儲備已根據財務報表附註4所載會計政策處理。

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41. MAJOR NON-CASH TRANSACTION

- (a) During the year, the Group disposed of certain items of PPE and inventories for the consideration of approximately HK\$15,876,000 and HK\$4,196,000 respectively. These amounts were fully utilised to settle part of salary payables of the Group. Further details of which are included in note 19 to the financial statements.
- (b) During the prior year, deposits for the acquisition of items of property, plant and equipment of approximately HK\$2,346,000 were utilised as part of the considerations paid for the purchases of items of property, plant and equipment.

42. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

(a) Group

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Shipping and other guarantees	船運與其他擔保	1,190	2,523

(b) Company

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Guarantees for general banking facilities of subsidiaries*	就附屬公司一般銀行信貸提供擔保*	—	785,206

* At 31 March 2010, HK\$169,165,000 (2009: HK\$349,822,000) of the general banking facilities were utilised by the subsidiaries. At 31 March 2010, a provision for financial guarantee liabilities of approximately HK\$157,795,000 (2009: HK\$nil) has been made against the probable uncovered exposures to be borne by the Company under the guarantees. Further details of which are included in note 36 to the financial statements.

41. 主要非現金交易

- (a) 於年內，本集團出售若干物業、廠房及設備及存貨項目，代價分別約港幣15,876,000元及港幣4,196,000元。該等款項已全數用作繳付本集團部分應付薪金。進一步詳情載於財務報表附註19。
- (b) 於往年度，購買物業、廠房及設備項目的訂金約港幣2,346,000元已用作購買物業、廠房及設備項目的部分代價。

42. 或然負債

於報告期間結算日，未於財務報表中撥備的或然負債如下：

(a) 本集團

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Shipping and other guarantees	1,190	2,523

(b) 本公司

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Guarantees for general banking facilities of subsidiaries*	—	785,206

* 於二零一零年三月三十一日，附屬公司已動用一般銀行信貸當中港幣169,165,000元（二零零九年：港幣349,822,000元）。於二零一零年三月三十一日，已就本公司根據財務擔保可能須承擔之無保障安排風險作出財務擔保負債撥備約港幣157,795,000元（二零零九年：港幣零元）。進一步詳情載於財務報表附註36。

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43. LEASE COMMITMENTS

The Group leases certain of its buildings under operating lease arrangements, with leases negotiated for a term ranging from one to three years. At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
within one year	一年內	–	473
in the second to fifth year inclusive	第二至五年(包括首尾兩年)	–	128
		–	601

44. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Contracted, but not provided for equipment and tools	就設備及工具已訂約 但未撥備	–	53

45. LITIGATIONS

A number of lawsuits and claims were lodged against certain subsidiaries of the Group which remain outstanding as follows:

(a) Gold Beam Developments Limited (“GB”)

- (i) On 16 November 2009, Fung Shing Steel Company Limited issued a writ of summons in the District Court of Hong Kong against a direct wholly-owned subsidiary of the Company, namely GB, in respect of goods sold and delivered in the amount of HK\$429,365. GB is currently preparing the defense.

43. 租約承擔

本集團根據經營租賃安排租賃若干樓宇，租期議定為一至三年。於報告期間結算日，本集團根據不可撤回經營租賃於下列期間到期之未來最低租金款項總額如下：

44. 資本承擔

本集團於報告期間結算日有以下資本承擔：

45. 訴訟

於財務報表批准日期，本集團若干附屬公司被提出多項訴訟及索償且尚未解決如下：

(a) 金萊發展有限公司(「金萊」)

- (i) 於二零零九年十一月十六日，Fung Shing Steel Company Limited透過香港區域法院就所售出及已交付貨品為數港幣429,365元，向本公司直接全資附屬公司金萊發出傳訊令狀。金萊現正擬定抗辯書。

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45. LITIGATIONS (continued)

(a) Gold Beam Developments Limited (“GB”) (continued)

- (ii) On 2 March 2010, Wang Fa Steel Company Limited issued a writ of summons in the District Court of Hong Kong against GB in respect of a debt in the amount of HK\$95,866 together with interest and costs. Pleadings closed on 14 May 2010.

(b) Technotrend Trading Limited

On 23 November 2009, Technotrend Trading Limited, an indirect wholly-owned subsidiary of the Company, issued a writ of summons in the High Court of Hong Kong against the former customer Technotrend GmbH for goods sold and delivered in the sum of US\$2,541,464 (approximately HK\$19,691,265) together with interest and costs. The case is in the stage of service of the Writ Summons against Technotrend GmbH.

(c) Tonic Digital Products Limited (“TDPL”)

On 29 January 2010, Victor Company of Japan Ltd. (“JVC”) issued a summons in the United States District Court, Southern District of New York against TDPL, an indirect wholly-owned subsidiary of the Company, in respect of breach of the settlement agreement between JVC and TDPL dated 1 January 2008 in the amount of Japanese Yen 58,592,400 (approximately HK\$5,097,539) and damages by reason of TDPL’s unauthorised use and infringement of JVC’s trademark rights in the VHS logo and infringement of JVC’s patent rights in the VHS recorder patents. The summons has been served on TDPL.

(d) Tonic Electronics Limited (“TEL”)

- (i) On 12 September 2009, Super Victory Enterprises Limited issued a writ of summons in the District Court of Hong Kong against an indirect wholly-owned subsidiary of the Company, namely TEL, in respect of goods sold and delivered in the amount of US\$85,988 (approximately HK\$666,231) together with interest and costs. TEL is currently preparing the defense.

45. 訴訟(續)

(a) 金萊發展有限公司(「金萊」) (續)

- (ii) 於二零一零年三月二日，Wang Fa Steel Company Limited透過香港區域法院就為數港幣95,866元之債務連同利息及堂費，向金萊發出傳訊令狀。雙方陳辭已於二零一零年五月十四日結束。

(b) Technotrend Trading Limited

於二零零九年十一月二十三日，本公司間接全資附屬公司Technotrend Trading Limited透過香港高等法院就所售出及已交付貨品為數2,541,464美元(約港幣19,691,265元)連同利息及堂費，向前客戶Technotrend GmbH發出傳訊令狀。案件仍處於向Technotrend GmbH送達傳訊令狀階段。

(c) 東力數碼產品有限公司(「東力數碼」)

於二零一零年一月二十九日，Victor Company of Japan Ltd. (「JVC」)透過美國紐約南區區域法院向本公司間接全資附屬公司東力數碼發出傳訊令狀，就其違反JVC與東力數碼所訂立日期為二零零八年一月一日之清償協議索償58,592,400日圓(約港幣5,097,539元)，以及因東力數碼於未獲授權之情況下使用及侵犯JVC之錄影帶商標權及侵犯JVC錄影機專利權所構成之損失。有關傳訊令狀已送呈東力數碼。

(d) 東力電子有限公司(「東力電子」)

- (i) 於二零零九年九月十二日，超偉企業有限公司透過香港區域法院就所售出及已交付貨品為數85,988美元(約港幣666,231元)連同利息及堂費，向本公司間接全資附屬公司東力電子發出傳訊令狀。東力電子現正擬定抗辯書。

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45. LITIGATIONS (continued)

(d) Tonic Electronics Limited ("TEL") (continued)

- (ii) On 13 November 2009, Stmicroelectronics Asia Pacific PTE Limited issued a writ of summons in the High Court of Hong Kong against TEL in respect of goods sold and delivered in amount of US\$279,742 (approximately HK\$2,167,439) together with interest and costs. TEL is currently preparing the defense.
- (iii) On 30 November 2009, Skytech (Hong Kong) Limited issued a writ of summons in the High Court of Hong Kong against TEL in respect of goods sold and delivered in the amount of HK\$1,122,861 together with interest and costs. Judgment against TEL was obtained on 1 February 2010. Enforcement of judgment is yet to be made.
- (iv) On 27 November 2009, Lucky Harvest (HK) Company Limited issued a writ of summons in the High Court of Hong Kong against TEL in respect of goods sold and delivered in the amount of HK\$1,121,066 together with interest and costs. TEL is currently preparing the defense.
- (v) On 11 January 2010, Edal Electronics Company Limited issued a writ of summon in the District Court of Hong Kong against TEL in respect of goods sold and delivered in the amount of HK\$232,280 together with interest and costs. TEL has filed a defense on 22 March 2010.
- (vi) On 2 February 2010, Strategic Financial Relations Limited issued a writ of summon in the District Court of Hong Kong against TEL in respect of a debt in the amount of HK\$126,358 for public relations consultancy services rendered. Pleadings closed on 15 April 2010 and documents have been filed for discovery.

45. 訴訟(續)

(d) 東力電子有限公司(「東力電子」)(續)

- (ii) 於二零零九年十一月十三日，Stmicroelectronics Asia Pacific PTE Limited 透過香港高等法院就所售出及已交付貨品為數279,742美元(約港幣2,167,439元)連同利息及堂費，向東力電子發出傳訊令狀。東力電子現正擬定抗辯書。
- (iii) 於二零零九年十一月三十日，Skytech (Hong Kong) Limited 透過香港高等法院就售出及已交付貨品為數港幣1,122,861元連同利息及堂費，向東力電子發出傳訊令狀。東力電子已於二零一零年二月一日取得判決，有關判決尚待執行。
- (iv) 於二零零九年十一月二十七日，Lucky Harvest (HK) Company Limited 透過香港高等法院就售出及已交付貨品為數港幣1,121,066元連同利息及堂費，向東力電子發出傳訊令狀。東力電子現正擬定抗辯書。
- (v) 於二零一零年一月十一日，Edal Electronics Company Limited 透過香港區域法院就售出及已交付貨品為數港幣232,280元連同利息及堂費，向東力電子發出傳訊令狀。東力電子已於二零一零年三月二十二日提呈抗辯書。
- (vi) 於二零一零年二月二日，縱橫財經公關顧問有限公司透過香港區域法院就所提供公共關係顧問服務合約之債項為數港幣126,358元，向東力電子發出傳訊令狀。雙方陳辭已於二零一零年四月十五日結束，並已提交有關文件作調查用途。

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45. LITIGATIONS (continued)

(d) Tonic Electronics Limited ("TEL") (continued)

(vii) On 5 February 2010, Sai Hing Plastic Bags Factory (Hong Kong) Limited issued a writ of summon in the District Court of Hong Kong against TEL in respect of a contract sum in the amount of HK\$462,310 together with interest and costs and HK\$345,525 together with interest and costs. Pleadings closed on 17 May 2010.

(viii) On 28 April 2010, a winding up petition was filed against TEL by an ex-employee of TEL claiming for payment in the aggregate sum of HK\$1,235,811 together with interest thereon from TEL as stated in the award obtained by Ng Hing Wing and other ex-employees against TEL on 26 January 2010. The unsettled amounts of HK\$1,235,811 are yet to be paid and were fully accrued in other payables at 31 March 2010. Subsequently, TEL was wound up by the High Court of Hong Kong on 30 June 2010. Messrs. Huen Ho Yin and Huen Yuen Fun have been appointed as the Joint and Several Provisional Liquidators of TEL by the official receiver on the same date.

(ix) On 14 May 2010, 深圳市長橋凱達貨運有限公司 (Shenzhen Changqiao Kaida Cargo Company Limited) issued a writ of summon in the District Court of Hong Kong against TEL, in respect of transportation services in the amount of RMB876,596 (approximately HK\$994,060) together with interest and costs.

(e) TEL and GB

On 21 June 2010, Fung Shing Steel Company Limited issued a writ of summon in the District Court of Hong Kong against TEL and GB, in respect of debt in the amount of HK\$329,365 together with interest and costs. The dispute is at preliminary stage, and the Group will prepare the defense accordingly.

45. 訴訟(續)

(d) 東力電子有限公司(「東力電子」)(續)

(vii) 於二零一零年二月五日，Sai Hing Plastic Bags Factory (Hong Kong) Limited 透過香港區域法院就為數港幣462,310元之合約款項連同利息及堂費以及港幣345,525元連同利息及堂費，向東力電子發出傳訊令狀。雙方陳辭已於二零一零年五月十七日結束。

(viii) 於二零一零年四月二十八日，東力電子遭其一名前僱員提出清盤呈請，根據Ng Hing Wing及其他前僱員於二零一零年一月二十六日所獲判令追討東力電子合共港幣1,235,811元連同相關利息。未償付金額港幣1,235,811元仍未支付，並已全數計入二零一零年三月三十一日之其他應付款項。東力電子已於二零一零年六月三十日由香港高等法院清盤。於同日Huen Ho Yin先生及Huen Yuen Fun先生獲破產管理署署長委任為東力電子之共同及個別臨時清盤人。

(ix) 於二零一零年五月十四日，深圳市長橋凱達貨運有限公司透過香港區域法院就付運服務為數人民幣876,596元(約港幣994,060元)連同利息及堂費，向東力電子發出傳訊令狀。

(e) 東力電子及金萊

於二零一零年六月二十一日，Fung Shing Steel Company Limited 透過香港區域法院就為數港幣329,365元之債務連同利息及堂費，向東力電子及金萊發出傳訊令狀。此項爭議現處於初步階段，本集團將相應擬定抗辯書。

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45. LITIGATIONS (continued)

(f) TEL and Tonic Digital Products Limited ("TDPL")

- (i) On 11 November 2008, Thomson Hong Kong Holdings Limited ("Plaintiff"), a former customer of the Company, filed a writ of summons with the High Court of Hong Kong against the Company and two of its indirect wholly-owned subsidiaries namely, TEL and TDPL (collectively known as the "Defendants"), in respect of disputes relating, inter alia, goods returned for refund by Plaintiff, claiming damages in the sum of US\$4,289,664 (approximately HK\$33,244,897) together with interest and costs. The Defendants filed Defense and Counterclaim and the Plaintiff filed Reply and Defense to Counterclaim on 17 March 2009. The claims of the Plaintiff relate, inter alia, to refund of the purchase price of goods sold and delivered by TDPL to the Plaintiff. Based on the case pleaded by the Plaintiff and the information now available to the Defendants, the Defendants have a defense with merits to such claim. The parties are attempting to resolve interlocutory matters before the trial date for the case is fixed.
- (ii) On 24 August 2009, TEL and TDPL issued a writ of summons in the High Court of Hong Kong against a former customer Alco Holdings Limited for goods sold and delivered in the sum of US\$820,912 (approximately HK\$6,360,427) for TEL and US\$288,977 (approximately HK\$2,238,994) for TDPL. The action is in the preliminary stage with exchange of documents in progress.

45. 訴訟(續)

(f) 東力電子及東力數碼產品有限公司(「東力數碼」)

- (i) 於二零零八年十一月十一日，本集團前客戶湯姆遜有限公司(「原告人」)透過香港高等法院就(其中包括)有關退回貨品的爭議，向本公司及其兩家間接全資附屬公司東力電子及東力數碼(統稱「被告人」)發出傳訊令狀，追討為數4,289,664美元(約港幣33,244,897元)賠償連同利息及堂費。被告人已提交抗辯書及提出反索償，而原告人於二零零九年三月十七日提交答辯書及反索償的抗辯書。原告人的申索乃關於(其中包括)原告人要求東力數碼就所售出及已交付之貨品向原告人作出退款。根據原告人答辯的訴訟案及被告人現時所獲悉資料，被告人就有關申索之抗辯具充分理據。與訟各方現正嘗試於排期審訊前著手解決非正審事宜。
- (ii) 於二零零九年八月二十四日，東力電子及東力數碼透過香港高等法院分別就所售出及已交付貨品向前客戶Alco Holdings Limited發出傳訊令狀，牽涉金額就東力電子及東力數碼而言分別為數820,912美元(約港幣6,360,427元)及288,977美元(約港幣2,238,994元)。訴訟現處於初步階段，仍在交換文件。

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45. LITIGATIONS (continued)

(f) TEL and Tonic Digital Products Limited ("TDPL") (continued)

- (iii) On 14 September 2009, Multimedia Devices Limited issued a writ of summons in the High Court of Hong Kong against TEL and TDPL in respect of returned goods in the amount of US\$1,167,598 (approximately HK\$9,046,556) for TEL and US\$213,147 (approximately HK\$1,651,461) for TDPL. TEL and TDPL are currently preparing the defense.

(g) TEL and Tonic Trading Development Limited ("TTDL")

On 14 August 2009, J.C. Electronics Co. Limited issued a writ of summons in the High Court of Hong Kong against two indirect wholly-owned subsidiaries of the Company, namely TEL and TTDL respectively, regarding goods sold and delivered in the amount of HK\$10,541,664 together and HK\$4,743,444 together with interest and costs respectively. Defense was filed and the actions are still in preliminary stage and so it is too early to evaluate the probable outcome.

(h) Tonic Trading Development Limited ("TTDL")

- (i) On 20 November 2009, Max Components Limited issued a writ of summons in the District Court of Hong Kong against an indirect wholly-owned subsidiary of the Company, namely TTDL, in respect of goods sold and delivered in the amount of US\$56,346 (approximately HK\$436,571). TTDL is currently preparing the defense.
- (ii) On 27 November 2009, Skytec (Hong Kong) Limited issued a writ of summons in the District Court of Hong Kong against TTDL in respect of goods sold and delivered in the amount of HK\$938,099 together with interests and costs. TTDL had filed the defense on 14 January 2010.

45. 訴訟(續)

(f) 東力電子及東力數碼產品有限公司(「東力數碼」)(續)

- (iii) 於二零零九年九月十四日，Multimedia Devices Limited 透過香港高等法院就有關退回貨品分別向東力電子及東力數碼發出傳訊令狀，牽涉金額就東力電子及東力數碼而言分別為數1,167,598美元(約港幣9,046,556元)及213,147美元(約港幣1,651,461元)。東力電子及東力數碼現正擬定抗辯書。

(g) 東力電子及東力商務發展有限公司(「東力商務發展」)

於二零零九年八月十四日，J.C. Electronics Co. Limited 透過香港高等法院就所售出及已交付貨品為數分別港幣10,541,664元及港幣4,743,444元連同利息和堂費，向本公司兩家間接全資附屬公司東力電子及東力商務發展發出傳訊令狀。由於已提出抗辯，且案件仍處於初步階段，故推測結果仍尚過早。

(h) 東力商務發展有限公司(「東力商務發展」)

- (i) 於二零零九年十一月二十日，Max Components Limited 透過香港區域法院就所售出及已交付貨品為數56,346美元(約港幣436,571元)，向本公司間接全資附屬公司東力商務發展發出傳訊令狀。東力商務發展現正擬定抗辯書。
- (ii) 於二零零九年十一月二十七日，Skytec (Hong Kong) Limited 透過香港區域法院就售出及已交付貨品為數港幣938,099元連同利息及堂費，向東力商務發展發出傳訊令狀。東力商務發展已於二零一零年一月十四日提出抗辯。

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45. LITIGATIONS (continued)

(h) Tonic Trading Development Limited (“TTDL”) (continued)

- (iii) On 11 January 2010, Edal Electronics Company Limited issued a writ of summon in the District Court of Hong Kong against TTDL in respect of goods sold and delivered in the amount of HK\$442,926 together with interest and costs. TTDL has filed the defense on 22 March 2010.

(i) Tonic Technology Limited (“TTL”)

- (i) On 9 December 2009, Yan Hsin Da Electronics Limited issued a writ of summons in the District Court of Hong Kong against a direct wholly-owned subsidiary of the Company, namely TTL, in respect of goods sold and delivered in the amount of US\$31,396 (approximately HK\$243,316) together with interest and costs. TTL is currently preparing the defense.
- (ii) On 10 February 2010, D-Plus Limited filed the form of claim in the Small Claims Tribunal against TTL in respect of goods supplied in the amount of HK\$50,000 together with interest and costs. Order against TTL was obtained on 15 March 2010.

45. 訴訟(續)

(h) 東力商務發展有限公司(「東力商務發展」)(續)

- (iii) 於二零一零年一月十一日，Edal Electronics Company Limited 透過香港區域法院就售出及已交付貨品為數港幣442,926元連同利息及堂費，向東力商務發展發出傳訊令狀。東力商務發展已於二零一零年三月二十二日提出抗辯。

(i) 東力科技有限公司(「東力科技」)

- (i) 於二零零九年十二月九日，Yan Hsin Da Electronics Limited 透過香港區域法院就所售出及已交付貨品為數31,396美元(約港幣243,316元)連同利息及堂費，向本公司直接全資附屬公司東力科技發出傳訊令狀。東力科技現正擬定抗辯書。
- (ii) 於二零一零年二月十日，D-Plus Limited 向小額錢債審裁處提交申索表格，就所供應貨品為數港幣50,000元連同利息及堂費向東力科技追討。東力科技已於二零一零年三月十五日接獲頒令。

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45. LITIGATIONS (continued)

(j) Dongguan Tonic Electronic Co., Ltd. ("Dongguan TEL") and TEL Civil petitions

On 20 October 2009, 深圳市晶峰科技開發有限公司 (Shenzhen Jingfeng Technology Development Co., Ltd.*) lodged a civil petition with the Third People's Court of Dongguan City, Guangdong Province against TEL and Dongguan TEL (matter number: (2009) 東三民四初字第621號) seeking a judgment on the outstanding sum of RMB1,571,852 together with interests thereon in respect of good supplied and cost of legal proceedings. Two buildings of Dongguan TEL in Dongguan have been sequestered.

(k) Dongguan TEL Judgments

(i) On 14 December 2009, the Third People's Court of Dongguan City, Guangdong Province issued a judgment (document number: (2009) 東三法民二初字第2231號) ordering Dongguan TEL to repay 奇燁電子(東莞)有限公司 (Qiye Electronic (Dongguan) Company Limited*) a sum of RMB455,165.88 together with interest thereon in relation to the outstanding payment for goods sold and delivered and the court fees of RMB4,078. Dongguan TEL has not settled the payment within the prescribed time period but the parties has entered into a mediation agreement on 1 June 2010 pursuant to which Dongguan TEL shall settle repay the sum of RMB455,165.88 together with interest of RMB36,322 and the legal cost of RMB4,078 to 奇燁電子(東莞)有限公司 (Qiye Electronic (Dongguan) Company Limited*) by 31 August 2010.

45. 訴訟(續)

(j) 東莞東力電子有限公司(「東莞東力電子」)及東力電子 民事呈請

於二零零九年十月二十日，深圳市晶峰科技開發有限公司向廣東省東莞市第三人民法院遞交民事呈請，就向東力電子及東莞東力電子(事項編號：(2009)東三民四初字第621號)供應貨品之未償還總額人民幣1,571,852元連同利息及法律程序之成本尋求判決。東莞東力電子兩幢樓宇已遭扣押。

(k) 東莞東力電子 判決

(i) 於二零零九年十二月十四日，廣東省東莞市第三人民法院作出判決(文件編號：(2009)東三法民二初字第2231號)，下令東莞東力電子向奇燁電子(東莞)有限公司償還售出及已交付貨品之未償還款項及堂費人民幣4,078元總數人民幣455,165.88元連同利息。東莞東力電子於指定時限並無還款，惟各方訂立日期為二零一零年六月一日之調解協議，據此，東莞東力電子須於二零一零年八月三十一日前向奇燁電子(東莞)有限公司償還總數人民幣455,165.88元連同利息人民幣36,322元及堂費人民幣4,078元。

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45. LITIGATIONS (continued)

(k) Dongguan TEL (continued) Judgments (continued)

- (ii) On 11 May 2010, the Third People's Court of Dongguan City, Guangdong Province issued a judgment (document number: (2009) 東三法民二初字第2733號) ordering Dongguan TEL to repay 東莞市國貿水電安裝工程有限公司 (Dongguan City Guomao Plumbing and Electrical Company Limited*) a sum of RMB 9,800,000 together with the interest thereon and the legal cost of RMB46,860 within 15 days from the date of judgment. The payment has not been settled by Dongguan TEL within the prescribed time period. Dongguan TEL is in negotiations with 東莞市國貿水電安裝工程有限公司 (Dongguan City Guomao Plumbing and Electrical Company Limited*) to postpone the making of payment.

Civil petitions

- (iii) On 24 November 2009, 倪列松 (Ni Lie Song*) lodged a civil petition with the Third People's Court of Dongguan City, Guangdong Province against Dongguan TEL seeking a judgment on an outstanding sum of RMB588,475.82 together with interest thereon in relation to the goods supplied by 興業電子工具行 (Xing Ye Electronic Company Limited*) to Dongguan TEL.
- (iv) On 8 December 2009, 高新錫業(惠州)有限公司 (Gaoxin Tin (Huizhou) Company Limited*) lodged a civil petition with the Third People's Court of Dongguan City, Guangdong Province against Dongguan TEL seeking a judgment on an outstanding sum of RMB1,915,893 together with interest thereon in relation to the goods supplied.

45. 訴訟(續)

(k) 東莞東力電子(續) 判決(續)

- (ii) 於二零一零年五月十一日，廣東省東莞市第三人民法院作出判決(文件編號：(2009)東三法民二初字第2733號)，下令東莞東力電子於判決日期起15日內向東莞市國貿水電安裝工程有限公司償還總數人民幣9,800,000元連同利息及堂費人民幣46,860元。東莞東力電子未有於指定時限內償還款項。東莞東力電子與東莞市國貿水電安裝工程有限公司正進行磋商以延遲付款。

民事呈請

- (iii) 於二零零九年十一月二十四日，倪列松向廣東省東莞市第三人民法院遞交民事呈請控告東莞東力電子，就興業電子工具行向東莞東力電子供應貨品之未償還總額人民幣588,475.82元連同利息尋求判決。
- (iv) 於二零零九年十二月八日，高新錫業(惠州)有限公司向廣東省東莞市第三人民法院遞交民事呈請，就向東莞東力電子供應貨品之未償還總額人民幣1,915,893元連同利息尋求判決。

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45. LITIGATIONS (continued)

(k) Dongguan TEL (continued)

Civil mediation agreements

- (v) On 10 December 2009, through the mediation of the Third People's Court of Dongguan City, Guangdong Province, 東莞市添寶電子有限公司 (Dongguan City Tianbao Electronic Company Limited*) and Dongguan TEL reached a civil mediation agreement (document number: (2009) 東三法民二初字第2714號) pursuant to which an outstanding sum of RMB120,713 in relation to the goods sold and delivered shall be settled by Dongguan TEL in six monthly installments commencing on 20 January 2010 with the last installment and costs of hearing to be made on or before 20 June 2010. The payment has not been settled by Dongguan TEL within the prescribed time period. Dongguan TEL is in negotiations with 東莞市添寶電子有限公司 (Dongguan City Tianbao Electronic Company Limited*) to postpone the making of payment.
- (vi) On 11 March 2010, through the mediation of the Third People's Court of Dongguan City, Guangdong Province, 上海全毅快遞有限公司東莞分公司 (Shanghai Quanyi Courier Services Company Limited*, Dongguan Branch) and Dongguan TEL reached a civil mediation agreement (document number: (2010) 東三法民二初字第78號) pursuant to which Dongguan TEL shall repay the outstanding courier fees of RMB11,971 and costs of hearing in the sum of RMB50 on or before 30 May 2010. The payment has not been settled by Dongguan TEL within the prescribed time period. Dongguan TEL is in negotiations with 上海全毅快遞有限公司東莞分公司 (Shanghai Quanyi Courier Services Company Limited*, Dongguan Branch) to postpone the making of payment.

45. 訴訟(續)

(k) 東莞東力電子(續)

民事調解協議

- (v) 於二零零九年十二月十日，透過廣東省東莞市第三人民法院之調解，東莞市添寶電子有限公司與東莞東力電子達成民事調解協議(文件編號：(2009)東三法民二初字第2714號)，據此，東莞東力電子須就人民幣120,713元之售出及已交付貨品之未償還總額由二零一零年一月二十日起開始作六個月分期付款，最後一期款項及聆訊堂費須於二零一零年六月二十日或以前繳付，惟東莞東力電子於指定時限並無還款。東莞東力電子與東莞市添寶電子有限公司正進行磋商以延遲付款。
- (vi) 於二零一零年三月十一日，透過廣東省東莞市第三人民法院之調解，上海全毅快遞有限公司東莞分公司與東莞東力電子達成民事調解協議(文件編號：(2010)東三法民二初字第78號)，據此，東莞東力電子須於二零一零年五月三十日或以前償還人民幣11,971元之未償還快遞費用及人民幣50元之聆訊堂費，惟東莞東力電子於指定時限並無還款。東莞東力電子與上海全毅快遞有限公司東莞分公司正進行磋商以延遲付款。

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45. LITIGATIONS (continued)

(k) Dongguan TEL (continued)

Civil mediation agreements (continued)

(vii) On 11 March 2010, through the mediation of the Third People's Court of Dongguan City, Guangdong Province, 東莞市格菱電梯有限公司 (Dongguan City Ge Ling Dian Ti Company Limited*) reached a civil mediation agreement with Dongguan TEL (document number: (2010) 東三法民二初字第221號) pursuant to which Dongguan TEL shall repay the outstanding lift maintenance fees in the sum of RMB68,560 and costs of hearing in the sum of RMB757 on or before 30 June 2010. Dongguan TEL is in negotiations with 東莞市格菱電梯有限公司 (Dongguan City Ge Ling Dian Ti Company Limited*) to postpone the making of payment.

(viii) On 16 March 2010, through the mediation of the Third People's Court of Dongguan City, Guangdong Province, 東莞市日盛印刷有限公司 (Dongguan City Risheng Printing Company Limited*) and Dongguan TEL reached a civil mediation agreement (document number: (2010) 東三法民二初字第506號) pursuant to which Dongguan TEL shall repay the outstanding sum of RMB165,131.53 in relation to the goods supplied and costs of hearing in the sum of RMB3,147 on or before 30 June 2010. Dongguan TEL is in negotiations with 東莞市日盛印刷有限公司 (Dongguan City Risheng Printing Company Limited*) to postpone the making of payment.

(ix) On 16 April 2010, through the mediation of the Third People's Court of Dongguan City, Guangdong Province, 任肖娥 (Ren Xiao E*) and Dongguan TEL reached a civil mediation agreement (document number: (2010) 東三法民二初字第505號) pursuant to which Dongguan TEL shall repay the outstanding sum of RMB234,049.55 in relation to the goods supplied and costs of hearing in the sum of RMB4,161 on or before 30 June 2010. Dongguan TEL is in negotiations with 任肖娥 (Ren Xiao E*) to postpone the making of payment.

45. 訴訟(續)

(k) 東莞東力電子(續)

民事調解協議(續)

(vii) 於二零一零年三月十一日，透過廣東省東莞市第三人民法院之調解，東莞市格菱電梯有限公司與東莞東力電子達成民事調解協議(文件編號：(2010)東三法民二初字第221號)，據此，東莞東力電子須於二零一零年六月三十日或以前償還人民幣68,560元之未償還電梯維修費用及人民幣757元之聆訊堂費。東莞東力電子與東莞市格菱電梯有限公司正進行磋商以延遲付款。

(viii) 於二零一零年三月十六日，透過廣東省東莞市第三人民法院之調解，東莞市日盛印刷有限公司與東莞東力電子達成民事調解協議(文件編號：(2010)東三法民二初字第506號)，據此，東莞東力電子須於二零一零年六月三十日或以前償還人民幣165,131.53元之已供應貨品及人民幣3,147元之聆訊堂費。東莞東力電子與東莞市日盛印刷有限公司正進行磋商以延遲付款。

(ix) 於二零一零年四月十六日，透過廣東省東莞市第三人民法院之調解，任肖娥與東莞東力電子達成民事調解協議(文件編號：(2010)東三法民二初字第505號)，據此，東莞東力電子須於二零一零年六月三十日或之前清償所供應貨品之未償還款項人民幣234,049.55元及聆訊堂費人民幣4,161元。東莞東力電子現與任肖娥磋商以延遲付款。

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45. LITIGATIONS (continued)

(l) TEL and 東莞塘廈鎮石潭布東輝電子廠 (Dongguan Tangxia Town Shitanpu Donghui Electronics Factory*)

On 31 December 2009, 東莞暉龍包裝材料有限公司 (Dongguan Huilong Packaging Company Limited*) lodged a civil petition with the Third People's Court of Dongguan City, Guangdong Province against TEL and 東莞塘廈鎮石潭布東輝電子廠 (Dongguan Tangxia Town Shitanpu Donghui Electronic Factory*) seeking a judgment on an outstanding sum of RMB16,228.13 together with interest of RMB1,125 thereon in relation to the good supplied.

(m) Tonic Technology (Shenzhen) Ltd. (東力科技(深圳)有限公司) and Dongguan Xin Lian Digital Technology Co., Ltd. (東莞鑫聯數碼科技有限公司) Civil Petitions

(i) On 9 January 2010, 上海頡生機電有限公司 (Shanghai Xie Sheng Mechanics Co., Ltd*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. and Dongguan Xin Lian Digital Technology Co., Ltd. seeking a judgment on an outstanding sum of RMB264,740 together with interest from October 2009 up to the date of repayment in relation to electronic goods supplied. So far as was known to the Directors or chief executive of the Company, legal proceedings have commenced and are ongoing but no judgment has been passed by the court.

(ii) On 11 January 2010, 東莞永安科技有限公司 (Dongguan Yongan Technology Co. Ltd.*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. and Dongguan Xin Lian Digital Technology Co., Ltd. seeking a judgment on an outstanding sum of RMB315,100 together with interest thereon in relation to the goods supplied. So far as was known to the Directors or chief executive of the Company, legal proceedings have commenced and are ongoing but no judgment has been passed by the court.

45. 訴訟(續)

(l) 東力電子有限公司及東莞塘廈鎮石潭布東輝電子廠

於二零零九年十二月三十一日，東莞暉龍包裝材料有限公司透過廣東省東莞市第三人民法院向東力電子及東莞塘廈鎮石潭布東輝電子廠提交民事呈請書，就所提供貨品之未償還款項人民幣16,228.13元連同利息人民幣1,125元尋求判決。

(m) 東力科技(深圳)有限公司及東莞鑫聯數碼科技有限公司

民事呈請

(i) 於二零一零年一月九日，上海頡生機電有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司及東莞鑫聯數碼科技有限公司提交民事呈請書，就所供應電子產品之未償還款項人民幣264,740元連同由二零零九年十月起至還款日期之利息尋求判決。就董事或本公司主要行政人員所知，法律程序經已展開且仍在進行，但法院仍未通過判決。

(ii) 於二零一零年一月十一日，東莞永安科技有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司及東莞鑫聯數碼科技有限公司提交民事呈請書，就所提供貨品之未償還款項人民幣315,100元連同利息尋求判決。就董事及本公司主要行政人員所知，法律程序經已展開且仍在進行，但法院仍未通過判決。

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45. LITIGATIONS (continued)

(m) Tonic Technology (Shenzhen) Ltd. (東力科技(深圳)有限公司) and Dongguan Xin Lian Digital Technology Co., Ltd. (東莞鑫聯數碼科技有限公司) (continued)

Civil Petitions (continued)

- (iii) On 5 February 2010, 梅州聯科電路有限公司 (Meizhou Lianke Circuit Co., Ltd.*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. and Dongguan Xin Lian Digital Technology Co., Ltd. seeking a judgment on an outstanding sum of RMB139,000.96 together with interest of RMB6,150.8 thereon in relation to the goods supplied. Proceedings commenced on 1 July 2010 but judgment is yet to be made by the court.
- (iv) On 25 February 2010, 廣州市東力電池實業有限公司 (Guangzhou Eastpower Battery Ind. Co., Ltd.*) lodged a civil petition with the Third People's Court of Dongguan City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. and Dongguan Xin Lian Digital Technology Co., Ltd. seeking a judgment on an outstanding sum of RMB159,283.60 together with interest of RMB5,110.75 thereon as at 28 February 2010 in relation to the goods supplied. Proceedings commenced on 7 July 2010 but judgment is yet to be made by the court.

45. 訴訟(續)

(m) 東力科技(深圳)有限公司及東莞鑫聯數碼科技有限公司(續)

民事呈請(續)

- (iii) 於二零一零年二月五日，梅州聯科電路有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司及東莞鑫聯數碼科技有限公司提交民事呈請書，就所提供貨品之未償還款項人民幣139,000.96元連同利息人民幣6,150.8元尋求判決。程序已於二零一零年七月一日展開，但法院仍未作出判決。
- (iv) 於二零一零年二月二十五日，廣州市東力電池實業有限公司向廣東省東莞市第三人民法院對東力科技(深圳)有限公司及東莞鑫聯數碼科技有限公司提交民事呈請書，就所提供貨品之未償還款項人民幣159,283.60元連同截至二零一零年二月二十八日之利息人民幣5,110.75元尋求判決。程序已於二零一零年七月七日展開，但法院仍未作出判決。

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45. LITIGATIONS (continued)

(n) Tonic Technology (Shenzhen) Ltd. (東力科技(深圳)有限公司)

Judgments

- (i) On 22 December 2009, the People's Court of Futian District, Shenzhen City, Guangdong Province issued a judgment (document number: (2009) 深福法民二初字5151號) ordering Tonic Technology (Shenzhen) Ltd. to pay 深圳市怡亞通供應鏈股份有限公司 (Shenzhen Eternal Asia Supply Chain Management Ltd.*) a composite fees of RMB114,190.69, a value added tax in the sum of RMB1,071,664.85, the overdue fine in respect of owing repayments under an import agency agreement and related documents entered in June to September of 2009 and court fees in the sum of RMB12,961.5 within 10 days from the date of judgment. The matter was appealed by Tonic Technology (Shenzhen) Ltd and the Intermediate People's Court of Guangdong Province dismissed the appeal on 4 January 2010. The payment has not been settled by Tonic Technology (Shenzhen) Ltd. within the prescribed time period. Tonic Technology (Shenzhen) Ltd. is in negotiations with 深圳市怡亞通供應鏈股份有限公司 (Shenzhen Eternal Asia Supply Chain Management Ltd.*) to reach a mediation agreement.
- (ii) On 27 January 2010, the People's Court of Futian District, Shenzhen City, Guangdong Province issued a judgment (document number: (2009) 深福法民二初字5186號) ordering Tonic Technology (Shenzhen) Ltd. to pay 東莞德鎂精密機電產品有限公司 (Dongguan Demei Electromechanical Products Co. Ltd.*) a sum of RMB2,758,230.75 together with interest thereon in relation to the goods delivered within 10 days from the date of judgment. The payment has not been settled by Tonic Technology (Shenzhen) Ltd. within the prescribed time period. Tonic Technology (Shenzhen) Ltd. is in negotiations with 東莞德鎂精密機電產品有限公司 (Dongguan Demei Electromechanical Products Co. Ltd.*) to reach a mediation agreement.

45. 訴訟(續)

(n) 東力科技(深圳)有限公司

判決

- (i) 於二零零九年十二月二十二日，廣東省深圳市福田區人民法院作出判決(文件編號：(2009)深福法民二初字5151號)，頒令東力科技(深圳)有限公司自判決日期起計十日內就結欠進口代理協議項下還款及二零零九年六月至九月所訂立之有關文件向深圳市怡亞通供應鏈股份有限公司支付綜合費人民幣114,190.69元、增值稅人民幣1,071,664.85元、逾期罰款及堂費人民幣12,961.5元。東力科技(深圳)有限公司就事件提出上訴，惟廣東省中級人民法院於二零一零年一月四日駁回上訴。東力科技(深圳)有限公司並無於指定期限內清償付款。東力科技(深圳)有限公司現與深圳市怡亞通供應鏈股份有限公司磋商以達成調解協議。
- (ii) 於二零一零年一月二十七日，廣東省深圳市福田區人民法院作出判決(文件編號：(2009)深福法民二初字5186號)，頒令東力科技(深圳)有限公司自判決日期起計十日內就已交付貨品向東莞德鎂精密機電產品有限公司支付人民幣2,758,230.75元連同利息。東力科技(深圳)有限公司並無於指定期限內清償付款。東力科技(深圳)有限公司現與東莞德鎂精密機電產品有限公司磋商以達成調解協議。

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45. LITIGATIONS (continued)

(n) Tonic Technology (Shenzhen) Ltd. (東力科技(深圳)有限公司) (continued)

Judgments (continued)

- (iii) On 15 April 2010, the People's Court of Futian District, Shenzhen City, Guangdong Province issued a judgment (document number: (2010) 深福法民二初字813號) ordering Tonic Technology (Shenzhen) Limited to repay 深圳市瑞摩特科技發展有限公司 (Shenzhen Remote Tech-Developing Co., Ltd.*) a sum of RMB1,217,865.50 in relation to the goods supplied and the court fees in the sum of RMB15,761 within 10 days from the date of judgment. The payment has not been settled by Tonic Technology (Shenzhen) Ltd. within the prescribed time period. Tonic Technology (Shenzhen) Ltd. is in negotiations with 深圳市瑞摩特科技發展有限公司 (Shenzhen Remote Tech-Developing Co., Ltd.*) to reach a mediation agreement.
- (iv) On 15 April 2010, the People's Court of Futian District, Shenzhen City, Guangdong Province issued a judgment (document number: (2010) 深福法民二初字第5126號) ordering Tonic Technology (Shenzhen) Limited to pay 上海慧梓電子有限公司 (Shanghai Huizi Electronics Co. Ltd.*) a sum of RMB326,060.95 in relation to the amounts due and unpaid on goods supplied, together with interest thereon and the court fees in the sum of RMB8,565 within 10 days from the date of judgment. The payment has not been settled by Tonic Technology (Shenzhen) Ltd. within the prescribed time period. Tonic Technology (Shenzhen) Ltd. is in negotiations with 上海慧梓電子有限公司 (Shanghai Huizi Electronics Co. Ltd.*) to reach a mediation agreement.
- (v) On 26 April 2010, the People's Court of Futian, Shenzhen City, Guangdong Province issued a judgment (document number: (2010) 深福法民二初字1645號) dismissing a claim brought by 深圳市文盛包裝製品有限公司 (Wen Cheng Packaging Products Co., Ltd.*) against Tonic Electronics (Shenzhen) Limited due to the plaintiff's failure to attend the court hearing.

45. 訴訟(續)

(n) 東力科技(深圳)有限公司(續)

判決(續)

- (iii) 於二零一零年四月十五日，廣東省深圳市福田區人民法院作出判決(文件編號：(2010)深福法民二初字813號)，頒令東力科技(深圳)有限公司自判決日期起計10日內就所供應貨品向深圳市瑞摩特科技發展有限公司償還人民幣1,217,865.50元及堂費人民幣15,761元。東力科技(深圳)有限公司並無於指定期限內清償付款。東力科技(深圳)有限公司現與深圳市瑞摩特科技發展有限公司磋商以達成調解協議。
- (iv) 於二零一零年四月十五日，廣東省深圳市福田區人民法院作出判決(文件編號：(2010)深福法民二初字第5126號)，頒令東力科技(深圳)有限公司自判決日期起計10日內就已供應貨品之應付及未支付款項向上海慧梓電子有限公司支付人民幣326,060.95元連同利息及堂費人民幣8,565元。東力科技(深圳)有限公司並無於指定期限內清償付款。東力科技(深圳)有限公司現與上海慧梓電子有限公司磋商以達成調解協議。
- (v) 於二零一零年四月二十六日，廣東省深圳市福田區人民法院作出判決(文件編號：(2010)深福法民二初字1645號)，由於原告人缺席法院審訊，故駁回深圳市文盛包裝製品有限公司向東力電子(深圳)有限公司提出之申索。

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45. LITIGATIONS (continued)

(n) Tonic Technology (Shenzhen) Ltd. (東力科技(深圳)有限公司) (continued)

Judgments (continued)

(vi) On 1 May 2010, the People's Court of Futian District, Shenzhen City, Guangdong Province issued a judgment (document number: (2010) 深福法民二初字1029號) ordering Tonic Technology (Shenzhen) Limited to repay 深圳市航盛電路科技股份有限公司 (Shenzhen Hang Cheng Electric Circuit Technology Co., Limited*) a sum of RMB2,235,231.75 in relation to the goods supplied within 10 days from the date of judgment. The payment has not been settled by Tonic Technology (Shenzhen) Ltd. within the prescribed time period. Tonic Technology (Shenzhen) Ltd. is in negotiations with 深圳市航盛電路科技股份有限公司 (Shenzhen Hang Cheng Electric Circuit Technology Co., Limited*) to reach a mediation agreement.

Civil petitions

(vii) On 22 February 2009, 上海華虹電子進出口有限公司 (Shanghai Hua Hong Electronic Import and Export Co., Ltd.*) lodged a civil petition with the People's Court of People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Limited seeking a judgment on an outstanding sum of RMB312,303.60 together with interest thereon in the amount of RMB7,214.21 in relation to the goods supplied. Tonic Technology (Shenzhen) Ltd. is in negotiations with 上海華虹電子進出口有限公司 (Shanghai Hua Hong Electronic Import and Export Co., Ltd.*) to reach a mediation agreement.

(viii) On 19 November 2009, 寧波神博電子有限公司 (Ningbo Sunbo Electronics Co. Ltd.*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. seeking a judgment on an outstanding sum of RMB871,299.90 together with a penalty of RMB5,000 for breach of contract in relation to the goods supplied. Tonic Technology (Shenzhen) Ltd. is in negotiations with 寧波神博電子有限公司 (Ningbo Sunbo Electronics Co. Ltd.*) to reach a mediation agreement.

45. 訴訟(續)

(n) 東力科技(深圳)有限公司(續)

判決(續)

(vi) 於二零一零年五月一日，廣東省深圳市福田區人民法院作出判決(文件編號：(2010)深福法民二初字1029號)，頒令東力科技(深圳)有限公司自判決日期起計十日內就所供應貨品向深圳市航盛電路科技股份有限公司償還人民幣2,235,231.75元。東力科技(深圳)有限公司並無於指定期限內清償付款。東力科技(深圳)有限公司現與深圳市航盛電路科技股份有限公司磋商以達成調解協議。

民事呈請

(vii) 於二零零九年二月二十二日，上海華虹電子進出口有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應貨品之未償還款項人民幣312,303.60元連同利息人民幣7,214.21元尋求判決。東力科技(深圳)有限公司現與上海華虹電子進出口有限公司磋商以達成調解協議。

(viii) 於二零零九年十一月十九日，寧波神博電子有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應貨品之未償還款項人民幣871,299.90元連同違反合約罰款人民幣5,000元尋求判決。東力科技(深圳)有限公司現與寧波神博電子有限公司磋商以達成調解協議。

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45. LITIGATIONS (continued)

(n) Tonic Technology (Shenzhen) Ltd. (東力科技(深圳)有限公司) (continued)

Civil petitions (continued)

- (ix) On 20 November 2009, 上海日滔集成有限公司 (Shanghai Ritao Jicheng Co. Ltd.*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. seeking a judgment on an outstanding sum of RMB570,650 together with interest thereon in relation to the goods supplied. Tonic Technology (Shenzhen) Ltd. is in negotiations with 上海日滔集成有限公司 (Shanghai Ritao Jicheng Co. Ltd.*) to reach a mediation agreement.
- (x) On 2 December 2009, 慈溪市海燕塑料製品有限公司 (Cixi Haiyan Plastic Products Co., Ltd.*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Limited seeking a judgment on an outstanding sum of RMB571,727.90 in relation to the goods supplied. The case was filed on 1 March 2010 in the People's Court of Futian District, Guangdong Province and a public notice (document number: (2010) 深福法民二初字932號) has been issued by the court stating that the petition is deemed to be served within 60 days from the date of the public notice. Tonic Technology (Shenzhen) Ltd. is in negotiations with 慈溪市海燕塑料製品有限公司 (Cixi Haiyan Plastic Products Co., Ltd.*) to reach a mediation agreement.
- (xi) On 3 December 2009, 深圳市威爾達電子有限公司 (Shenzhen City Wei Er Da Electronics Co., Ltd.*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. and Dongguan Xin Lian Digital Technology Co., Ltd. seeking a judgment on an outstanding sum of RMB89,480 together with all penalty payments relating to the breach of an agreement in connection with the supply of electronic goods. Tonic Technology (Shenzhen) Ltd. is in negotiations with 深圳市威爾達電子有限公司 (Shenzhen City Wei Er Da Electronics Co., Ltd.*) to reach a mediation agreement.

45. 訴訟(續)

(n) 東力科技(深圳)有限公司(續)

民事呈請(續)

- (ix) 於二零零九年十一月二十日，上海日滔集成有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應貨品之未償還款項人民幣570,650元連同利息尋求判決。東力科技(深圳)有限公司現與上海日滔集成有限公司磋商以達成調解協議。
- (x) 於二零零九年十二月二日，慈溪市海燕塑料製品有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應貨品之未償還款項人民幣571,727.90元尋求判決。該案件於二零一零年三月一日提交廣東省深圳市福田區人民法院，而法院已發出公告(文件編號：(2010)深福法民二初字932號)，指呈請被視為於公告日期起計60日內送達。東力科技(深圳)有限公司現與慈溪市海燕塑料製品有限公司磋商以達成調解協議。
- (xi) 於二零零九年十二月三日，深圳市威爾達電子有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司及東莞鑫聯數碼科技有限公司提交民事呈請書，就未償還款項人民幣89,480元及有關違反供應電子產品之協議之所有罰款尋求判決。東力科技(深圳)有限公司現與深圳市威爾達電子有限公司磋商以達成調解協議。

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45. LITIGATIONS (continued)

(n) Tonic Technology (Shenzhen) Ltd. (東力科技(深圳)有限公司) (continued)

Civil petitions (continued)

- (xii) On 21 December 2009, 無錫威達電子科技有限公司(Wuxi Weida Electronics Technology Co. Ltd.*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. seeking a judgment on an outstanding sum of RMB662,815.80 together with interest thereon in relation to the electronic products supplied and the legal cost. Tonic Technology (Shenzhen) Ltd. is in negotiations with 無錫威達電子科技有限公司 (Wuxi Weida Electronics Technology Co. Ltd.*) to reach a mediation agreement.
- (xiii) On 22 December 2009, 上海虹日國際電子有限公司 (Shanghai Jiangri International Electronics Co. Ltd.*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. seeking a judgment on an outstanding sum of RMB332,578.31 together with interest thereon in relation to the goods supplied and the legal cost. Tonic Technology (Shenzhen) Ltd. is in negotiations with 上海虹日國際電子有限公司 (Shanghai Jiangri International Electronics Co. Ltd.*) to reach a mediation agreement.
- (xiv) On 25 December 2009, 深圳得潤精密零組件有限公司 (Shenzhen Deyuan Parts Co. Ltd.*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. seeking a judgment on an outstanding sum of RMB759,218.25 in relation to the goods supplied. Tonic Technology (Shenzhen) Ltd. is in negotiations with 深圳得潤精密零組件有限公司 (Shenzhen Deyuan Parts Co. Ltd.*) to reach a mediation agreement.

45. 訴訟(續)

(n) 東力科技(深圳)有限公司(續)

民事呈請(續)

- (xii) 於二零零九年十二月二十一日，無錫威達電子科技有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應電子產品之未償還款項人民幣662,815.80元連同利息及堂費尋求判決。東力科技(深圳)有限公司現與無錫威達電子科技有限公司磋商以達成調解協議。
- (xiii) 於二零零九年十二月二十二日，上海虹日國際電子有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應貨品之未償還款項人民幣332,578.31元連同利息以及堂費尋求判決。東力科技(深圳)有限公司現與上海虹日國際電子有限公司磋商以達成調解協議。
- (xiv) 於二零零九年十二月二十五日，深圳得潤精密零組件有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應貨品之未償還款項人民幣759,218.25元尋求判決。東力科技(深圳)有限公司現與深圳得潤精密零組件有限公司磋商以達成調解協議。

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45. LITIGATIONS (continued)

(n) Tonic Technology (Shenzhen) Ltd. (東力科技(深圳)有限公司) (continued)

Civil petitions (continued)

(xv) On 25 December 2009, 深圳市長先科技實業有限公司 (Shenzhen City Changxian Technology Enterprise Co. Ltd.*) lodged a petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. seeking a judgment on an outstanding sum of RMB57,000 together with interest thereon in relation to the chemical products supplied and the legal cost. Tonic Technology (Shenzhen) Ltd. is in negotiations with 深圳市長先科技實業有限公司 (Shenzhen City Changxian Technology Enterprise Co. Ltd.*) to reach a mediation agreement.

(xvi) On 26 December 2009, 深圳市可得工貿有限公司 (Shenzhen Kede Industrial Trading Co., Ltd.*) lodged a civil petition with the People's Court of People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Limited seeking a judgment on an outstanding sum of RMB920,090.20 together with interest thereon in relation to the goods supplied and the legal cost. Tonic Technology (Shenzhen) Ltd. is in negotiations with 深圳市可得工貿有限公司 (Shenzhen Kede Industrial Trading Co., Ltd.*) to reach a mediation agreement.

(xvii) On 30 December 2009, 深圳市文盛包裝製品有限公司 (Shenzhen Wensheng Packaging Co. Ltd.*) lodged a civil petition with the People's Court of Futian District against Tonic Technology (Shenzhen) Ltd. seeking a judgment on an outstanding sum of RMB1,143,725.33 together with interest thereon in relation to the goods supplied. Tonic Technology (Shenzhen) Ltd. is in negotiations with 深圳市文盛包裝製品有限公司 (Shenzhen Wensheng Packaging Co. Ltd.*) to reach a mediation agreement.

45. 訴訟(續)

(n) 東力科技(深圳)有限公司(續)

民事呈請(續)

(xv) 於二零零九年十二月二十五日，深圳市長先科技實業有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應化學產品之未償還款項人民幣57,000元連同利息以及堂費尋求判決。東力科技(深圳)有限公司現與深圳市長先科技實業有限公司磋商以達成調解協議。

(xvi) 於二零零九年十二月二十六日，深圳市可得工貿有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應貨品之未償還款項人民幣920,090.20元連同利息以及堂費尋求判決。東力科技(深圳)有限公司現與深圳市可得工貿有限公司磋商以達成調解協議。

(xvii) 於二零零九年十二月三十日，深圳市文盛包裝製品有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應貨品之未償還款項人民幣1,143,725.33元連同利息尋求判決。東力科技(深圳)有限公司現與深圳市文盛包裝製品有限公司磋商以達成調解協議。

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45. LITIGATIONS (continued)

(n) Tonic Technology (Shenzhen) Ltd. (東力科技(深圳)有限公司) (continued)

Civil petitions (continued)

(xviii) On 30 December 2009, 東莞市高特電子有限公司 (Dongguan City Gao Te Electronics Co. Ltd.*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. seeking a judgment on an outstanding sum of RMB280,131.7 together with interest thereon in relation to the electronic products supplied and the legal cost. Tonic Technology (Shenzhen) Ltd. is in negotiations with 東莞市高特電子有限公司 (Dongguan City Gao Te Electronics Co. Ltd.*) to reach a mediation agreement.

(xix) On 15 January 2010, 上海巨德電子技術有限公司 (Shanghai Jude Electronic Technology Co. Ltd.*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Ltd. seeking judgment on an outstanding sum of RMB2,051,872.55 together with interest thereon in relation to the electronic products supplied and the legal cost. Tonic Technology (Shenzhen) Ltd. is in negotiations with 上海巨德電子技術有限公司 (Shanghai Jude Electronic Technology Co. Ltd.*) to reach a mediation agreement.

(xx) On 15 January 2010, 上海聖瑞電器有限公司 (Shanghai Shengrui Electrical Appliances Co., Ltd.*) lodged a civil petition with the People's Court of Futian District, Shenzhen City, Guangdong Province against Tonic Technology (Shenzhen) Limited seeking a judgment on an outstanding sum of RMB502,785.70 together with interest thereon accruing from 31 December 2009 in relation to the electronic goods supplied and the legal cost. Tonic Technology (Shenzhen) Ltd. is in negotiations with 上海聖瑞電器有限公司 (Shanghai Shengrui Electrical Appliances Co., Ltd.*) to reach a mediation agreement.

45. 訴訟(續)

(n) 東力科技(深圳)有限公司(續)

民事呈請(續)

(xviii) 於二零零九年十二月三十日，東莞市高特電子有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應電子產品之未償還款項人民幣280,131.7元連同利息以及堂費尋求判決。東力科技(深圳)有限公司現與東莞市高特電子有限公司磋商以達成調解協議。

(xix) 於二零一零年一月十五日，上海巨德電子技術有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應電子產品之未償還款項人民幣2,051,872.55元連同利息以及堂費尋求判決。東力科技(深圳)有限公司現與上海巨德電子技術有限公司磋商以達成調解協議。

(xx) 於二零一零年一月十五日，上海聖瑞電器有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應電子產品之未償還款項人民幣502,785.70元連同自二零零九年十二月三十一日起累計之利息以及堂費尋求判決。東力科技(深圳)有限公司現與上海聖瑞電器有限公司磋商以達成調解協議。

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45. LITIGATIONS (continued)

(n) Tonic Technology (Shenzhen) Ltd. (東力科技(深圳)有限公司) (continued)

Civil petitions (continued)

(xxi) On 27 January 2010, 浙江中溫電子有限公司 (Zhejiang Zhongwen Electronics Co., Ltd*) lodged a civil petition to the People's Court of Futian, Shenzhen, Guangdong Province against Tonic Technology (Shenzhen) Limited seeking a judgment for an outstanding sum of RMB697,466 in relation to the goods supplied. Tonic Technology (Shenzhen) Ltd. is in negotiations with 浙江中溫電子有限公司 (Zhejiang Zhongwen Electronics Co., Ltd.*) to reach a mediation agreement.

(o) Dongguan Xin Lian Digital Technology Co., Ltd. (東莞鑫聯數碼科技有限公司)

On 14 May 2010, 高新錫業(惠州)有限公司 (Gaoxin Tin (Huizhou) Company Limited*) and Dongguan Xin Lian Digital Technology Co., Ltd. reached a civil mediation agreement (document number: (2010) 東一法民二初字第153號) pursuant to which Dongguan Xin Lian Digital Technology Co., Ltd. shall repay a sum of RMB400,000, inclusive of the legal cost of RMB3,804, to 高新錫業(惠州)有限公司 (Gaoxin Tin (Huizhou) Company Limited) and court fees in sum of RMB5,900 to the court. On the other hand, 高新錫業(惠州)有限公司 (Gaoxin Tin (Huizhou) Company Limited*) shall refund a sum of RMB29,334 to Dongguan Xin Lian Digital Technology Co., Ltd.

* The English name is for identification purpose only

At 31 March 2010, trade and other payables of approximately HK\$96 million have been recorded for the above litigations. At the approval date of these financial statements, the concerned parties are to attend to resolve interlocutory matters before these cases are to be fixed. The Group has also been in discussion and negotiation with certain plaintiffs to reach an accommodation with those claimants and to explore the possibility of seeking a forbearance of the Group's payables. Accordingly, in the opinion of the Directors, no additional provision for litigation is considered necessary.

45. 訴訟(續)

(n) 東力科技(深圳)有限公司(續)

民事呈請(續)

(xxi) 於二零一零年一月二十七日，浙江中溫電子有限公司向廣東省深圳市福田區人民法院對東力科技(深圳)有限公司提交民事呈請書，就所供應貨品之未償還款項人民幣697,466元尋求判決。東力科技(深圳)有限公司現與浙江中溫電子有限公司磋商以達成調解協議。

(o) 東莞鑫聯數碼科技有限公司

於二零一零年五月十四日，高新錫業(惠州)有限公司與東莞鑫聯數碼科技有限公司達成民事調解協議(文件編號：(2010)東一法民二初字第153號)，據此，東莞鑫聯數碼科技有限公司須向高新錫業(惠州)有限公司償還人民幣400,000元(包括堂費人民幣3,804元)，並向法院支付堂費人民幣5,900元。另一方面，高新錫業(惠州)有限公司須向東莞鑫聯數碼科技有限公司退回人民幣29,334元。

於二零一零年三月三十一日，已就上述訴訟記錄為數約港幣96,000,000元之貿易應付賬款及其他應付款項。於財務報表批准日期，各涉案人士須於排期審訊前著手解決非正審事宜。本集團亦與若干原告人進行討論及磋商，務求與該等申索人達成和解，並尋求延遲支付本集團應付款項之可行性。因此，董事認為，毋須就訴訟作出額外撥備。

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46. RELATED PARTY TRANSACTIONS

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

- (a) Under the terms of the Group's general banking facility, the chairman of the Company, Mr. Ling Siu Man, Simon, being the single largest shareholder, is required to maintain at least 40% of the beneficial interests in shareholdings in the Company.
- (b) On 16 June 2008, the Group entered into a conditional sale and purchase agreement with the spouse and daughter of Mr. Ling Siu Man, Simon, a director of the Company, ("Purchasers"), for the disposal of a director quarter, which is currently occupied by Mr. Ling for his residential purpose, at cash consideration of HK\$34 million. Since the Purchasers are close family members of Mr. Ling and the consideration is greater than HK\$10 million, the proposed disposal transaction constituted a non-exempted connected transaction for the Group. The above transaction was disclosed in the announcement of the Group dated 16 June 2008 and was approved by the independent shareholders at the extraordinary general meeting on 28 July 2008 pursuant to the requirement under Chapter 14A of the Listing Rules.

The above transaction was completed 29 July 2008 and a gain of approximately HK\$29 million arising from the disposal of a director quarter was recorded by the Group for the year ended 31 March 2009.

- (c) Compensation of key management personnel of the Group:

46. 關連人士交易

除財務報表其他部分所詳述交易及結餘外，本集團於本年度及往年度有下列關連人士及關連交易：

- (a) 根據本集團之一般銀行信貸條款，本公司主席兼單一最大股東凌少文先生須於本公司股權維持最少40%的實際權益。
- (b) 於二零零八年六月十六日，本集團與本公司董事凌少文先生之配偶及女兒（「買方」）訂立有條件買賣協議，以現金代價港幣34,000,000元出售現時由凌少文先生作住宿用途佔用之董事宿舍。由於買方為凌先生之近親，且代價超出港幣10,000,000元，故建議出售交易構成本集團之不獲豁免關連交易。上述交易已於本集團日期為二零零八年六月十六日之公佈披露，並根據上市規則第14A章之規定獲獨立股東於二零零八年七月二十八日的股東特別大會上批准。

上述交易已於二零零八年七月二十九日完成，本集團於截至二零零九年三月三十一日止年度自出售董事宿舍錄得約港幣29,000,000元之收益。

- (c) 本集團主要管理人員之補償：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Short term employee benefits	短期僱員福利	7,524	12,727
Post-employment benefits	離職後福利	284	455
Total compensation paid to key management personnel	已付主要管理人員補償總額	7,808	13,182

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 March 2010
截至二零一零年三月三十一日止年度

46. RELATED PARTY TRANSACTIONS (continued)

(c) (continued)

Further details of directors' emoluments are included in note 14 to the financial statements.

(d) Details of the Group's amounts due to the Directors are included in note 35 to the financial statements.

46. 關連人士交易(續)

(c) (續)

董事酬金之進一步詳情載於財務報表附註14。

(d) 本集團應付董事款項之詳情載於財務報表附註35。

47. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, there are recent development on the Group's financial restructuring and outstanding litigations, and the details of which are stated in note 2 and 45 to the financial statements, respectively.

47. 報告期間後事項

於報告期間結算日後，本集團之財務重組及待決訴訟之最新發展，以及有關詳情分別於財務報表附註2及45提述。

48. COMPARATIVE FIGURES

As further explained in note 3 to the financial statements, due to the adoption of certain revised HKFRSs during the current year, the presentation of certain items, balances and the related explanatory notes to the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative figures have been re-presented to conform with the current year's presentation.

48. 比較數字

誠如財務報表附註3進一步闡明，由於在本年度採納若干經修訂香港財務報告準則，為符合新規定，已修訂若干項目、結存及有關財務報表說明附註之呈列方式。因此，若干比較數字已予重列，以符合本年度之呈列方式。

In addition, the provision against inventories and loss on auctions of sequestrated inventories, which was included in cost of sales in prior year, has been separately disclosed on the face of the consolidated income statement. Accordingly, the related comparative figure has been reclassified to conform to the current year's presentation. As the Directors consider that the new classification of the accounting item is more appropriate to reflect the financial results of the Group.

此外，存貨撥備及拍賣已扣押存貨虧損已計入去年銷售成本當中，並於綜合收益表獨立披露。因此，有關比較數字已予重新分類，以符合本年度之呈列方式。董事認為會計項目之新分類更能反映本集團之財務業績。

49. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 July 2010.

49. 財務報表之批准

財務報表已於二零一零年七月二十七日獲董事會批准及授權刊發。

FIVE YEAR FINANCIAL SUMMARY

五年財務資料概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

以下為本集團過去五個財政年度之業績、資產及負債概要，此等資料乃摘錄自己刊發經審核財務報表，並已作出適當重列／重新分類。

RESULTS

業績

		Year ended 31 March 截至三月三十一日止年度				
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
CONTINUING OPERATIONS	持續經營業務					
REVENUE	收入	486,237	2,055,805	2,120,846	2,316,557	2,141,160
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)	(805,396)	(152,458)	12,014	21,725	15,869
Income tax	所得稅	14,982	(140)	(13,515)	(6,760)	90
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	持續經營業務之本年度溢利／(虧損)	(790,414)	(152,598)	(1,501)	14,965	15,959
DISCONTINUED OPERATION	已終止經營業務					
Profit/(loss) for the year from discontinued operation	已終止經營業務之本年度溢利／(虧損)	–	(22,289)	7,186	9,047	2,651
PROFIT/(LOSS) FOR THE YEAR	本年度溢利／(虧損)	(790,414)	(174,887)	5,685	24,012	18,610

ASSETS AND LIABILITIES

資產及負債

		At 31 March 於三月三十一日				
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
TOTAL ASSETS	資產總值	436,134	1,245,569	1,717,475	1,483,583	1,520,653
TOTAL LIABILITIES	負債總額	(859,444)	(858,889)	(1,155,725)	(942,213)	(1,012,587)
Net assets/(liabilities)	資產／(負債)淨值	(423,310)	386,680	561,750	541,370	508,066

PROPERTIES HELD BY THE GROUP

本集團持有之物業

31 March 2010
二零一零年三月三十一日

Particulars of properties held by the Group as at 31 March 2010 are as follows:

本集團於二零一零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. Unit B on 10th Floor, Summit Building, 30 Man Yue Street and 21-23 Tai Wan Road, Hung Hom, Kowloon, Hong Kong	Industrial	Medium
香港 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
2. 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, Hong Kong	Car park	Medium
香港 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 2010
二零一零年三月三十一日

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
3. 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, Hong Kong	Car park	Medium
香港 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

PROPERTIES HELD BY THE GROUP

本集團持有之物業

31 March 2010
二零一零年三月三十一日

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
4.	A factory complex located at Jiangyuan Road Shitanpu Administrative Zone Tangxia Town, Dongguan City Guangdong Province The PRC	Industrial	Medium
	位於中國 廣東省 東莞市 塘廈鎮 江源路 石潭埔管理區之 綜合工業園	工業	中期
5.	A factory complex located at Zhenhua Industrial District Qishi Town, Dongguan City Guangdong Province The PRC	Industrial	Medium
	位於中國 廣東省 東莞市 企石鎮 振華工業區之 綜合工業園	工業	中期

PROPERTIES HELD BY THE GROUP

本集團持有之物業

31 March 2010
二零一零年三月三十一日

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
6.	Unit A805 Tiananchuangxin Technology Square Futian District Shenzhen City Guangdong Province The PRC 中國 廣東省 深圳市 福田區 天安數碼城 創新科技廣場 A座805室	Industrial 工業	Medium 中期
7.	A factory complex located at the Industrial Area No. Two in Huangjiabo Village ShiPai Town, Shi Pai Dongguan City Guangdong Province The PRC 位於中國 廣東省 東莞市 石排石排鎮 黃家壩村 二號工業園之 綜合工業園	Industrial 工業	Medium 中期

