

determination 堅毅

diligence 努力

persistence 毅力



NGAI LIK INDUSTRIAL HOLDINGS LIMITED

毅力工業集團有限公司

Stock code 股份代號: 332

ANNUAL REPORT 2007 年報

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Chairman's Statement

主席報告



Dr. Lam Man Chan
林文燦博士

On behalf of the Board of Directors (the “Board”), I am pleased to present the annual results for the year ended 31 March 2007 to our shareholders.

本人謹代表董事會（「董事會」）欣然向股東提呈截至二零零七年三月三十一日止年度之業績。

RESULTS AND DIVIDENDS

For the financial year (“FY”) ended 31 March 2007, the Group’s turnover was HK\$3,655 million, an increase of 29% as compared to last year. Net profit amounted to HK\$13 million, representing no change of HK\$13 million last year.

During the year, an interim dividend of HK\$7,930,000, representing a payout ratio of about 61% of the current year profit, has been paid. Having considered the future cash flow requirements for the business development, the Board adopts a prudent approach and does not recommend the payment of a final dividend for the year ended 31 March 2007 (2006: NIL).

業績及股息

截至二零零七年三月三十一日止財政年度（「財政年度」），本集團之營業額為3,655,000,000港元，較去年增加29%，而純利錄得13,000,000港元，與去年13,000,000港元相同。

年內已支付的中期股息7,930,000港元，派息比率相等於本年度溢利約61%。經考慮業務發展之未來現金流量需要，董事會採取審慎態度及不建議派發截至二零零七年三月三十一日止年度之末期股息（二零零六年：無）。

BUSINESS REVIEW

EMS Division

During the year under review, the Group's EMS Division recorded sales of HK\$3,643 million. A number of factors affected the revenue amount and its composition:

- The Group's efforts in changing the product mix in the past few years has begun to pay off.
- Strong market demand for digital products, which included mainly portable DVD players and digital photo frames, contributed about 25% of the Group's total sales for the year.
- Contribution from the mobile division, which was set up in Dongguan during the year, amounted to sales of HK\$158 million.
- Replacement of home audio products with higher value-added digital products helped decrease sales of this category to 50% of total sales, as compared to 80% last year.

During the year, the United States remained the EMS Division's largest market and the percentage of American sales to total sales increased from 71% to 79% as compared to last year. This increase was mainly due to fulfillment of certain event sales order for Wal-mart.

The gross margin decreased from 5.4% of prior year to 4.5% because of the following adverse factors: -

- negligible profit contribution to the Group from sales of conventional portable CD players and standalone DVD players because of intense price competition; and
- Significant increase in raw materials and labour costs as well as in royalties and license fees.

The operating profit of the EMS division for the year was about HK\$11 million (2006: HK\$12 million). The decrease in operating profit was mainly attributable to the initial operating loss incurred by the mobile division.

業務回顧

EMS業務

於回顧年度期間，本集團之EMS業務錄得銷售額3,643,000,000港元。收益金額受到多項因素影響，包括下列各項：

- 本集團於過去數年投放於轉換產品組合之努力已開始取得回報。
- 數碼產品市場需求強勁，主要為便攜式DVD機及數碼照片框架，佔本集團年度銷售總額約25%。
- 年內於東莞新設立之汽車電子業務帶來銷售額158,000,000港元。
- 從家庭音響產品轉移生產價值更高之數碼產品令此項業務之銷售所佔銷售總額減少至50%，而去年則佔80%。

年內，美洲仍為EMS業務之最大市場，美洲銷售額佔銷售總額之百分比由去年71%增加至79%，主要由於與沃爾瑪完成若干節日銷售訂單。

EMS業務毛利率由去年之5.4%減至4.5%，主要由於下列不利因素：

- 由於價格競爭激烈，傳統便攜式CD機及獨立DVD機之銷售額為本集團帶來極微之溢利貢獻；及
- 原材料及勞工成本、專利費及特許費大幅增加。

EMS業務於年內之經營溢利約為11,000,000港元（二零零六年：12,000,000港元）。經營溢利減少主要由於汽車電子業務所產生之初期經營虧損所致。



Chairman's Statement 主席報告

As at 31 March 2007, the Group had in operation 24 production lines in Dongguan and 25 production lines in Qingyuan. However, the Group has continued to consolidate its manufacturing facilities to gain operating efficiency. The aim is to establish Qingyuan Industrial Estate as the Group's major manufacturing arm in China. During the year, most of the component manufacturing facilities were relocated to Qingyuan and the Dongguan assembly operations are expected to migrate to Qingyuan in an orderly fashion. The capital expenditure on property, plant and equipment for the year totaled about HK\$100 million, mainly HK\$25 million invested in moulds and HK\$28 million in plant and machinery.



Properties Division

The Group's Properties Division comprises investment properties in land and factory buildings in Fenggang, Dongguan, which help to earn recurring income and/or realise potential capital appreciation.

The fair value gain on investment properties was HK\$58 million (FY2006: HK\$33 million) and the relevant deferred tax for these fair value gains charged under "Tax" on the consolidated income statement was HK\$19 million (FY2006: HK\$11 million). During the year, the Group has paid about HK\$22 million to obtain the proper land use rights for the PRC properties.

The investment properties were created from a change of use of certain plants in Dongguan to rental purpose, a result of the Group's effort to consolidate its operation to Qingyuan. As of 31 March, 2007, the total gross floor area (GFA) of the investment properties was about 350,000 square meters.

The Group believes these investment properties in Fenggang can provide stable income and possess re-development potential. Fenggang, known as "the Backyard of Shenzhen", is located at the southern tip of Dongguan. It is adjacent to Longgang, a fast developing district of Shenzhen. Hence, Fenggang has become a key traffic hub connecting Shenzhen and Dongguan.

於二零零七年三月三十一日，本集團於東莞擁有24條生產線，而於清遠則有25條生產線。然而，本集團繼續整合其生產設施以取得經營效益，務求將清遠工業村設立為本集團於中國之主要生產基地。年內，大部份之組件生產設施已於清遠重置，而東莞裝配業務預期將逐步遷移至清遠。年內，物業、廠房及設備之資本開支合共約為100,000,000港元，主要為模具投資25,000,000港元以及廠房及機器投資28,000,000港元。

物業業務

本集團之物業業務包括於東莞鳳崗土地及廠房大樓之物業投資，此可為本集團帶來經常性收入及／或變現重大資本增值。

投資物業之公平值收益為58,000,000港元（二零零六年財政年度：33,000,000港元），該等公平值收益於綜合收益表「稅項」所扣除之相關遞延稅項為19,000,000港元（二零零六年財政年度：11,000,000港元）。年內，本集團已支付約22,000,000港元以取得位於中國的物業之合適土地使用權。

由於本集團致力將業務整合至清遠，因此將東莞若干廠房轉為租賃用途而產生投資物業。於二零零七年三月三十一日，投資物業之總樓面面積約為350,000平方米。

本集團相信，該等於鳳崗之投資物業可帶來穩定收入並具有重新發展潛力。鳳崗稱為「深圳的後花園」，位於東莞南端，鄰近深圳一個快速發展地區龍崗。因此，鳳崗成為連接深圳及東莞之主要交通樞紐。

Fenggang is primarily a base for processing industries, currently with more than 1,000 different enterprises and manufacturers engaging in more than 20 industries. Local residents' purchasing power are expected to continue to increase in line with Fenggang's rapid economic growth. Shenzhen's, and in particular, Longgang's strong growth in real estate development since 2005 are having a knock-on effect on Fenggang's real estate market, and which could have a beneficial impact on the development value of the Group's investment properties.

PROSPECTS

EMS Division

The sales mix should continue to change significantly in FY2008, reflecting the company's drive to upgrade its product mix. The conventional home audio business is expected to significant decrease to about 30% of the total sales because of the strategic decision to reduce the portable CD players business. The sales of panel display products, while as a key driver for sales growth, will be subjected to supply availability of TFT panels to meet its sales targets. The market supply for TFT panels has tightened considerably since April 2007 because of the strong market demand for related panel display products. The Group will endeavor to secure sufficient allocations from its suppliers to meet sales demand. The Group expects the total sales of EMS Division for the coming year will decrease by about 20% to 25%, as compared to last year.

With the drastic reduction in home audio business, the Group plans to aggressively launch new products for replacement and carry out cost reduction measures to reduce overhead. The Group has developed a new range of digital products which include digital boomboxes, global position system (GPS) devices (both in-car and portable), high definition (HD) radios. New models of panel display products including digital photo frames and portable televisions will also be launched to the market.

鳳崗主要為加工行業之基地，現時擁有超過1,000間不同企業及生產商，從事超過20種行業。當地居民之購買力預期可隨著鳳崗之快速經濟增長而不斷提升。深圳（特別是龍崗）之房地產自二零零五年起發展強勁，帶動鳳崗房地產市場之開發，從而惠及本集團投資物業之發展價值。

前景

EMS業務

於二零零八年財政年度，銷售組合將繼續大幅轉變，反映本公司致力提升產品組合。由於策略性地決定削減便攜式CD機業務，因此傳統家庭音響業務預期顯著減至約佔銷售總額之30%。銷售增長之主要動力平面顯示屏產品，其銷售目標須視乎TFT面板之供應情況而定。由於市場對相關平面顯示屏產品之需求強勁，由二零零七年四月起，TFT面板之市場供應緊張。本集團將盡力向供應商取得足夠資源以應付銷售所需。本集團預期EMS業務於未來一年之銷售總額將較去年減少約20%至25%。

隨著家庭音響業務大幅削減，本集團計劃積極推出新替代產品，並實施成本削減措施以減少經常性開支。本集團已開發新系列數碼產品，包括數碼boomboxes、全球衛星定位系統裝置（汽車導航及便攜式）、高清晰度（高清）收音機。新型號之平面顯示屏產品亦已推出市場，包括數碼照片框架及便攜式電視。



Chairman's Statement 主席報告

On the effort to reduce cost, the situation remains challenging. Raw material prices remain at high levels and operating costs in China continue to rise as a consequence of the appreciation of the Renminbi ("RMB") currency and upward pressure on wages and employee benefits.

The Group is in the process of restructuring of its operational activities in Dongguan and Qingyuan. The Group aims to become leaner and more efficient, thus allowing the Group to establish an efficient and competitive manufacturing platform in China. The measures taken for change in product mix, cost control and the restructuring of manufacturing operations, upon completion this year, will definitely benefit the Group.

The Group has managed the balance sheet in a prudent but proactive way. We have early repaid the syndicated loan in March 2007 and during the year the Group has obtained term loans from Hang Seng Bank Limited and Agricultural Bank of China. The Group is also reviewing the overall debt and equity structure and will consider different means of financing to rectify the net current liabilities as recorded at 31 March 2007. Subsequent to the balance sheet date, the Group has additionally obtained a standby term loan facility of about RMB180 million from Agricultural Bank of China, secured by the properties in Qingyuan Industrial Estate, to further strengthen its liquidity.

Properties Division

With the ratification of land titles for the various properties in Dongguan, the Group will pursue initiatives to enhance the value of these properties and will consider different ways to provide best returns to the Group and maximise their potential value. At present, the investment properties are or will be rented out to earn recurring income.

The difficult operating environment in recent years for the consumer electronic industry continues to persist and the Group is working vigorously to overcome the challenges ahead. The Group will also actively and consistently seek new investment opportunities, with an aim to enhance the value of the Group.

在致力減低成本方面，情況仍然充滿挑戰。原材料價格持續高企，加上人民幣升值及僱員薪酬及福利增加，令於中國之經營成本不斷上升。

本集團正在重整東莞及清遠之經營業務。本集團致力將業務精簡及達致更佳效率，讓本集團可於中國建立更有效率及具競爭力之生產平台。有關措施乃為改變產品組合、控制成本及重整生產業務而實施。於本年度完成後，定必為本集團帶來裨益。

本集團採取審慎積極態度管理資產負債表。本集團已於二零零七年三月提早償還銀團貸款，並於年內取得恒生銀行有限公司及中國農業銀行之定期貸款。本集團亦正檢討整體債務及股本架構，並將考慮不同融資方法以改善於二零零七年三月三十一日所錄得之流動負債淨值。於結算日後，本集團已取得中國農業銀行授出額外備用定期貸款融資約人民幣180,000,000元，並由清遠工業村之物業提供擔保，以進一步加強流動資金水平。

物業業務

本集團就東莞若干物業取得土地業權批文後，將尋求方案提升該等物業之價值，並將考慮不同方法為本集團取得更佳回報及取得物業之最佳潛在價值。目前，投資物業已經或將會出租以賺取經常性收入。

消費電子行業於近年之營商環境持續艱難，本集團正努力解決所面對之種種挑戰。本集團亦將積極繼續尋求新投資機會，務求提升本集團價值。



Employee Information

As at 31 March 2007, the Group had approximately 24,300 employees (2006: approximately 32,000). The remuneration packages are generally structured with reference to market conditions and the individual qualifications. Salaries and wages of the Group's employees are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Bonuses are normally paid to the management, based on individual merits as well as the results from the respective companies for which the staff works. Benefit plans for its Hong Kong staff include a provident fund scheme and medical and life insurance. The Group also maintains a Share Options Scheme, under which options may be granted to employees to subscribe for shares in the Company. This Share Option Scheme is designed to give employees an incentive to perform.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to take this opportunity to express my sincere gratitude to our management team and staff for their hard work and dedication in the past year. I also wish to thank our shareholders, customers, suppliers, bankers and business partners for their continued trust and support.

By order of the Board
Lam Man Chan
Chairman

Hong Kong, 16 July 2007

僱員資料

於二零零七年三月三十一日，本集團約有24,300名僱員（二零零六年：約32,000名）。薪金一般參考市場情況及個別員工資歷而釐定。本集團僱員之薪金及工資一般於每年根據表現評估及其他相關因素作出檢討。本集團亦按管理層人員各自之良好表現及各公司之業績發放花紅。香港員工之福利計劃包括一項公積金計劃及醫療及人壽保險。本集團亦設有一項購股權計劃，據此可向僱員授出認購本公司股份之購股權。購股權計劃旨在給予僱員盡展所長之機會。

致謝

本人謹代表董事會，對管理層及員工們於過去一年之努力及作出之貢獻致以衷心謝意。本人亦謹此感謝股東、客戶、供應商、往來銀行及業務夥伴之不斷信賴及支持。

承董事會命
林文燦
主席

香港，二零零七年七月十六日



Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

Turnover

During the year, the Group's turnover increased to HK\$3,655 million, up by 29% as compared to last year. The increase was mainly attributable to the fulfillment of certain event sales order with Wal-mart.

During the year, sales of home audio products accounted for approximately 49% of the Group's turnover, a decrease of 38% over last year, and remained as its core business. Sales of digital products contributed to approximately 45% of the Group's turnover, an increase of 181% over last year.

Gross Margin

The Group continued to change its product mix and reduced the sales of CD audio products which used plastics, laminates and metals as the key raw materials. However, the electronics consumer products market remained intensely competitive and during the year, the gross profit margin decreased to 4.5%.

Expenses

The Group's administrative expenses increased by 13% as compared to the previous year and totaled to HK\$122 million. The percentage of administrative expenses to total sales dropped to 3.3% (2006: 3.8%). The Group's selling and distribution expenses increased to approximately HK\$37 million. The Group's finance costs increased substantially to HK\$37 million as a result of significantly higher average interest rates and the increase in bank borrowings in RMB.

財務回顧

營業額

年內，本集團營業額較去年增加29%至3,655,000,000港元。營業額增加，主要由於與沃爾瑪完成若干節日銷售訂單。

年內，家庭音響產品之銷售額佔本集團營業額約49%，較去年減少38%，並繼續為其核心業務。數碼產品之銷售額則佔本集團營業額約45%，較去年上升181%。

毛利率

本集團繼續轉變其產品組合，減少銷售以塑膠、覆鋼面板及金屬為主要原材料之CD音響產品。然而，電子消費產品市場競爭持續激烈，年內之毛利率減少至4.5%。

開支

本集團之行政開支較去年增加13%，合計為122,000,000港元。行政開支對銷售總額之百分比下跌至3.3%（二零零六年：3.8%）。本集團之銷售及分銷開支增加至約37,000,000港元。本集團之融資成本因平均利率大幅上升及人民幣銀行借貸增加而大幅增加至37,000,000港元。



Property Investment

The Group has changed the use of certain plants in Dongguan to third party rentals following the consolidation of operations into Qingyuan Industrial Estate. Accordingly, the carrying value of investment properties increased from HK\$186 million to HK\$467 million. The increase in fair value of investment properties, which was credited to current year's income statement, amounted to HK\$58 million. During the year, the transfers from property, plant and equipment and land use rights were HK\$199 million and HK\$23 million respectively.

Working Capital Management and Dividend Policy

As at 31 March 2007, the Group maintained bank balances and cash of approximately HK\$167 million (2006: HK\$199 million). The Group's average inventory turnover was about 44 days (2006: 56 days). The Group's average trade receivables turnover was maintained at 16 days (2006: 16 days).

Financing and Capital Structure

For the year ended 31 March 2007, the Group's total debts stood at approximately HK\$714 million (2006: HK\$702 million), of which HK\$285 million (2006: HK\$318 million) were not repayable within one year. The borrowings included outstanding balances of several term loan facilities from several banks, totaled HK\$342 million. The Group also issued letters of credit to procure the supplies of critical components and certain raw materials. The increase in net debt was mainly due to new borrowings for the purposes of CAPEX and daily operation.

The Group's borrowings are primarily denominated in Hong Kong Dollars, US Dollars and RMB and the Group will hedge against currency exposure as well as interest rate expense, particularly for the borrowings in RMB, as appropriate.

物業投資

本集團將業務整合至清遠工業村後，已將東莞若干廠房之用途更改用作出租予第三者。因此，投資物業之賬面值由186,000,000港元增加至467,000,000港元。投資物業公平值增加數額(已撥入本年度收益表)為58,000,000港元。年內，轉撥自物業、廠房及設備以及土地使用權分別錄得199,000,000港元及23,000,000港元。

營運資金管理及股息政策

於二零零七年三月三十一日，本集團之銀行結存及現金維持約167,000,000港元(二零零六年：199,000,000港元)。本集團之平均存貨流轉期約為44日(二零零六年：56日)。本集團之平均貿易應收賬款流轉期維持於16日(二零零六年：16日)。

融資及資本架構

截至二零零七年三月三十一日止年度，本集團之總負債保持約為714,000,000港元(二零零六年：702,000,000港元)，其中285,000,000港元(二零零六年：318,000,000港元)毋須於一年內償還。借貸包括若干銀行之定期貸款融資未償還餘額合計342,000,000港元。本集團採購重要組件及若干原材料時亦發出信用證。債項淨額上升主要用以應付資本開支及日常營運所需。

由於本集團之借貸主要以港元、美元及人民幣定值，因此本集團將於適當時候對沖貨幣風險及利率開支，尤其是人民幣借貸。



Management Discussion and Analysis 管理層討論與分析

Capital Expenditure on Property, Plant and Equipment

Total capital expenditure for the year was HK\$100 million (2006: HK\$125 million), out of which HK\$19 million was spent on the construction of production plants, HK\$28 million for the acquisition of plant and machinery and HK\$25 million for moulds investment.

Disposal of an Associate and Available-for-sales Financial Assets

During the year, the Group disposed of 50% interest in Metro Capital Securities Limited to Dr. Lam Man Chan at a consideration of HK\$20 million, which was approximate to the carrying value of the Group. In addition, the investment in listed securities had been disposed during the year with a cash inflow of HK\$16 million.

Liquidity and Financial Resources

The net current liabilities of the Group as at 31 March 2007 was approximately HK\$34 million (2006: net current assets at HK\$37 million) and the current ratio was 0.96 (2006: 1.05). The net current liabilities arose mainly resulting from the early repayment of syndicated loan of HK\$152 million in March 2007. Shareholders' funds were maintained at approximately HK\$1,077 million (2006: HK\$1,070 million).

Pledge of Assets

As at 31 March 2007, certain of the Group's assets (including investment properties, property, plant and equipment and land use rights) with the carrying value of totalling HK\$334 million were pledged to secure certain banking facilities granted to the Group.

Capital Commitments

As at 31 March 2007, the Group had capital commitments contracted but not provided for and authorised but not contracted for of HK\$10 million and HK\$1 million respectively.

物業、廠房及設備之資本支出

年內總資本支出為100,000,000港元(二零零六年：125,000,000港元)，其中19,000,000港元用於興建生產廠房，28,000,000港元用於購置廠房及機器及25,000,000港元則用於模具投資。

出售聯營公司及可供出售之金融資產

年內，本集團已出售美高證券有限公司之50%權益予林文燦博士，代價為20,000,000港元，與本集團賬面值相若。此外，年內已出售上市證券之投資，帶來現金16,000,000港元。

流動資金及財政資源

於二零零七年三月三十一日，本集團之流動負債淨值約為34,000,000港元(二零零六年：流動資產淨值37,000,000港元)，而流動比率則為0.96(二零零六年：1.05)。產生流動負債淨額主要由於在二零零七年三月提早償還銀團貸款152,000,000港元。股東資金維持於約1,077,000,000港元(二零零六年：1,070,000,000港元)之水平。

資產抵押

於二零零七年三月三十一日，本集團賬面值合共334,000,000港元之資產(包括投資物業、物業、廠房及設備以及土地使用權)已抵押為本集團獲授若干銀行融資提供擔保。

資本承擔

於二零零七年三月三十一日，本集團有已訂約但未撥備及已授權但未訂約資本承擔分別約10,000,000港元及1,000,000港元。



Treasury Policy

The majority of the Group's sales and purchases are denominated in Hong Kong Dollars or US Dollars. As Hong Kong Dollars and US Dollars are pegged, the Group had minimum exposure to foreign exchange fluctuation in this respect. The labour costs and other overheads incurred in China were denominated in RMB and during the year, the Group had entered into an one year structured forward contract for RMB in the amount of US\$1 million with the Hongkong and Shanghai Banking Corporation Limited for hedging purposes. The Group will closely monitor the overall currency and interest rate exposures particularly for the bank borrowings in RMB which was about HK\$169 million as at 31 March 2007. When considered appropriate, the Group will hedge against currency exposure as well as interest rate exposure.

庫務政策

本集團之銷售及採購大部份以港元或美元結算。由於港元與美元掛鈎，令本集團在此方面承受之外匯波動風險甚低。於中國產生之勞工成本及其他經常性支出均以人民幣結算，而於年內，本集團與香港上海滙豐銀行有限公司已訂立1,000,000美元之一年期人民幣結構遠期合約作對沖用途。本集團將密切監察整體之貨幣及利率風險，尤其是於二零零七年三月三十一日之結餘約為169,000,000港元之人民幣銀行借貸。於認為合適時，本集團將為貨幣風險及利率風險進行對沖。



Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the "Board") is committed to maintaining good corporate governance standards and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the shareholders' value.

The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices ("Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 March 2007, save for the deviations discussed below. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions (the "Model Code"). Having made specific enquiry of all directors of the Company, the directors of the Company have confirmed that they have fully complied with the required standard as set out in the Model Code throughout the year ended 31 March 2007.

企業管治常規

本公司董事會(「董事會」)致力維持良好之企業管治標準及程序，以確保資料披露之完整性、透明度及質素，藉以提高股東價值。

本公司於截至二零零七年三月三十一日止年度一直採用及遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14載列之企業管治常規守則(「守則」)之原則及所有適用守則條文，惟下述偏離事項除外。董事會將繼續檢討及提升本公司之企業管治常規及準則，確保業務活動及決策制訂過程乃以適當及審慎方式規管。

董事之證券交易

本公司已採納上市規則附錄10所載列之上市發行人董事進行證券交易之標準守則作為有關董事進行證券交易之行為守則(「標準守則」)。經向本公司所有董事作出具體查詢後，本公司董事確認彼等於截至二零零七年三月三十一日止整個年度內已一直遵守標準守則所載之規定標準。

BOARD OF DIRECTORS

As at the date of this report, the Board is made up of eight directors, including five executive directors and three independent non-executive directors (the “INEDs”). The directors are, collective and individually, aware of their responsibilities to the shareholders. One of the INEDs possesses appropriate professional accounting qualifications and financial management expertise. The directors’ biographical details are set out in the section headed of “Directors and Senior Management Profiles” in this Annual Report.

The Board members for the year ended 31 March 2007 and as at the date up to this report were:-

Executive Directors

Dr. Lam Man Chan (*Chairman*)
Ms. Ting Lai Ling
Ms. Ting Lai Wah
Mr. Yeung Cheuk Kwong
Mr. Lam Shing Ngai
(appointed on 1 February 2007)

Independent Non-executive Directors

Mr. Ng Chi Yeung, Simon
Mr. Tam Yuk Sang, Sammy
Mr. Ho Lok Cheong

The Board conducts at least four regular Board meetings a year at approximately quarterly intervals in addition to other Board meetings that are required for significant and important issues, and for statutory purposes. Appropriate and sufficient information is provided to the Board members in a timely manner to keep them abreast of the Group’s latest development and thus to assist them in discharging their duties.

董事會

於本報告日期，董事會由八名董事組成，其中包括五名執行董事及三名獨立非執行董事（「獨立非執行董事」）。各董事共同及個別了解彼等向股東所承擔之責任。其中一名獨立非執行董事擁有適當之專業會計資格及財務管理專業知識。董事之履歷資料載於本年報之「董事及高級管理人員簡介」一節。

截至二零零七年三月三十一日止年度及直至本報告書刊發日期之董事會成員為：

執行董事

林文燦博士（主席）
丁麗玲女士
丁麗華女士
楊卓光先生
林承毅先生
(於二零零七年二月一日獲委任)

獨立非執行董事

吳志揚先生
譚旭生先生
何樂昌先生

除就重大及重要事務以及法定目的而舉行之其他董事會會議外，董事會每年至少舉行四次董事會例會，大約每三個月舉行一次。董事會成員將會適時獲得適當及充足之資料，以便彼等了解本集團之最新發展，從而有助彼等履行其職責。

Corporate Governance Report 企業管治報告

During the year, the Board had held six times of meetings and the attendance of the directors at the Board Meetings for the year ended 31 March 2007 is set out as follows:

年內，董事會已舉行六次會議，而於截至二零零七年三月三十一日止年度董事出席董事會會議之情況如下：

Name of director		Number of meetings attended/held
董事姓名		出席／舉行會議次數
<i>Executive Directors</i>		
<i>執行董事</i>		
Dr. Lam Man Chan	林文燦博士	5/6
Ms. Ting Lai Ling	丁麗玲女士	2/6
Ms. Ting Lai Wah	丁麗華女士	3/6
Mr. Yeung Cheuk Kwong	楊卓光先生	6/6
Mr. Lam Shing Ngai	林承毅先生	
(appointed on 1 February 2007)	(於二零零七年二月一日獲委任)	不適用 N/A
<i>Independent Non-executive Directors</i>		
<i>獨立非執行董事</i>		
Mr. Ng Chi Yeung, Simon	吳志揚先生	4/6
Mr. Tam Yuk Sang, Sammy	譚旭生先生	5/6
Mr. Ho Lok Cheong	何樂昌先生	6/6

Board minutes are recorded in appropriate detail and draft minutes are circulated to all directors and committee members for comments before being approved by the Board at the next immediate meeting. All minutes are kept by the Company Secretary and are open for inspection by the directors.

董事會會議紀錄將記下適當細節，而會議紀錄草稿將於董事會在緊接下一次會議批准前送交所有董事及委員會成員以供審閱。所有會議紀錄將由公司秘書保存及可供董事查閱。

The Board is responsible for the leadership and control of the Group and oversees the Group's business, strategic decisions and financial performance. The Board delegates to the management team the day-to-day management of the Company's business including the preparation of annual and interim reports, and for implementation of internal control, business strategies and plans developed by the Board.

董事會負責領導及控制本集團及監督本集團之業務、策略決定及財務表現。董事會授權管理層隊伍處理本公司業務之日常工作，包括編製年度及中期報告，以及落實內部監控、業務策略及董事會擬定之計劃。

The Company has received from each of its independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors to be independent.

本公司已接獲其各獨立非執行董事根據上市規則第3.13條發出之年度獨立確認書，並認為所有獨立非執行董事均為獨立人士。

The Board members have no financial, business, family or other material / relevant relationship with each other except those disclosed in the section headed "Directors and Senior Management Profile" included in this Annual Report.

RE-ELECTION OF DIRECTORS

Subsequent to the Annual General Meeting held on 15 September 2006, a special resolution was passed to amend the Company's Bye-laws to the effect that all directors (including Chairman of the Board and Managing Director of the Company) will be subject to retirement by rotation.

Code Provision A.4.2. of the Code stipulates that all directors appointed to fill casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. However, paragraph 4(2) of Appendix 3 of the Listing Rules provides that such directors are to hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. As mentioned in the annual report of FY2006, the Board decided to leave the existing Bye-laws unchanged given the inconsistencies in the Listing Rules.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company does not at present have any officer holding the position of Chief Executive Officer ("CEO"). Dr. Lam Man Chan is the founder and chairman of the Company and has also carried out the responsibilities of CEO. Dr. Lam possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure to be more suitable to the Company because it can promote the efficient formulation and implementation of the Company's strategies. The Board will review the effectiveness of this arrangement from time to time and will consider appointing an individual as CEO when it thinks appropriate.

除於本年報之「董事及高級管理人員簡介」一節所披露者外，董事會成員彼此間並無財務、業務、家族或其他重大／相關關係。

重選董事

於二零零六年九月十五日舉行股東週年大會後，已通過一項特別決議案修訂本公司之公司細則，全體董事（包括董事會主席及本公司董事總經理）將須輪值告退。

守則之守則條文A.4.2規定，所有獲委任以填補臨時空缺之董事均須於彼等獲委任後之首次股東大會上接受股東選舉產生。然而，上市規則附錄3第4(2)段規定，該等董事之任期直至本公司下一屆股東週年大會，屆時彼等將於會上符合資格膺選連任。誠如二零零六年財政年度之年報所述，董事會決定，即使與現有上市規則不符，仍會維持有關公司細則不變。

主席及行政總裁

本公司目前並無任何高級職員擔任行政總裁（「行政總裁」）一職。林文燦博士為本公司創辦人及主席，亦已履行行政總裁之職責。林博士擁有所需領導技巧以管理董事會及對本集團業務具備深厚認識。董事會認為目前之架構更為適合本公司，原因為該架構可促使本公司策略可更有效擬訂及落實。董事會將不時檢討該項安排之效用，並將於其認為適當時候考慮委任一名人士出任行政總裁。

Corporate Governance Report 企業管治報告

NON-EXECUTIVE DIRECTORS

The non-executive directors of the Company were appointed for a specific term of three years.

BOARD COMMITTEES

The Board has established two committees with clearly-defined written terms of reference. The independent view and recommendations of the two committees ensure proper control of the Group and the continual achievement of the high standard corporate governance practices.

Remuneration Committee

As at the date of this report, the Remuneration Committee (the "RC") comprises three INEDs, namely, Mr. Ng Chi Yeung, Simon (Chairman), Mr. Tam Yuk Sang, Sammy, and Mr. Ho Lok Cheong and one executive director, namely, Mr. Yeung Cheuk Kwong.

The brief duties of the RC as per the terms of reference were as follows:

1. to make recommendations to the Board on the Company's policy and structure for the remuneration of the directors;
2. to have the delegated responsibilities to determine the specific remunerations package of all executive directors; and
3. to review and approve compensation payable to directors' in connection with loss of their office or compensation arrangement relating to dismissal or removal of director.

The RC has every right to access to professional advice relating to remuneration proposal if considered necessary.

The RC meets at least once a year. The RC has held one meeting during the year and all members have attended the meeting.

非執行董事

本公司獲委任之非執行董事之指定任期為三年。

董事會委員會

董事會已成立兩個委員會，並具備清晰界定之書面職權範圍。兩個委員會之獨立意見及推薦建議可確保適當控制本集團及持續達致高水準之企業管治常規。

薪酬委員會

於本報告日期，薪酬委員會（「薪酬委員會」）由三名獨立非執行董事（分別為吳志揚先生（主席）、譚旭生先生及何樂昌先生）及一名執行董事（即楊卓光先生）組成。

根據職權範圍，薪酬委員會之職責簡介如下：

1. 就本公司之董事酬金政策及架構向董事會作出推薦建議；
2. 獲授予釐定所有執行董事之具體酬金方案之職責；及
3. 檢討及批准就董事離職應支付予董事之補償或有關董事被免職或撤換之補償安排。

在視為必須之情況下，薪酬委員會有權就酬金建議尋求專業意見。

薪酬委員會每年至少舉行一次會議。薪酬委員會於年內已舉行一次會議，而所有成員均已出席該次會議。

Audit Committee

During the year, the Audit Committee (the “AC”) comprised three INEDs, namely, Mr. Tam Yuk Sang, Sammy (Chairman), Mr. Ng Chi Yeung, Simon and Mr. Ho Lok Cheong.

The principal duties of the AC include:

1. monitoring integrity of the Company’s financial statements and reports;
2. reviewing of financial controls, internal controls, and risk management system; and
3. reviewing of the Company’s financial and accounting policies and practices.

The AC is authorised by the Board to investigate any activity and seek any information it requires within its term of reference. It is also authorised to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Reporting to the Board, the AC is dedicated to review and supervise the Group’s financial reporting process and internal controls. The financial results for the year ended 31 March 2007 has been reviewed by the AC.

審核委員會

於年內，審核委員會（「審核委員會」）由三名獨立非執行董事（分別為譚旭生先生（主席）、吳志揚先生及何樂昌先生）組成。

審核委員會之主要職責包括：

1. 監察本公司財務報表及報告之持正度；
2. 檢討財務監控、內部監控及風險管理系統；及
3. 檢討本公司之財務及會計政策及慣例。

審核委員會獲董事會授權於其職權範圍內調查任何活動及尋求其需要之任何資料。審核委員會亦獲授權取得外界法律或其他獨立專業意見，及於視為必須之情況下，確保具備有關經驗及專業知識之外界人士出席會議。

審核委員會向董事會匯報，並專責檢討及監督本集團之財務報告程序及內部監控。截至二零零七年三月三十一日止年度之財務業績已經由審核委員會審閱。

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The AC conducts at least four regular meetings a year at approximately quarterly intervals in addition to other meetings that are required for significant and important issues, and for statutory purposes. The attendance of the directors at the Board Meetings for the year ended 31 March 2007 is set out as follows:

Name of member 成員姓名		Number of meetings attended/held 出席／舉行會議次數
Mr. Ng Chi Yeung, Simon	吳志揚先生	3/4
Mr. Tam Yuk Sang, Sammy	譚旭生先生	4/4
Mr. Ho Lok Cheong	何樂昌先生	4/4

除就重大及重要事務以及法定目的而舉行之其他會議外，審核委員會每年至少舉行四次例會，大約每三個月舉行一次。截至二零零七年三月三十一日止年度，董事出席董事會會議之情況如下：

During the year ended 31 March 2007, the AC had reviewed the Company's annual report for the year ended 31 March 2006, the interim report for the six months ended 30 September 2006.

截至二零零七年三月三十一日止年度內，審核委員會已審閱截至二零零六年三月三十一日止年度之本公司年報及截至二零零六年九月三十日止六個月之中期報告。

NOMINATION OF DIRECTORS

The Company has not established a Nomination Committee. The duties and functions of the Nomination Committee recommended in the Code are performed by the Board collectively with no director being involved in fixing his/her own terms of appointment and no INEDs being involved in assessing his own independence.

提名董事

本公司並無成立提名委員會。守則所建議提名委員會之職責及職能由董事會共同履行，並無董事參與釐定其本身之委任條款，亦無獨立非執行董事參與評估其本身之獨立身份。

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standard. The Directors also ensure the timely publication of the financial statements of the Group.

董事編製財務報表之責任

董事確認彼等編製本集團財務報表之責任，並確保財務報表乃根據法例規定及適用之會計準則編製。董事亦確保會準時刊發本集團之財務報表。

The statement of external auditors of the Company, Messrs. Deloitte Touche Tohmatsu and Messrs. Graham H.Y. Chan & Co., about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditors' Report on pages 35 to 37.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

AUDITORS' REMUNERATION

For the year ended 31 March 2007, the total remuneration of the Group's Auditors for statutory audit services was approximately HK\$1.35 million. They also provided non-audit services to the Group, which were considered as insignificant assignments.

本公司之外聘核數師德勤•關黃陳方會計師行及陳浩賢會計師事務所就本集團綜合財務報表之報告責任聲明載於第35至37頁之獨立核數師報告內。

董事確認，經作出一切合理查詢後就董事所深知、盡悉及確信，彼等並不知悉有任何重大不明朗事件或情況可能會嚴重影響本公司持續經營能力。

核數師酬金

於截至二零零七年三月三十一日止年度，本集團之核數師就法定審核服務收取之酬金總額約為1,350,000港元。彼等亦為本集團提供非審核服務，而有關服務被視為重要程度較低之委聘服務。

Directors and Senior Management Profile

董事及高級管理人員簡介

EXECUTIVE DIRECTORS



Dr. Lam Man Chan
林文燦博士

Dr. LAM Man Chan, aged 58, is the founder and Chairman of the Group. He is responsible for the formulation of corporate strategy and oversee direction of the Group. He was graduated from the World Electric Engineering College in 1969. He has over 30 years of management experience and in depth knowledge of the electronics industry. In 1994, Dr. Lam was granted the Young Industrialist Awards of Hong Kong. Dr. Lam is a committee member of Guangdong Provincial Committee and Dongguan Regional Committee of the Chinese People's Political Consultative Conference ("CPPCC") respectively. He is also a standing committee member of Qingyuan Region Committee of the CPPCC. He is the husband of Ms. Ting Lai Ling, the brother-in-law of Ms. Ting Lai Wah and the father of Mr. Lam Shing Ngai.

執行董事

林文燦博士，58歲，本集團之創辦人兼主席，負責制訂公司策略及監督本集團之業務方針。林博士在一九六九年畢業於世界電機工程學校。林博士擁有超過30年管理經驗，對電子業有深厚認識。一九九四年，林博士獲頒香港青年工業家獎。林博士現分別為中國人民政治協商會議廣東省及東莞市委員會會員，林博士亦為清遠市中國人民政治協商會議委員會常務會員。林博士為丁麗玲女士之丈夫、丁麗華女士之妹夫及林承毅先生之父親。



Ms. Ting Lai Ling
丁麗玲女士

Ms. TING Lai Ling, aged 52, is the co-founder of the Group. She is responsible for marketing administration, liaison with customers and production planning. She has over 25 years of experience in the electronics industry. She is the wife of Dr. Lam Man Chan, the sister of Ms. Ting Lai Wah and the mother of Mr. Lam Shing Ngai.

丁麗玲女士，52歲，本集團創辦人之一，負責銷售管理、客戶聯絡及生產計劃。丁女士擁有超過25年電子業經驗。丁女士為林文燦博士之夫人、丁麗華女士之妹妹及林承毅先生之母親。



Ms. Ting Lai Wah
丁麗華女士

Ms. TING Lai Wah, aged 54, joined the Group in 1978, is in charge of the policy formulation and the overall operation of components manufacturing within the vertical integrated production process employed by the Group. She has over 25 years of experience in the electronics industry. She is the sister of Ms. Ting Lai Ling, the sister-in-law of Dr. Lam Man Chan and the aunt of Mr. Lam Shing Ngai.

丁麗華女士，54歲，於一九七八年加入本集團，在本集團所採用之垂直綜合生產程序中，丁女士主管政策制訂以及垂直生產之整體運作。丁女士擁有超過25年電子業經驗。丁女士為丁麗玲女士之姊姊、林文燦博士之大姨及林承毅先生之姨媽。

Directors and Senior Management Profile 董事及高級管理人員簡介

Mr. YEUNG Cheuk Kwong, aged 44, joined the Company in 2000. He is also the Chief Financial Officer and Company Secretary of the Company. He oversees the finance and accounting, human resources, general administration, information technology and corporate planning and development of the Group. Mr. Yeung is a Fellow Member of the Association of Chartered Certified Accountants, Associate Member of the Institute of Chartered Accountants in England and Wales and Fellow Member of The Hong Kong Institute of Directors. He has more than 15 years of senior management experience and was previously a director of a publicly listed company in Hong Kong.

Mr. LAM Shing Ngai, aged 28, was appointed as Executive Director of the Company on 1 February 2007. Mr. Lam joined the Group in 2003 as Assistant Product Manager and was then promoted to Product Manager. Mr. Lam graduated from McMaster University in Canada with a bachelor degree in Electrical Engineering. He has about 4 years of experience in the electronics industry. Mr. Lam is mainly responsible for the development of new digital products and implementation of new strategies to further strengthen the Group's management. Mr. Lam is the son of Dr. Lam Man Chan and Ms. Ting Lai Ling. He is a nephew of Ms. Ting Lai Wah.

楊卓光先生，44歲，於二零零零年加入本公司，亦為本公司之首席財務總監兼公司秘書。負責監督本集團之財務及會計、人力資源、一般行政、資訊科技、企業籌劃及發展。楊先生為英國特許公認會計師公會資深會員、英格蘭及威爾斯特許會計師公會會員及香港董事學會資深會員。彼擁有超過15年高層管理經驗及先前擔任一家香港上市公司之董事。



Mr. Yeung Cheuk Kwong
楊卓光先生

林承毅先生，28歲，於二零零七年二月一日獲委任為本公司執行董事。林先生於二零零三年加入本集團任職產品項目副經理及其後晉升為產品項目經理。林先生畢業於加拿大的McMaster University，持有電機工程學士學位。彼擁有約4年電子業經驗。林先生主要負責發展新數碼產品及履行集團新策略以加強本集團整體管理。林先生為林文燦博士及丁麗玲女士之兒子。彼亦為丁麗華女士之外甥。



Mr. Lam Shing Ngai
林承毅先生

Directors and Senior Management Profile 董事及高級管理人員簡介



Mr. Ng Chi Yeung
吳志揚先生

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. NG Chi Yeung, Simon, aged 49, was appointed by the Company in 1992. He is qualified as a solicitor in Hong Kong, England and Wales, an advocate and solicitor in Singapore, and a barrister in the Australian Capital Territory. Mr. Ng is a consultant of Messrs. Rowland Chow, Chan & Company, a law firm in Hong Kong. Mr. Ng holds a bachelor degree from the Manchester Metropolitan University in the United Kingdom and a master degree in Chinese and Comparative Law. He is also an independent non-executive director of two other publicly listed companies in Hong Kong, namely, Kith Holdings Limited and Winfair Investment Company Limited. He is a part-time lecturer teaching at the University of Hong Kong.

獨立非執行董事

吳志揚先生，49歲，於一九九二年獲本公司委任。彼為香港、英格蘭及威爾斯之合資格律師；新加坡之出庭辯護人及律師；澳洲首都地區之大律師。吳先生為香港一家律師事務所鄒陳律師行之顧問。吳先生於英國Manchester Metropolitan University取得學士學位以及中國及比較法律碩士學位。彼亦為香港另外兩家上市公司僑威集團有限公司及永發置業有限公司之獨立非執行董事。彼為於香港大學任教之兼職講師。



Mr. Tam Yuk Sang
譚旭生先生

Mr. TAM Yuk Sang, Sammy, aged 43, was appointed by the Company in 2004. He graduated from the Hong Kong Polytechnic University and is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is currently the President of a corporate strategy and management advisory company. He is also an independent non-executive director of another publicly listed company in Hong Kong, namely, Kith Holdings Limited.

譚旭生先生，43歲，於二零零四年獲本公司委任。彼畢業於香港理工大學，為英國特許公認會計師公會及香港會計師公會之資深會員。譚先生目前為一家企業策略及管理顧問公司之總裁。彼亦為另一家香港上市公司，即僑威集團有限公司之獨立非執行董事。



Mr. Ho Lok Cheong
何樂昌先生

Mr. HO Lok Cheong, aged 44, was appointed by the Company in 2005. He is a partner of the law firm "Messrs. Andrew Law & Franki Ho" of solicitors, with practice focusing on corporate commercial, listing, merger & acquisition and commercial litigation works. Mr. Ho graduated from the Chinese University of Hong Kong, studying Physics and Computer Science in 1985. Mr. Ho further obtained his law degree from Manchester Metropolitan University of the United Kingdom and finished his Postgraduate Certificate in Laws in the University of Hong Kong in 1996, subsequently was admitted as a Solicitor of the High Court of the Hong Kong SAR and a Solicitor of England and Wales. Mr. Ho is also an independent non-executive director of a publicly listed company, namely, Kith Holdings Limited.

何樂昌先生，44歲，於二零零五年獲本公司委任。彼為一家律師行「羅紹佳，何樂昌律師行」之合夥人，專職於企業商業、上市、合併及收購，以及商業訴訟事務。何先生於一九八五年畢業於香港中文大學，修讀物理學及電腦科學。何先生另取得英國Manchester Metropolitan University之法律學位，並於一九九六年完成香港大學法律專業證書，其後亦成為香港特別行政區高等法院認可律師以及英格蘭及威爾斯認可律師。何先生亦為香港上市公司僑威集團有限公司之獨立非執行董事。

SENIOR MANAGEMENT

Mr. LI Wai Man, aged 58, is the Business Director of the trading arm of EMS division. He is mainly responsible for the sales and marketing of the Group's electronics products. Mr. Li has over 20 years of extensive experience in this industry and was in top management positions before joining the Group in 1997.

Mr. LAM Man Chung, aged 51, joined the Group in 1981. He is the Operation Director of the manufacturing section of the EMS division. He is responsible for overseeing the production activities in Dougguan and Qingyuan. He has over 20 years of experience in the electronics industry.

高級管理人員

李惠民先生，58歲，本集團EMS部門之商務總監，主要負責本集團電子產品之銷售及市場推廣。李先生擁有超過20年電子業豐富經驗，於一九九七年加入本集團前，曾先後擔任多個高級管理職位。

林文聰先生，51歲，於一九八一年加入本集團。彼為EMS部門之生產部營運總監，負責監督於東莞及清遠的生產業務。彼擁有超過20年電子業經驗。



Mr. Li Wai Man
李惠民先生



Mr. Lam Man Chung
林文聰先生

Directors' Report

董事會報告書

The Board presents their annual report and the audited consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 March 2007.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in design, manufacture and sale of electronic products and property investment.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2007 are set out in the consolidated income statement on page 38.

An interim dividend of HK1 cent per share amounting to HK\$7,930,000 was paid during the year. The Board does not recommend the payment of a final dividend.

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in investment properties and property, plant and equipment of the Group are set out in notes 15 and 16 to the consolidated financial statements, respectively.

SHARE CAPITAL

Details of the Company's authorised, issued and fully paid share capital are set out in note 29 to the consolidated financial statements.

DISTRIBUTABLE RESERVE OF THE COMPANY

The Company's reserve available for distribution to shareholders at 31 March 2007, amounted to HK\$501,323,000 (2006: HK\$501,749,000).

董事會謹提呈彼等之年報以及本公司及其附屬公司(下文統稱「本集團」)截至二零零七年三月三十一日止年度之經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股，其附屬公司則主要從事設計、製造及銷售電子產品以及物業投資。

業績及分派

本集團於截至二零零七年三月三十一日止年度之業績載於第38頁之綜合收益表。

年內已派付中期股息每股1港仙，總額為7,930,000港元。董事會不建議派付末期股息。

投資物業以及物業、廠房及設備

年內，有關本集團之投資物業以及物業、廠房及設備之變動詳情分別載於綜合財務報表附註15及16。

股本

本公司之法定、已發行及繳足股本之詳情載於綜合財務報表附註29。

本公司之可供分派儲備

本公司於二零零七年三月三十一日之可供分派儲備為501,323,000港元(二零零六年：501,749,000港元)。

Directors' Report 董事會報告書

DIRECTORS

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

Executive directors:

Dr. Lam Man Chan
Ms. Ting Lai Ling
Ms. Ting Lai Wah
Mr. Yeung Cheuk Kwong
Mr. Lam Shing Ngai
(appointed on 1 February 2007)
Mr. Hui King Chun
(resigned on 7 August 2006)

Non-executive director:

Mr. Lam Ping Cheung, Andrew
(resigned on 20 June 2006)

Independent non-executive directors:

Mr. Ng Chi Yeung, Simon
Mr. Tam Yuk Sang, Sammy
Mr. Ho Lok Cheong

In accordance with Articles 86 and 87 of the Company's Bye-Laws, Dr. Lam Man Chan, Ms. Ting Lai Wah, Mr. Tam Yuk Sang, Sammy and Mr. Lam Shing Ngai retire by rotation, and being eligible, offer themselves for re-election at the forthcoming annual general meeting. All of the remaining directors continue in office.

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

The Company has received from each of its independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") and considers all the independent non-executive directors to be independent.

董事

年內及直至本報告書刊發日期任職之本公司董事如下：

執行董事：

林文燦博士
丁麗玲女士
丁麗華女士
楊卓光先生
林承毅先生
(於二零零七年二月一日獲委任)
許經振先生
(於二零零六年八月七日辭任)

非執行董事：

林炳昌先生
(於二零零六年六月二十日辭任)

獨立非執行董事：

吳志揚先生
譚旭生先生
何樂昌先生

根據本公司之公司細則第86及87條，林文燦博士、丁麗華女士、譚旭生先生及林承毅先生將於應屆股東週年大會上依章告退，惟符合資格且願膺選連任。其餘所有董事均繼續留任。

擬於應屆股東週年大會上膺選連任之董事概無與本公司訂立於一年內毋須作出賠償(法定賠償除外)方可終止之服務合約。

本公司已根據證券上市規則(「上市規則」)第3.13條收取其各獨立非執行董事有關其獨立性之週年確認書，並認為所有獨立非執行董事均為獨立人士。

Directors' Report 董事會報告書

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2007, the directors and chief executive of the Company and their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules ("Model Code"), to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange"):

董事及行政總裁於股份、相關股份及債權證之權益及淡倉

於二零零七年三月三十一日，本公司各董事、行政總裁及彼等各自之聯繫人士於本公司及其相聯法團（具有證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股份、相關股份及債權證中擁有並根據證券及期貨條例第352條須保存之登記冊所記載，或根據上市發行人董事進行證券交易之標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

Name of director 董事姓名	Note 附註	Capacity/ nature of interest 身份/ 權益性質	Number of shares held 所持股份數目		Percentage of holding 持股百分比
			Long position 好倉	Short position 淡倉	
Lam Man Chan ("Dr. Lam") 林文燦（「林博士」）	1	Family interest 家族權益	278,723,176	–	35.15%
Ting Lai Ling ("Ms. Ting") 丁麗玲（「丁女士」）	1	Family interest 家族權益	278,723,176	–	35.15%
Lam Shing Ngai ("Mr. Lam") 林承毅（「林先生」）	1	Family interest 家族權益	278,723,176	–	35.15%

Note:

- The interests are held by Goodchamp Holdings Limited, which is 100% owned by Sinowin Inc. as trustee of The Sinowin Unit Trust. The Sinowin Unit Trust is a unit trust owned by HSBC International Trustee Limited as trustee of a discretionary trust. The discretionary trust was settled by Dr. Lam and the discretionary objects of which are Ms. Ting herself (the wife of Dr. Lam) and the family members (including Mr. Lam) of Dr. Lam and Ms. Ting.

附註：

- 該等權益乃以 Goodchamp Holdings Limited 之名義持有，而該公司乃由 Sinowin Inc.（作為 The Sinowin Unit Trust 之信託人）擁有 100% 權益。The Sinowin Unit Trust 乃一項由 HSBC International Trustee Limited（作為一項全權信託之信託人）擁有 100% 權益之單位信託。林博士為該全權信託之創立人，而丁女士本人（林博士之夫人）與林博士及丁女士二人之家族成員（包括林先生）為該全權信託之全權受益人。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of compliance with the minimum company membership requirements.

Save as disclosed above, as at 31 March 2007, none of the directors or the chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

As at 31 March 2007, none of the directors of the Company has any right to acquire any interest or benefits by means of acquisitions of shares, underlying shares in or debentures of the Company.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed under the heading "Directors' rights to acquire shares", none of the directors, their spouses or children under the age of 18 had any right to subscribe for shares of the Company, or had exercised any such right during the year, and at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

董事及行政總裁於股份、相關股份及債權證之權益及淡倉 (續)

除上文所述者外，若干董事為本公司之利益而於若干附屬公司持有非實益個人股份權益，惟此舉僅為符合公司股東人數最低規定。

除上述披露者外，於二零零七年三月三十一日，本公司各董事、行政總裁及彼等各自之聯繫人士概無於本公司及其相聯法團（具有證券及期貨條例第XV部所賦予之涵義）之股份、相關股份及債權證中擁有根據證券及期貨條例第352條須保存之登記冊所記載，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

董事購買股份之權利

於二零零七年三月三十一日，概無本公司董事擁有權利可透過收購本公司股份、相關股份或債券而收購任何權益或利益。

購買股份或債權證之安排

除於「董事購買股份之權利」一節所披露者外，於年內，各董事、彼等之配偶或十八歲以下之子女概無擁有認購本公司股份之權利或曾行使任何該等權利，而本公司或其任何附屬公司於年內任何時間亦無訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債權證而獲益。

Directors' Report 董事會報告書

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as set out in note 37 to the consolidated financial statements and as disclosed under the heading "Related party transactions", no contracts of significance to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

RELATED PARTY AND CONNECTED TRANSACTIONS

Significant related party transactions entered into by the Group during the year are disclosed in note 37 to the consolidated financial statements. Those transactions, which also constitute connected transactions under the Listing Rules, required to be disclosed in accordance with Chapter 14A of the Listing Rules, are as follows:

(a) Rental expense paid to:

Man Fat Enterprise Company Limited

The rental expense relates to lease of warehouse, car park and office space from Man Fat Enterprise Company Limited, a company in which Dr. Lam Man Chan and Ms. Ting Lai Ling, directors of the Company, have beneficial interests.

董事於重要合約之權益

除綜合財務報表附註37所述及「有關連人士交易」一節所披露者外，本公司或其附屬公司於年終或年內任何時間，概無訂立本公司之董事直接或間接擁有重大權益之重要合約。

關連人士及關連交易

年內，本集團進行之重大關連人士交易於綜合財務報表附註37披露。根據上市規則第14A章須予披露之該等交易（根據上市規則亦構成關連交易），現載列如下：

(a) 租金支出，支付予：

文發企業有限公司

租賃開支乃涉及向文發企業有限公司租用倉庫、泊車位及辦公室，而本公司董事林文燦博士及丁麗玲女士於該等公司擁有實益權益。

HK\$'000
千港元

225

RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

(b) Legal and professional fees paid to:

		HK\$'000 千港元
Andrew Lam & Co.	林炳昌律師事務所	305

The legal and professional fees were paid to Andrew Lam & Co., in which Mr. Lam Ping Cheung, Andrew, a non-executive director of the Company who resigned on 20 June 2006, had a beneficial interest.

(c) Disposal of an associate

During the year, the Group disposed of 50% interest in Metro Capital Securities Limited to Dr. Lam Man Chan at a consideration of HK\$20,000,000. The Group recognised a gain on disposal of HK\$960,000. Details of the disposal were set out in the Company's circular dated 22 August 2006.

In the opinion of the directors, the above transactions were carried out on normal commercial terms and in the ordinary course of business. The independent non-executive directors have reviewed the above connected transactions and are of the opinion that the transactions are in the ordinary and usual course of business of the Group and in accordance with the terms of the arrangements governing such transactions that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

關連人士及關連交易 (續)

(b) 法律及專業費用，支付予：

		HK\$'000 千港元
Andrew Lam & Co.	林炳昌律師事務所	305

法律及專業費用已支付予林炳昌律師事務所，而於二零零六年六月二十日辭任之本公司非執行董事林炳昌先生擁有實益權益。

(c) 出售聯營公司

年內，本集團已出售美高證券有限公司之50%權益予林文燦博士，代價為20,000,000港元。本集團確認出售收益960,000港元。出售詳情載於本公司日期為二零零六年八月二十二日之通函。

董事認為，上述交易乃於正常業務過程中按一般商業條款進行。獨立非執行董事已審閱上述關連交易，認為該等交易乃在本集團日常及慣常業務過程中，及根據制約該等交易之安排進行，而該等安排乃公平合理及符合本公司股東之整體利益。

Directors' Report 董事會報告書

INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31 March 2007, so far as was known to the directors or chief executive of the Company, the following persons (other than the directors or the chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register to be kept under Section 336 of the SFO are set out below:

主要股東及其他人士之股份及相關股份權益及淡倉

於二零零七年三月三十一日，就本公司董事或行政總裁所知悉，以下人士（不包括本公司董事或行政總裁）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須存置之登記冊所記載之權益或淡倉：

Name of shareholder 股東名稱	Notes 附註	Capacity/nature of interest 身份／權益性質	Number of shares held 所持股份數目		Percentage of holding 持股百分比
			Long position 好倉	Short position 淡倉	
Goodchamp Holdings Limited	1	Beneficial interest 實益權益	277,923,176	–	35.05%
Sinowin Inc.	1	Trustee interest 信託人權益	277,923,176	–	35.05%
HSBC International Trustee Limited	1	Trustee interest 信託人權益	278,423,176	–	35.11%
Grandlink Holdings Limited	2	Beneficial interest 實益權益	40,640,000	–	5.12%
Guardian Trustee Limited	2	Trustee interest 信託人權益	40,640,000	–	5.12%
Basab Inc.	2	Trustee interest 信託人權益	40,640,000	–	5.12%
FMR Corp.	3	Investment manager 投資經理	70,904,000	–	8.94%
Templeton Investment Counsel, LLC	–	Investment manager 投資經理	62,308,532	–	7.86%

INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS (Continued)

Notes:

1. The details of this note are stated in note 1 of the above section headed "Directors' and Chief Executive's interests and short positions in shares, underlying shares and debentures".
2. The shares of the Company are held by and registered in the name of Grandlink Holdings Limited, which is 100% owned by Basab Inc. as trustee of the Basab Unit Trust. The Basab Unit Trust is a unit trust owned by Guardian Trustee Limited as trustee of a discretionary trust.
3. The interests are indirectly held by FMR Corp. through its 100% controlled corporations, namely, Fidelity Management & Research Company and Fidelity Management Trust Company.

Save as disclosed above, as at 31 March 2007, the directors and chief executive of the Company are not aware of any other persons who had an interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

SHARE OPTIONS SCHEME

A share options scheme of the Company was approved and adopted on 23 August 2002 (the "Scheme"). The Scheme is valid and effective for a period of ten years from the date of adoption.

主要股東及其他人士之股份及相關股份權益及淡倉(續)

附註：

1. 此附註之詳情已載述於上文「董事及行政總裁於股份、相關股份及債權證之權益及淡倉」一節附註1。
2. 本公司股份乃以Grandlink Holdings Limited之名義持有及登記，該公司由Basab單位信託之受託人Basab Inc.持有100%權益。Basab單位信託乃由Guardian Trustee Limited作為一項全權信託之受託人持有之單位信託。
3. 該等權益乃FMR Corp.透過其全權控制之公司Fidelity Management & Research Company及Fidelity Management Trust Company間接持有。

除上文所披露者外，於二零零七年三月三十一日，本公司董事及行政總裁並無獲悉有任何其他人士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條須存置之登記冊所記載之權益或淡倉。

購股權計劃

本公司於二零零二年八月二十三日批准及採納一項購股權計劃(「該計劃」)。該計劃由採納日期起之十年期間內有效。

Directors' Report 董事會報告書

SHARE OPTIONS SCHEME (Continued)

Pursuant to the Scheme, the Company may grant options to inter alia, directors and employees of the Company or its subsidiaries to subscribe for shares in the Company, subject to a maximum of 10% of the issued share capital of the Company from time to time and the maximum number of shares in respect of which options may be granted to any one employee shall not be more than 30% of the maximum number of shares in respect of options granted under the Scheme. Options granted are exercisable at any time for a period of ten years from the date of grant. The subscription price of the option shares shall not be less than the higher of (i) the closing price of the shares on the Stock Exchange on the date of grant, (ii) the average closing price of the shares on the Stock Exchange for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a share. Options granted must be taken up within 28 days of the date of grant and a nominal consideration of HK\$1 is payable on each grant of options.

During the year, all outstanding options as at 31 March 2006 were cancelled and no options were granted, exercised or lapsed. Details of movement of the outstanding options for the year ended 31 March 2007 are set out in note 30 to the consolidated financial statements.

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

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

購股權計劃(續)

根據該計劃，本公司可向(其中包括)本公司或其附屬公司之董事及僱員授出購股權，據此彼等可認購本公司股份，惟最多為本公司不時已發行股本之10%，而任何一名僱員可能獲授之購股權所涉及之股份數目最多不得超過根據該計劃所授出購股權所涉及股份最高數目之30%。所授出之購股權可自授出日期起計十年內任何時間予以行使。購股權之認購價不得少於以下之較高者：(i) 股份於授出日期在聯交所之收市價；(ii) 股份於緊接授出日期前五個交易日在聯交所之平均收市價；或(iii) 股份面值。所授出之購股權須於授出日期起計28日內接納，並須於接納購股權時就每份購股權支付1港元名義代價。

年內，於二零零六年三月三十一日尚未行使之全部購股權已被註銷及並無購股權獲授出、行使或失效。有關於截至二零零七年三月三十一日止年度之尚未行使購股權變動詳情已載於綜合財務報表附註30。

購買、出售或贖回本公司上市證券

年內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Sales

- the largest customer
- five largest customers aggregated

Aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the total purchases.

None of the directors, their associates or any shareholders (which to the knowledge of the directors own more than 5% of the Company's share capital) had an interest in the Group's five largest suppliers or customers during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions (the "Code"). Having made specific enquiry of all directors of the Company, the directors of the Company have complied with the required standard as set out in the Code throughout the year ended 31 March 2007.

主要客戶及供應商

本集團主要供應商及客戶所佔年內採購額及銷售額之百分比如下：

銷售額

- | | |
|----------|-----|
| - 最大客戶 | 51% |
| - 五大客戶合計 | 70% |

本集團五大供應商應佔之採購額少於總採購額之30%。

各董事、彼等之聯繫人士或就董事所知擁有本公司股本5%以上之股東，概無於年內擁有本集團五大供應商或客戶之任何權益。

優先購買權

本公司之公司細則或百慕達法例概無有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

遵守董事進行證券交易之守則

本公司已採納標準守則作為其本身有關董事進行證券交易操守之守則(「守則」)。經向本公司全體董事作出具體查詢後，於截至二零零七年三月三十一日止年度，本公司各董事均已遵照守則所載之所需標準。

Directors' Report 董事會報告書

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules throughout the year ended 31 March 2007.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu and Messrs. Graham H.Y. Chan & Co. as joint auditors of the Company.

On behalf of the Board

Lam Man Chan
CHAIRMAN

Hong Kong, 16 July 2007

充足之公眾持股量

根據本公司可公開取得之資料及據其董事所知，截至二零零七年三月三十一日止年度，本公司一直根據上市規則之規定維持充足之公眾持股量，不少於本公司已發行股份之25%。

核數師

股東週年大會上將提呈一項決議案以續聘德勤•關黃陳方會計師行及陳浩賢會計師事務所作為本公司之聯席核數師。

代表董事會

林文燦
主席

香港，二零零七年七月十六日

Independent Auditors' Report

獨立核數師報告書

Deloitte.
德勤

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F., One Pacific Place
88 Queensway
Hong Kong

TO THE SHAREHOLDERS OF
NGAI LIK INDUSTRIAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Ngai Lik Industrial Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 38 to 98, which comprise the consolidated balance sheet as at 31 March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and the true and fair presentation of the consolidated 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.



GRAHAM H.Y. CHAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

Graham H.Y. Chan & Co.
Certified Public Accountants
Unit 1, 15/F., The Center
99 Queen's Road Central
Hong Kong

致毅力工業集團有限公司之
全體股東
(於百慕達註冊成立之有限公司)

本行已完成審核載於第38至98頁毅力工業集團有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)之綜合財務報表，此等綜合財務報表包括於二零零七年三月三十一日之綜合資產負債表與截至該日止年度之綜合收益表、綜合權益變動報表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據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之披露規定編製及真實而公平地呈列該等綜合財務報表。有關責任包括設計、實施及維護與編製及真實而公平地呈列綜合財務報表相關之內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當之會計政策；及按情況作出合理之會計估計。

Independent Auditors' Report 獨立核數師報告書

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Group's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

核數師的責任

本行之責任是根據本行之審核對該等綜合財務報表作出意見，且本行之意見僅按照百慕達公司法第90條，為閣下（作為一個團體）而報告，並不為其他任何目的。本行並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。本行已根據香港會計師公會頒佈之香港審計準則進行審核。該等準則規定本行遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行政序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與貴集團編製及真實而公平地呈列綜合財務報表相關之內部監控，以設計適當之審核程序，惟並非為對其內部監控之效能發表意見。審核亦包括評價董事所採用會計政策之合適性及所作出會計估計之合理性，以及評價綜合財務報表之整體呈列方式。

本行相信，本行所獲得審核憑證已充足和適當為本行的審核意見提供基礎。

Independent Auditors' Report 獨立核數師報告書

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2007 and of its profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

本行認為，綜合財務報表已根據香港財務報告準則真實與公平地反映 貴集團於二零零七年三月三十一日之財政狀況及 貴集團於截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥善編製。

Deloitte Touche Tohmatsu
德勤•關黃陳方會計師行
Certified Public Accountants
執業會計師

Graham H.Y. Chan & Co.
陳浩賢會計師事務所
Certified Public Accountants
執業會計師

Hong Kong, 16 July 2007

香港，二零零七年七月十六日

38 Consolidated Income Statement 綜合收益表

For the year ended 31 March 2007
截至二零零七年三月三十一日止年度

		NOTES 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (經重列)
Turnover	營業額	7	3,654,926	2,843,345
Cost of sales and direct expenses	銷售成本及直接開支		(3,491,324)	(2,690,346)
Gross profit	毛利		163,602	152,999
Other operating income, net	其他經營收入，淨額		3,654	5,261
Selling and distribution expenses	銷售及分銷開支		(36,967)	(33,151)
Administrative expenses	行政開支		(121,859)	(107,793)
Other income	其他收入		6,370	5,871
Impairment loss of intangible assets	無形資產減值虧損		-	(7,359)
Increase in fair value of investment properties	投資物業公平值增加		57,519	33,142
Finance costs	融資成本	8	(37,190)	(26,907)
Share of results of associates	應佔聯營公司業績		574	2,179
Profit before taxation	除稅前溢利	9	35,703	24,242
Taxation	稅項	10	(22,621)	(11,104)
Profit for the year	本年度溢利		13,082	13,138
Attributable to:	下列人士應佔：			
Equity holders of the Company	本公司權益持有人		13,082	13,138
Minority interests	少數股東權益		-	-
			13,082	13,138
Dividends	股息	13		
- Interim, paid	- 已派中期股息		7,930	11,895
- Final, paid for 2005	- 已派二零零五年末期股息		-	7,930
Earnings per share - Basic	每股盈利 - 基本	14	HK1.6 cents港仙	HK1.7 cents港仙

Consolidated Balance Sheet 綜合資產負債表

At 31 March 2007

於二零零七年三月三十一日

		NOTES 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	15	467,000	186,358
Property, plant and equipment	物業、廠房及設備	16	886,653	1,060,487
Land use rights – non-current portion	土地使用權 – 非流動部份	17	68,458	65,323
Interests in associates	於聯營公司之權益	18	1,641	20,107
Intangible assets	無形資產	19	33,742	27,667
Deposits for acquisition of property, plant and equipment and land use rights	購置物業、廠房及設備以及土地使用權之訂金		14,774	3,782
Long-term bank deposit	長期銀行存款	20	–	22,207
Available-for-sale financial assets	可供出售之金融資產	21	–	16,922
			1,472,268	1,402,853
Current assets	流動資產			
Land use rights – current portion	土地使用權 – 流動部份	17	1,578	1,450
Inventories	存貨	22	442,642	445,467
Trade and other receivables and prepayments	貿易及其他應收賬款及預付款項	23	198,117	166,436
Taxation recoverable	可收回稅項		47,494	48,927
Bank balances and cash	銀行結存及現金	24	166,825	198,550
			856,656	860,830
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	25	385,896	363,647
Taxation payable	應付稅項		75,395	75,989
Bank and other borrowings – due within one year	銀行及其他貸款 – 一年內到期	26	426,371	384,076
Obligations under finance leases – due within one year	融資租約承擔 – 一年內到期	27	2,583	31
			890,245	823,743
Net current (liabilities) assets	流動(負債)資產淨值		(33,589)	37,087
Total assets less current liabilities	總資產減流動負債		1,438,679	1,439,940
Non-current liabilities	非流動負債			
Bank and other borrowings – due after one year	銀行及其他貸款 – 一年後到期	26	281,146	317,866
Obligations under finance leases – due after one year	融資租約承擔 – 一年後到期	27	4,130	–
Deferred taxation	遞延稅項	28	72,524	48,110
			357,800	365,976
Net assets	資產淨值		1,080,879	1,073,964

40 Consolidated Balance Sheet 綜合資產負債表

At 31 March 2007

於二零零七年三月三十一日

		NOTES	2007	2006
		附註	二零零七年 HK\$'000 千港元	二零零六年 HK\$'000 千港元
Capital and reserves	股本及儲備			
Share capital	股本	29	79,302	79,302
Reserves	儲備		997,557	990,642
Equity attributable to equity holders of the Company	本公司權益持有人 應佔權益		1,076,859	1,069,944
Minority interests	少數股東權益		4,020	4,020
Total equity	權益總額		1,080,879	1,073,964

The consolidated financial statements on pages 38 to 98 were approved and authorised for issue by the Board on 16 July 2007 and are signed on its behalf by:

第38頁至第98頁之綜合財務報表已於二零零七年七月十六日獲董事會批准及授權發行，並由下列董事代表簽署：

Lam Man Chan
林文燦
DIRECTOR
董事

Yeung Cheuk Kwong
楊卓光
DIRECTOR
董事

Consolidated Statement of Changes in Equity 綜合權益變動報表

For the year ended 31 March 2007
截至二零零七年三月三十一日止年度

		Share capital	Share premium	Property revaluation reserve	Exchange reserve	Investment reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total equity
		股本	股份溢價	物業重估儲備	匯兌儲備	投資儲備	累計溢利	本公司權益持有人應佔權益	少數股東權益	權益總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2005	於二零零五年四月一日	79,302	82,844	-	1,108	-	898,788	1,062,042	4,020	1,066,062
Surplus arising from revaluation of properties	重估物業產生之盈餘	-	-	17,837	-	-	-	17,837	-	17,837
Deferred taxation liability arising on revaluation of properties	重估物業產生之遞延稅項負債	-	-	(5,910)	-	-	-	(5,910)	-	(5,910)
Increase in fair value of available-for-sale financial assets	可供出售金融資產之公平值增加	-	-	-	-	3,770	-	3,770	-	3,770
Net income recognised directly in equity	於股本權益直接確認之淨收入	-	-	11,927	-	3,770	-	15,697	-	15,697
Realised on disposal of subsidiaries	出售附屬公司變現	-	-	-	(1,108)	-	-	(1,108)	-	(1,108)
Profit for the year	年內溢利	-	-	-	-	-	13,138	13,138	-	13,138
Total recognised income and expenses for the year	年內已確認收入及開支總額	-	-	11,927	(1,108)	3,770	13,138	27,727	-	27,727
Dividends paid	已付股息	-	-	-	-	-	(19,825)	(19,825)	-	(19,825)
At 31 March 2006	於二零零六年三月三十一日	79,302	82,844	11,927	-	3,770	892,101	1,069,944	4,020	1,073,964
Surplus arising from revaluation of properties	重估物業產生之盈餘	-	-	8,258	-	-	-	8,258	-	8,258
Deferred taxation liability arising on revaluation of properties	重估物業產生之遞延稅項負債	-	-	(2,725)	-	-	-	(2,725)	-	(2,725)
Decrease in fair value of available-for-sale financial assets	可供出售金融資產之公平值減少	-	-	-	-	(90)	-	(90)	-	(90)
Net income (expenses) recognised directly in equity	於股本權益直接確認之淨收入(開支)	-	-	5,533	-	(90)	-	5,443	-	5,443
Realised on disposal of available-for-sale financial assets	出售可供出售金融資產變現	-	-	-	-	(3,680)	-	(3,680)	-	(3,680)
Profit for the year	年內溢利	-	-	-	-	-	13,082	13,082	-	13,082
Total recognised income and expenses for the year	年內已確認收入及開支總額	-	-	5,533	-	(3,770)	13,082	14,845	-	14,845
Dividends paid	已付股息	-	-	-	-	-	(7,930)	(7,930)	-	(7,930)
At 31 March 2007	於二零零七年三月三十一日	79,302	82,844	17,460	-	-	897,253	1,076,859	4,020	1,080,879

The property revaluation reserve represents the increase in fair value, net of related deferred taxation charges, of the properties transferred to investment properties at date of their transfer.

物業重估儲備乃指物業於其轉撥日期轉撥至投資物業所產生之公平值增加(已扣除有關遞延稅項支出)。

42 Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 March 2007
截至二零零七年三月三十一日止年度

	NOTE 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	35,703	24,242
Adjustments for:	就下列事項作出調整：		
Interest income	利息收入	(5,071)	(4,729)
Interest expenses	利息支出	37,012	26,883
Finance leases charges	融資租約之費用	178	24
Share of results of associates	應佔聯營公司之業績	(574)	(2,179)
Gain on disposal of an associate	出售聯營公司之收益	(960)	-
Increase in fair value of investment properties	投資物業公平值增加	(57,519)	(33,142)
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損(收益)	686	(57)
Gain on disposal of land use rights	出售土地使用權之收益	-	(2,044)
(Gain) loss on disposal of available-for-sale financial assets	出售可供出售之金融資產之(收益)虧損	(2,741)	166
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	79,548	82,462
Amortisation of land use rights	土地使用權之攤銷	1,452	1,467
Amortisation of intangible assets	無形資產之攤銷	18,678	19,639
Impairment loss of intangible assets	無形資產之減值虧損	-	7,359
Gain on disposal of subsidiaries	出售附屬公司之收益	-	(1,118)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	106,392	118,973
Decrease (increase) in inventories	存貨減少(增加)	2,825	(26,877)
Increase in trade and other receivables and prepayments	貿易及其他應收賬款及預付款項增加	(31,681)	(37,447)
Increase (decrease) in trade and other payables	貿易及其他應付賬款增加(減少)	22,249	(49,461)
Cash generated from operations	經營業務所得現金	99,785	5,188
Interest received	已收利息	3,878	3,779
Tax paid	已付稅款	(1,532)	(10,443)
Tax refunded	已退稅項	1,439	-
NET CASH FROM (USED IN) OPERATING ACTIVITIES	經營業務所得(所耗)之現金淨值	103,570	(1,476)

Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 March 2007

截至二零零七年三月三十一日止年度

	NOTE 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	(86,399)	(111,196)
Costs incurred in respect of investment properties	投資物業產生之成本	(6,677)	(34)
Additions to land use rights	增加土地使用權	(22,051)	-
Deposits paid for acquisition of property, plant and equipment and land use rights	購買物業、廠房及設備以及土地使用權所支付之訂金	(14,774)	(3,782)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	2,850	5,912
Proceeds from disposal of land use rights	出售土地使用權之所得款項	-	4,000
Net proceeds from disposal of available-for-sale financial assets	出售可供出售金融資產之所得款項淨額	15,893	2,415
Proceeds from disposal of an associate	出售聯營公司之所得款項	20,000	-
Dividend received from an associate	已收一聯營公司之股息	-	540
Additions to intangible assets	增加無形資產	(24,753)	(22,900)
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed of	出售附屬公司之所得款項，扣除所售現金及現金等值項目	-	(90)
Redemption of long-term bank deposit	贖回長期銀行存款	23,400	-
NET CASH USED IN INVESTING ACTIVITIES	投資活動所耗現金淨額	(92,511)	(125,135)
FINANCING ACTIVITIES	融資活動		
Dividends paid	已付股息	(7,930)	(19,825)
Repayments of bank and other borrowings	償還銀行及其他借貸	(542,514)	(186,220)
Repayments of obligations under finance leases	償還融資租約承擔	(2,290)	(3,144)
Interest paid	已付利息	(37,961)	(28,248)
Finance leases charges paid	已付融資租約之費用	(178)	(24)
New bank and other borrowings raised	已籌得之新借銀行及其他借貸	548,089	347,202
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(所耗)所得現金淨額	(42,784)	109,741
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目之減少淨額	(31,725)	(16,870)
CASH AND CASH EQUIVALENTS AT 1 APRIL	於四月一日之現金及現金等值項目	198,550	215,420
CASH AND CASH EQUIVALENTS AT 31 MARCH	於三月三十一日之現金及現金等值項目	166,825	198,550
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS	現金及現金等值項目結存之分析		
Bank balances and cash	銀行結存及現金	166,825	198,550

For the year ended 31 March 2007
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1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information included in the annual report.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

The Company is an investment holding company. The principal activities of its subsidiaries and associate are set out in notes 38 and 18 respectively.

2. BASIS OF PREPARATION

As at 31 March 2007, the Group has net current liabilities of HK\$33,589,000. The directors of the Company consider that the consolidated financial statements have been prepared on a going concern basis because the Group has adequate funds to enable the Group to meet in full its financial obligations as they fall due for the foreseeable future after taking into account the future plans of the Group and available banking facilities.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are either effective for accounting periods beginning on or after 1 December 2005, 1 January 2006 or 1 March 2006. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

1. 一般資料

本公司乃一家於百慕達註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點之地址於年報公司資料內披露。

綜合財務報表乃以港元呈列，亦即本公司之功能貨幣。

本公司為投資控股公司。其附屬公司及聯營公司之主要業務已分別載於附註38及18。

2. 編製基準

於二零零七年三月三十一日，本集團擁有流動負債淨額33,589,000港元。本公司董事認為，由於考慮到本集團之未來計劃及可供動用銀行融資後，本集團於可見將來擁有充裕資金完全履行其財務責任，因此綜合財務報表乃以持續經營基準編製。

3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團首次應用由香港會計師公會頒佈之多項新準則、修訂及詮釋（「新訂香港財務報告準則」）。該等準則於二零零五年十二月一日、二零零六年一月一日或二零零六年三月一日或以後開始之會計期間生效。採納新訂香港財務報告準則對目前或過往會計期間業績及財務狀況之編製及呈列方式並無構成重大影響。因此，毋須作出前期調整。

For the year ended 31 March 2007
截至二零零七年三月三十一日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Amendment)
香港會計準則第1號(經修訂)
HKAS 23 (Revised)
香港會計準則第23號(經修訂)
HKFRS 7
香港財務報告準則第7號
HKFRS 8
香港財務報告準則第8號
HK(IFRIC)-Int 8
香港(國際財務報告詮釋委員會)－詮釋第8號
HK(IFRIC)-Int 9
香港(國際財務報告詮釋委員會)－詮釋第9號
HK(IFRIC)-Int 10
香港(國際財務報告詮釋委員會)－詮釋第10號
HK(IFRIC)-Int 11
香港(國際財務報告詮釋委員會)－詮釋第11號
HK(IFRIC)-Int 12
香港(國際財務報告詮釋委員會)－詮釋第12號

- ¹ Effective for annual periods beginning on or after 1 January 2007
² Effective for annual periods beginning on or after 1 January 2009
³ Effective for annual periods beginning on or after 1 May 2006
⁴ Effective for annual periods beginning on or after 1 June 2006
⁵ Effective for annual periods beginning on or after 1 November 2006
⁶ Effective for annual periods beginning on or after 1 March 2007
⁷ Effective for annual periods beginning on or after 1 January 2008

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團並未提早應用下列已頒佈但尚未生效之新準則、修訂或詮釋。本公司董事預期，應用該等準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

Capital Disclosures¹
資本披露¹
Borrowing Costs²
借貸成本²
Financial Instruments: Disclosures¹
金融工具：披露¹
Operating Segments²
經營分類²
Scope of HKFRS 2³
香港財務報告準則第2號之範圍³
Reassessment of Embedded Derivatives⁴
內置衍生工具之重新評估⁴
Interim Financial Reporting and Impairment⁵
中期財務報告及減值⁵
HKFRS 2 – Group and Treasury Share Transactions⁶
香港財務報告準則第2號－集團及庫存股份交易⁶
Service Concession Arrangements⁷
特許權服務協議⁷

- ¹ 適用於二零零七年一月一日或之後開始之會計期間
² 適用於二零零九年一月一日或之後開始之會計期間
³ 適用於二零零六年五月一日或之後開始之會計期間
⁴ 適用於二零零六年六月一日或之後開始之會計期間
⁵ 適用於二零零六年十一月一日或之後開始之會計期間
⁶ 適用於二零零七年三月一日或之後開始之會計期間
⁷ 適用於二零零八年一月一日或之後開始之會計期間

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4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate and explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

4. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及公司條例規定之適用披露資料。

綜合財務報表乃按歷史成本法常規法編製，惟若干物業及金融工具則按公平值計量(如適用)，並詳述於下文所載之會計政策。

綜合基準

綜合財務報表包括本公司及本公司所控制實體(即其附屬公司)之財務報表。當本公司有權監督一間實體公司之財務及經營政策以便從其業務中取得利益，則具有控制權。

於年內收購或出售之附屬公司自收購生效日期起或至出售生效日期止(如適用)的業績已包括在綜合收益表內。

如有需要，須對附屬公司之財務報表作出調整，令彼等之會計政策與本集團其他成員公司所採用者相符。

所有集團內交易、結餘、收入及開支均於綜合賬目時對銷。

綜合入賬附屬公司淨資產之少數股東權益乃與本集團於其中所擁有股本權益分開呈列。於該等淨資產之少數股東權益包括於原本之企業合併日期之該等權益金額及自合併日期以來少數股東應佔股本權益之變動。超過少數股東於附屬公司股本權益而適用於少數股東之虧損乃與本集團之權益對銷，惟倘如少數股東有具約束力之義務及能夠額外作出投資以填補虧損則除外。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Interests in associates**

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Income for provision of after sale services is recognised when the services are rendered.

Rental and management services income is recognised on a straight-line basis over the term of the relevant lease.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

4. 主要會計政策(續)**於聯營公司之權益**

聯營公司指投資者對其擁有重大影響力之實體，且不屬於附屬公司或於合營公司之權益。

聯營公司之業績及資產及負債均採用權益會計法計入本綜合財務報表。根據權益會計法，於聯營公司之投資乃按成本值於綜合資產負債表列賬，並就本集團應佔聯營公司之資產淨值(扣除任何已確定之減值虧損)之收購後變動作出調整。如本集團之應佔聯營公司虧損相等於或超過其於該聯營公司之權益(包括實質上構成本集團於聯營公司淨投資之任何長期權益)，則本集團終止確認其應佔之進一步虧損。如本集團已產生法定或推定責任或代表該聯營公司支付款項，則就額外應佔虧損作出撥備及確認負債。

如集團實體與本集團聯營公司進行交易，則溢利及虧損將以本集團於有關聯營公司之權益為限進行對銷。

收益確認

收益乃按已收或應收代價之公平值計量，並相等於在日常業務過程所提供貨品及服務之應收款額(扣除折扣及銷售相關稅項)。

貨品之銷售乃於貨品交付及貨權轉讓時確認。

提供售後服務之收入於提供服務時確認入賬。

租金及管理服務收入乃按有關租約年期以直線法確認入賬。

金融資產之利息收入乃按時間基準以未償還本金與適用利率計算入賬，而適用利率乃於金融資產之預期可用年期內將估計未來現金收入完全貼現至該資產賬面值之息率。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Investment properties**

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

Transfer from investment property to property, plant and equipment will be made when there is a change in use, evidenced by commencement of owner occupation. Property interests held under operating lease previously classified as an investment property is accounted for as if it were a finance lease and measured under the fair value model. The Group shall continue to account for the lease as a finance lease, even if subsequent event changes the nature of the property interest so that it is no longer classified as investment property.

Property, plant and equipment

Property, plant and equipment other than construction in progress are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Construction in progress represents buildings under construction for production, which are stated at cost, less any identified impairment loss. Construction in progress is not depreciated until completion of construction and the asset is put into intended use. The cost of completed construction works is transferred to appropriate category of property, plant and equipment.

4. 主要會計政策 (續)**投資物業**

於首次確認時，投資物業按成本(包括任何直接應佔支出)計量。於首次確認後，投資物業乃採用公平值模式計量。投資物業公平值變動所產生之收益或虧損列入所產生期間之溢利或虧損。

投資物業於出售時或當投資物業不再可供使用或預期無法自其出售取得未來經濟利益時取消確認。因資產取消確認產生之任何收益或虧損(按出售所得款項淨額與資產賬面值之差額計算)乃於項目取消確認之年度內列入綜合收益表。

當可證明投資物業之用途已轉為自用時，投資物業則轉撥至物業、廠房及設備。根據經營租賃持有之物業權益於過往分類為投資物業，並列作融資租賃及根據公平值模式計算。本集團將繼續將租賃列作融資租賃，即使其後發生事件致使物業權益性質轉變而不再分類為投資物業。

物業、廠房及設備

除在建工程外，物業、廠房及設備乃按原值減其後之累計折舊及累計減值虧損列賬。

在建工程指發展作生產用途之樓宇，乃按成本減任何已識別減值虧損列賬。在建工程乃待建成及資產投入作指定用途後方會折舊。完成建設工程之成本乃撥入適當類別之物業、廠房及設備。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Leasehold buildings and leasehold improvements are depreciated on a straight-line basis over the remaining term of the leases or at rates sufficient to write off their cost over their estimated useful lives and after taking into account of their estimated residual value, on a straight-line basis, whichever is shorter.

Depreciation is provided to write off the cost of property, plant and equipment, other than leasehold buildings and leasehold improvements, over their estimated useful lives, on a reducing balance basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

When an item of property, plant and equipment is transferred to investment property carried at fair value, if the carrying amount is decreased as a result of a revaluation at the date of transfer, any resulting decrease in the carrying amount of the property is recognised in profit or loss. If the carrying amount is increased, to the extent that the increase reverses a previous impairment loss for that property, the increase is recognised in profit or loss. The amount recognised in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised. Any remaining part of the increase is credited directly to equity (property revaluation reserve). On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to accumulated profits. The transfer from revaluation surplus to accumulated profits is not made through profit or loss.

4. 主要會計政策(續)

物業、廠房及設備(續)

租賃樓宇及租賃物業裝修均以直線法按餘下租約年期折舊或按其估計可使用年期內(以較短者為準)並足以攤銷其成本之折舊率及計入其估計剩餘價值後按直線法計算。

除租賃樓宇及租賃物業裝修外，物業、廠房及設備乃根據其估計可使用年期以餘額遞減基準撥備，以撇銷其成本值。

凡根據融資租約持有之資產乃以自置資產之相同基準按其預計可使用年期或有關租約年期予以折舊，以較短者為準。

物業、廠房及設備於出售時或預期持續使用該資產不再帶來未來經濟利益時取消確認。因資產取消確認產生之任何收益或虧損(按出售所得款項淨額與資產賬面值之差額計算)乃於項目取消確認之年度內列入綜合收益表。

當物業、廠房及設備按公平值轉撥至投資物業時，倘賬面值於轉撥日期重估而減少，物業賬面值之減少則於損益表確認。倘賬面值增加，所增加之數目抵銷該物業先前之減值虧損後，於損益表確認。倘於損益表所確認之款額不超過將賬面值恢復至所釐定賬面值之款額(扣除折舊)，則毋須確認減值虧損。所增加款額之剩餘部份乃直接計入股本權益(物業重估儲備)。於日後出售投資物業時，於股本權益之重估盈餘可轉撥至累計溢利。從重估盈餘轉撥至累計溢利不會於損益表中反映。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land use rights

Land use rights represent interest in land held under operating lease arrangements and are amortised on a straight-line basis over the lease terms.

Intangible assets

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 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.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs to completion.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

4. 主要會計政策 (續)

土地使用權

土地使用權包括根據經營租賃安排持有之土地，並於租賃年內按直線法攤銷。

無形資產

研發開支

研究活動之開支於發生之期間內確認為費用。

發展開支所產生之內部產生無形資產僅在可界定清楚項目所發生之發展成本預計可透過將來商業活動而得回時方予以確認。所產生資產按成本值減累計攤銷及任何累計減值虧損列賬。發展開支之成本值乃於其三年之估計使用年期以直線法攤銷。

凡未有任何內部產生之無形資產可予以確認時，發展開支會於發生之期間內於損益賬扣除。

存貨

存貨乃按成本值與可變現淨值之較低者入賬。成本指直接原料、直接人工及營運成本(如適用)使存貨運送至現時之地點及達至現時之狀況。成本值乃按先進先出法計算。可變現淨值指估計售價減完成時之所有估計成本。

減值

於每個結算日，本集團均會對其資產之賬面值作出評估，以確認該等資產有否任何跡象顯示出現減值虧損。倘資產之可收回款項估計少於其賬面值，則該資產之賬面值將撇減至其可收回款項。減值虧損將隨即確認為開支。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued) Impairment (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including long-term bank deposit, trade and other receivables and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed the amortised cost that would have been had the impairment not been recognised.

4. 主要會計政策(續) 減值(續)

倘減值虧損其後出現撥回，則資產之賬面值將增加至經修訂估計之可收回款項，但增加後之賬面值不得超過倘於過往年度該資產並無確認減值虧損之賬面值。撥回之減值虧損隨即確認為收入。

金融工具

倘集團實體成為工具合約條文之訂約方，則於綜合資產負債表中確認金融資產及金融負債。金融資產及金融負債初次按公平值計量。因收購或發行金融資產及金融負債而直接產生之交易成本於初次確認時計入金融資產或金融負債(如適用)之公平值或自金融資產或金融負債(如適用)之公平值扣除。

金融資產

貸款及應收賬款

貸款及應收賬款為於活躍市場並無報價而附帶固定或可釐定付款之非衍生金融資產。於初次確認後之各結算日，貸款及應收賬款(包括長期銀行存款、貿易及其他應收賬款及銀行結存)採用實際利率法攤銷成本，並扣除任何已確定減值虧損列賬。倘有客觀證據顯示資產出現減值，則減值虧損會於損益賬確認，並按資產賬面值與於初次確認時按原實際利率貼現之估計未來現金流量現值之差額計量。倘資產可收回金額之增幅能客觀地涉及確認減值後所發生之事件，則減值虧損會於以後期間撥回，惟減值撥回當日之資產賬面值不得超過如無確認減值時之原來應攤銷成本。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets, are non-derivatives that are either designated or not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss, 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. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss for the period. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in profit or loss in subsequent periods.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities including trade and other payables, bank and other borrowings and obligations under finance leases are subsequently measured at amortised cost, using the effective interest method.

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)

金融工具 (續)

金融資產 (續)

可供出售之金融資產

可供出售之金融資產乃指定或並未分類為貸款及應收賬款、持有至到期日之投資或按公平值計入損益賬之金融資產之非衍生工具，倘投資乃根據合約買賣，而合約條款規定於有關市場規定之時限內交付投資，則有關投資按買賣日期基準確認及取消確認。於初次確認後之各結算日，可供出售之金融資產按公平值計量。公平值變動於股本權益內確認，直至金融資產出售或釐定為減值為止，則屆時以往於股本權益內確認之累計收益或虧損從股本權益剔除，並於期內之損益賬確認。可供出售之金融資產之任何減值虧損於損益賬確認。可供出售之股本權益投資之減值虧損將不會於其後期間撥回。

金融負債及股本權益

集團實體發行之金融負債及股本權益工具乃根據合約安排之性質與金融負債及股本權益工具之定義分類。

股本權益投資工具乃證明集團於扣減其所有負債後之資產剩餘權益之任何合約。就金融負債及股本權益工具所採納之會計政策乃載於下文。

金融負債

金融負債(包括貿易及其他應付賬款、銀行及其他借貸以及融資租約承擔)乃隨後採用實際利息法按已攤銷成本計量。

股本權益工具

本公司發行之股本權益工具乃按已收所得款項(扣除直接發行成本)入賬。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership and control of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the Group's consolidated balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

4. 主要會計政策(續)

金融工具(續)

取消確認

若從資產收取現金流之權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部份風險及回報及控制權轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收或應收代價將於損益表中確認。

就金融負債而言，乃於本集團之綜合資產負債表剔除(即倘於有關合約指定之責任獲解除、取消或屆滿)。已取消確認之金融負債賬面值與已付或應付代價之差額乃於損益賬確認。

租約

凡租約條款將擁有權之幾乎所有風險及回報轉移至本集團之租約，均被視為融資租約。

本集團作為承租人

根據融資租約持有之資產乃按於訂立租約日期之公平值或(如較低)按最低租金款項之現值確認為本集團資產。出租人之相對負債於綜合資產負債表列作融資租約承擔。租約款項乃於融資費用及減少租約承擔兩者間分配，以便就債務餘額扣除定額利息。融資費用於損益賬直接扣除。

根據經營租約應付之租金乃於有關租約年期內以直線法在損益賬確認。作為訂立經營租約優惠之已收及應收利益乃於租約年期內以直線法確認為租金開支減少。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

4. 主要會計政策 (續)

外幣

各集團實體之個別財務報表均以實體業務所在主要經濟環境之貨幣(其功能貨幣)呈列。

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易乃按其功能貨幣(即該實體業務所在主要經濟環境之貨幣)於交易日期當時之主要匯率入賬。於各結算日，以外幣列值之貨幣項目以結算日之主要匯率重新換算。按公平值列賬且按外幣列值之非貨幣項目乃按釐定公平值當日之主要匯率重新換算，而以外幣歷史成本計量之非貨幣項目不予重新換算。

因結算貨幣項目及換算貨幣項目所產生之匯兌差額於產生期間在損益賬確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按結算日之主要匯率換算為本公司之呈列貨幣(即港元)，而其收入及開支乃按年度平均匯率換算，除非年內匯率出現重大波動，則於該情況下，將採用交易日期之主要匯率。所產生之匯兌差額(如有)均確認為股本權益之獨立部份(換算儲備)。有關換算差額於該項海外業務出售期間在損益賬確認。

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 or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred taxation.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement 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 balance sheet date.

Deferred taxation is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred taxation liabilities are generally recognised for all taxable temporary differences and deferred taxation assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences 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.

4. 主要會計政策(續)

借貸成本

由收購、興建或生產附條件資產所直接產生之借貸成本已資本化，撥作該等資產之部份成本。當資產大致備妥作擬定用途或出售，則終止將該等借貸成本資本化。個別借貸在用於附條件資產開支前作暫時性投資所賺取之投資收入，於合資格作資本化之借貸成本中扣除。

所有其他借貸成本均於產生期間在損益賬確認。

稅項

所得稅開支乃指現時應付稅項及遞延稅項。

現時應付稅項乃按年內應課稅溢利計算。應課稅溢利與綜合收益表所呈報之溢利有所分別，此乃由於應課稅溢利並不包括在其他年度之應課稅或可予扣減之收入及支出項目，亦不包括在收益表內永遠毋須課稅及不可扣減之項目。本集團之本年度稅項負債以結算日已立法或實際立法訂立之稅率計算。

遞延稅項乃指在綜合財務報表內資產及負債之賬面值與用於計算應課稅溢利之相應稅基間之差額確認，並以資產負債表負債法入賬。遞延稅項負債一般乃就所有應課稅暫時差異而確認，而遞延稅項資產乃就所有應課稅暫時差異則限於預期應課稅溢利可用以抵銷可予扣減暫時差異而確認。倘暫時差異因商譽或因於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)中首次確認其他資產及負債而引致，則該等資產及負債不會被確認。

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

The carrying amount of deferred taxation assets is reviewed at each balance sheet date 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 taxation is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred taxation is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred taxation is also dealt with in equity.

Retirement benefit costs

The Group operates a defined contribution Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for all its employees in Hong Kong. Payment to the MPF Scheme is charged as expenses when employees have rendered service entitling them to the contributions.

In addition, the Group's contributions to a local municipal government retirement scheme in the People's Republic of China (the "PRC") are expensed when employees have rendered service entitling them to the contributions while the local municipal government in the PRC undertakes to assume the retirement benefit obligations of all existing and future retirees of the qualified staff in the PRC.

Share-based payments

Share options granted to employees of the Group Share options granted after 7 November 2002 and vested before 1 January 2005

The financial impact of share options granted is not recorded in the Group's consolidated balance sheet until such time as the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options in the year. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares and the excess of the exercise price per share over the nominal value of the share is recorded by the Company as share premium.

4. 主要會計政策 (續) 稅項 (續)

遞延稅項資產之賬面值於每個結算日均作出檢討，並預期在缺乏足夠應課稅溢利以收回全部或部份資產時撇減。

遞延稅項乃按預期於負債償還或資產變現期間之適用稅率計算。遞延稅項將在損益賬扣除或計入，惟倘遞延稅項與在股本權益直接扣除或計入之項目有關，則遞延稅項亦會於股本權益中處理。

退休福利成本

本集團根據香港強制性公積金計劃條例為其於香港之所有僱員設立界定供款之強制性公積金計劃(「強積金計劃」)。強積金計劃供款乃於僱員就提供服務而享有供款時計作開支。

本集團亦參加一項由中華人民共和國(「中國」)地方市政府設立的退休計劃，供款乃於僱員就提供服務而享有供款時列作開支。中國地方市政府承諾支付所有現在和將來合資格之中國退休僱員的退休福利支出。

以股份為基準之付款

授予本集團僱員之購股權

於二零零二年十一月七日已授出及於二零零五年一月一日前已歸屬之購股權當行使購股權時，授出購股權所引致之財務影響方會於本集團之綜合資產負債表記錄，而年內之購股權價值不會於綜合收益表確認。行使購股權後發行之股份按股份面值列作本公司之額外股本，而每股行使價高於股份面值之差額則計入本公司之股份溢價。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Share-based payments (Continued)****Share options granted to employees of the Group (Continued)***Share options granted after 7 November 2002 and vested after 1 January 2005 (Continued)*

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The effect of the change in estimate, if any, is recognised in profit or loss with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated profits.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies described in note 4, management makes various estimations based on past experiences, expectations of the future and other information. The key source of estimation uncertainty that may significantly affect the amounts recognised in the consolidated financial statements is disclosed below:

Investment properties

Note 4 describes that investment properties are measured using the fair value model. The fair values of the Group's investment properties are arrived at on the basis of a valuation performed by independent professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates. In relying on the valuation report, the management has exercised its judgment and is satisfied that the method of valuation is reflective of the current market conditions.

4. 主要會計政策(續)**以股份為基準之付款(續)****授予本集團僱員之購股權(續)**

於二零零二年十一月七日已授出及於二零零五年一月一日後歸屬之購股權(續)
就所獲服務之公平值乃參考購股權於授出日期之公平價值釐定，在權益歸屬期間以直線法列作開支，並於股本權益(購股權儲備)作相應之增加。

於各結算日，本集團修正其對預期最終歸屬之購股權數目之估計。修正對原本估計之影響(如有)乃在損益表確認，並對購股權儲備作出相應調整。

於購股權獲行使時，先前於股本權益確認之款項將撥入股份溢價。當購股權被沒收或於屆滿日仍未行使，則先前於購股權儲備確認之款項將撥入累計溢利。

5. 不確定估計之主要來源

本集團於使用附註4所述之會計政策時，管理層基於過往經驗、未來期望及其他資料作出各種估計。或會對綜合財務報表所確認款項構成重大影響之不確定估計之主要來源披露如下：

投資物業

按附註4所述，投資物業乃按公平值模式計算。本集團投資物業之公平值乃以獨立專業估值師所評估之公平值入賬。估值師於決定公平值時乃根據包含若干估計之估值方法進行。管理層依賴估值報告作出判斷，並認同該估值方法乃反映現行市場情況。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Trade receivables

Note 4 describes that trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. An impairment loss is recognised in profit and loss when there is objective evidence that the asset is impaired.

In making the judgment, management considered detailed procedures have been in place to monitor this risk as a significant proportion of the Group's investment for working capital is devoted to trade receivables. In determining whether there is objective evidence of impairment, the Group takes into consideration estimation of future cash flows.

Taxation

As described in note 10, a subsidiary of the Group is making application to appeal against the decision of the Board of Review. In case the subsidiary succeeds in the appeal, a material reversal of taxation payable may arise, which would be recognised in the consolidated income statement for the period in which such a reversal takes place.

6. FINANCIAL INSTRUMENTS

a. Financial risk management objectives and policies

The Group's major financial instruments include long-term bank deposit, trade and other receivables, bank balances and cash, trade and other payables, bank and other borrowings and obligations under finance leases. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The majority of the Group's sales and purchases, trade and other receivables/payables and bank and other borrowings are denominated in functional currency (HK dollars) and US dollars. As HK dollars and US dollars are pegged, the Group has minimum exposure to foreign exchange fluctuation.

5. 不確定估計之主要來源(續)

貿易應收賬款

按附註4所述，貿易應收賬款於初次確認時按公平值計量，及其後採用實際利率法按已攤銷成本計量。倘有客觀證據顯示資產出現減值，則於損益賬確認減值虧損。

由於本集團之大部份營運資金投資均投入存貨，因此管理層於作出判斷時，已考慮所制訂詳細程序以監察此項風險。於確定是否存在客觀減值憑證時，本集團考慮未來現金流量之估計。

稅項

按附註10所述，本集團一家附屬公司正對稅務上訴委員會之決定提出上訴。倘附屬公司取得勝訴，應付稅項可能產生重大逆轉，並於產生逆轉之期間於綜合收益表確認。

6. 金融工具

a. 財務風險管理目標及政策

本集團之主要金融工具包括長期銀行存款、貿易及其他應收賬款、銀行結存及現金、貿易及其他應付賬款、銀行及其他借貸以及融資租約承擔。該等金融工具之詳情於各附註披露。與該等金融工具有關之風險及如何減低該等風險之政策載列如下。管理層管理及監察該等風險，以確保於適當時間及有效方式落實適當措施。

貨幣風險

本集團大部份銷售及採購、貿易及其他應收賬款／應付賬款以及銀行及其他借貸均以功能貨幣(港元)及美元計值。由於港元與美元掛鈎，因此本集團面對之匯率波動風險極微。

6. FINANCIAL INSTRUMENTS (Continued)

a. Financial risk management objectives and policies (Continued)

Credit risk

The maximum exposure to credit risk which will cause a financial loss for the Group due to failure to discharge an obligation as at 31 March 2007 by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet. In order to minimise credit risk in relation to trade receivables, management of the Group monitors closely the recoverable amount of each individual debt. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk in relation to bank balances is limited because the majority of the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies.

Credit risk is concentrated to a small number of debtors. However, the management considers, based on the strong financial background and/or the good creditability of debtors, there are no significant credit risk.

Cash flow interest rate risk

The Group's cash flow interest rate risk primarily relates to bank balances and bank and other borrowings (see note 26). The management of the Group monitors the related interest rate risk exposure closely and will consider hedging significant interest rate risk exposure should the need arises.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from financial institutions to meet its liquidity requirements in the short and longer term.

6. 金融工具(續)

a. 財務風險管理目標及政策(續)

信貸風險

於二零零七年三月三十一日，本集團因對方未能履行責任造成本集團財務損失而面對之最高信貸風險，乃源自於綜合資產負債表所示相關已確認財務資產之賬面值。為盡量減低有關貿易應收賬款之信貸風險，本集團管理層密切監察各個別債務之可收回款額。就此而言，本公司董事認為本集團之信貸風險已顯著減少。

有關銀行結存之信貸風險只屬有限，原因為大部份交易對手方均為獲得國際信貸評級機構給予優良信貸評級之財務機構。

信貸風險集中於少數債務人。然而，管理層認為，根據債務人之穩固財務背景及／或良好信貸水平，目前並無重大信貸風險。

現金流量利率風險

本集團之現金流量利率風險主要涉及銀行結存以及銀行及其他借貸(見附註26)。本集團管理層密切監察相關之利率風險及將於有需要時考慮對沖重大利率風險。

流動資金風險

本集團之政策為定期監察目前及預期之流動資金需要，以確保維持充裕之現金儲備及來自財務機構之足夠承諾資金額度，以應付其長短期流動資金需要。

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6. FINANCIAL INSTRUMENTS (Continued)

b. Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

For management purposes, the Group is currently organised into two operating divisions – electronics manufacturing services business (“EMS business”) and property investment.

These divisions are the basis on which the Group reports its primary segment information.

The EMS business is engaged in design, manufacture and sale of electronic and electrical products while property investment is engaged in property rental and provision of management services.

6. 金融工具(續)

b. 公平值

金融資產及金融負債之公平值計算如下：

- 附帶標準條款及條件並於活躍市場流通之金融資產之公平值參考市場報價而釐定；及
- 其他金融資產及金融負債之公平值按公認之定價模式以可知的現行市場交易之價格進行之貼現現金流量分析而釐定。

董事認為，按攤銷成本記錄於綜合財務報表之金融資產及金融負債之賬面值與其相應之公平值相若。

7. 業務及地區分類

(a) 業務分類

就管理而言，本集團目前由兩項經營業務組成，分別為電子製造服務業務（「EMS業務」）及物業投資。

該等業務為本集團報告其主要分類資料之基準。

EMS業務從事設計、製造及銷售電子及電器產品之業務，而物業投資則從事物業租賃及提供管理服務。

Notes to the Consolidated Financial Statements 綜合賬目附註

For the year ended 31 March 2007
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7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

(a) Business segments (Continued)

Segment information about these businesses is presented below:

Year 2007

(i) Consolidated income statement

		EMS business EMS業務 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Eliminations 撇銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Turnover	營業額	3,643,161	11,765	-	3,654,926
Result	業績				
Segment result	分類業績	3,213	61,193		64,406
Interest income	利息收入				5,071
Other rental income	其他租金收入				1,299
Finance costs	融資成本				(37,190)
Share of results of associates	應佔聯營公司業績				574
Unallocated income	未分類之收入				1,543
Profit before taxation	除稅前溢利				35,703
Taxation	稅項				(22,621)
Profit for the year	本年度溢利				13,082

(ii) Consolidated balance sheet

7. 業務及地區分類 (續)

(a) 業務分類 (續)

該等業務之分類資料呈列如下：

二零零七年

(i) 綜合收益表

(ii) 綜合資產負債表

		EMS business EMS業務 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產			
Segment assets	分類資產	1,633,939	479,038	2,112,977
Interests in associates	於聯營公司之權益			1,641
Unallocated assets	未分類之資產			214,306
				2,328,924
Liabilities	負債			
Segment liabilities	分類負債	367,872	24,737	392,609
Unallocated liabilities	未分類之負債			855,436
				1,248,045

For the year ended 31 March 2007
截至二零零七年三月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

(a) Business segments (Continued)

Year 2007 (Continued)

(iii) Other information

		EMS business EMS業務 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital expenditure	資本支出	124,855	6,677	131,532
Depreciation and amortisation	折舊及攤銷	99,678	–	99,678
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	686	–	686
Increase in fair value of investment properties	投資物業公平值增加	–	57,519	57,519

Year 2006

(i) Consolidated income statement

二零零六年

(i) 綜合收益表

		EMS business EMS業務 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Eliminations 撇銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元 (Restated) (經重列)
Turnover	營業額	2,836,171	8,598	(1,424)	2,843,345
Result	業績				
Segment result	分類業績	3,609	36,699		40,308
Interest income	利息收入				4,729
Other rental income	其他租金收入				1,142
Finance costs	融資成本				(26,907)
Share of results of associates	應佔聯營公司業績				2,179
Unallocated income	未分類之收入				2,791
Profit before taxation	除稅前溢利				24,242
Taxation	稅項				(11,104)
Profit for the year	本年度溢利				13,138

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For the year ended 31 March 2007

截至二零零七年三月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

(a) Business segments (Continued)

Year 2006 (Continued)

(ii) Consolidated balance sheet

		EMS business EMS業務 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產			
Segment assets	分類資產	1,785,288	188,604	1,973,892
Interests in associates	於聯營公司之權益			20,107
Unallocated assets	未分類之資產			269,684
				<u>2,263,683</u>
Liabilities	負債			
Segment liabilities	分類負債	361,948	1,730	363,678
Unallocated liabilities	未分類之負債			826,041
				<u>1,189,719</u>

(iii) Other information

(iii) 其他資料

		EMS business EMS業務 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital expenditure	資本支出	147,849	34	147,883
Depreciation and amortisation	折舊及攤銷	103,568	–	103,568
Impairment loss of intangible assets	無形資產之減值虧損	7,359	–	7,359
Increase in fair value of investment properties	投資物業公平值增加	–	33,142	33,142

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

(b) Geographical segments

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods manufactured or services rendered:

		Turnover 營業額	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (經重列)
America	美洲	2,869,928	2,012,109
Europe	歐洲	461,226	529,586
Asia	亞洲	185,076	173,537
Others	其他	138,696	128,113
		3,654,926	2,843,345

All the Group's assets and capital expenditure incurred during the year are located in the Greater China, which is considered as one geographical location in an economic environment with similar risks and return. Consequently, no geographical segment asset analysis is presented.

7. 業務及地區分類(續)

(b) 地區分類

下表乃按市場之地區對本集團之銷售額作出分析，與產品之生產或服務提供之地域無關：

		Turnover 營業額	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (經重列)
America	美洲	2,869,928	2,012,109
Europe	歐洲	461,226	529,586
Asia	亞洲	185,076	173,537
Others	其他	138,696	128,113
		3,654,926	2,843,345

本集團年內所產生之所有資產及資本開支均發生於中華人民共和國，乃列作其風險及回報之經濟環境相似之同一個地區。所以並無呈列任何地區分類資產之分析。

8. FINANCE COSTS

Interest on bank and other borrowings wholly repayable within five years	須於五年內悉數償還之銀行及其他借貸之利息	(37,961)	(28,248)
Finance leases charges	融資租約之費用	(178)	(24)
		(38,139)	(28,272)
Less: Interest capitalised in construction in progress	減：在建工程之資本化利息	949	1,365
		(37,190)	(26,907)

8. 融資成本

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest on bank and other borrowings wholly repayable within five years	須於五年內悉數償還之銀行及其他借貸之利息	(37,961)	(28,248)
Finance leases charges	融資租約之費用	(178)	(24)
		(38,139)	(28,272)
Less: Interest capitalised in construction in progress	減：在建工程之資本化利息	949	1,365
		(37,190)	(26,907)

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9. PROFIT BEFORE TAXATION

9. 除稅前溢利

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利已扣除(計入)下列各項：		
Directors' emoluments (<i>note 11</i>)	董事酬金(附註11)	6,965	7,339
Contributions to retirement benefit schemes of other staff	其他員工之退休福利計劃供款	5,875	5,142
Other staff costs	其他員工成本	425,702	394,858
Total staff costs	員工成本總額	438,542	407,339
Less: Staff costs capitalised in development expenditure	減：員工成本資本化為發展開支	(18,916)	(16,234)
Staff costs capitalised in construction in progress	員工成本資本化為在建工程	(1,000)	(1,578)
		418,626	389,527
Amortisation of intangible assets, included in cost of sales	無形資產之攤銷，列作銷售成本	18,678	19,639
Amortisation of land use rights	土地使用權之攤銷	1,452	1,467
Depreciation of property, plant and equipment:	物業、廠房及設備之折舊：		
– Owned assets	– 自置資產	78,783	81,169
– Assets held under finance leases	– 根據融資租約持有之資產	765	1,293
		79,548	82,462

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9. PROFIT BEFORE TAXATION (Continued)

9. 除稅前溢利(續)

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Auditors' remuneration	核數師酬金	1,350	1,002
Cost of inventories recognised as expense	確認為開支之存貨成本	3,483,233	2,686,729
Exchange loss, net	匯兌虧損，淨額	6,941	5,487
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損(收益)	686	(57)
Gain on disposal of land use rights	出售土地使用權之收益	-	(2,044)
Gain on disposal of subsidiaries	出售附屬公司之收益	-	(1,118)
Gain on disposal of an associate	出售聯營公司之收益	(960)	-
(Gain) loss on disposal of available-for-sale financial assets	出售可供出售金融資產之(收益)虧損	(2,741)	166
Operating lease rentals in respect of building premises	樓宇之經營租約租金	4,414	4,203
Rental and management services income net of direct expenses amounting to HK\$8,091,000 (2006: HK\$3,617,000)	租金及管理服務收入，扣除直接費用8,091,000港元(二零零六年：3,617,000港元)	(3,674)	(3,557)
Interest income on:	利息收入：		
- bank balances and deposits	- 銀行結存及存款	(3,878)	(3,779)
- long-term bank deposit (imputed interest income)	- 長期銀行存款(隱含利息收入)	(1,193)	(950)
		(5,071)	(4,729)
Share of taxation of associates (included in share of results of associates)	應佔聯營公司稅項(列作應佔聯營公司業績)	213	476

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10. TAXATION

10. 稅項

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
The charge comprises:	稅項支出包括：		
Current taxation	本年度稅項		
Hong Kong	香港		
– Provided for the year	– 年度撥備	–	–
– (Under)overprovision in prior years	– 過往年度(撥備不足) 超額撥備	(932)	394
		(932)	394
Deferred taxation charge (note 28)	遞延稅項支出(附註28)	(21,689)	(11,498)
Taxation charge for the year	年度稅項支出	(22,621)	(11,104)

(a) Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the year.

(b) Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

(c) The Group appealed to the Board of Review against determination made by the Inland Revenue Department (the “IRD”) that some profits of certain subsidiaries (“Subsidiaries”) for the years of assessment 1991/92 to 1995/96 should be Hong Kong sourced and subject to 50% of Hong Kong Profits Tax (the “Tax Appeal”). The Board of Review delivered its decision (the “Board’s Decision”) on the Tax Appeal during the year whereby, it dismissed the appeal of one of the subsidiaries but allowed the appeals of all other subsidiaries. The Group’s legal counsel has made application to the High Court to appeal against the Board’s Decision.

(a) 香港利得稅乃根據本年度估計應課稅溢利按稅率17.5%(二零零六年：17.5%)計算。

(b) 其他司法權區之稅項乃根據各司法權區之現行稅率計算。

(c) 本集團對香港稅務局(「稅務局」)認為若干附屬公司(「該等附屬公司」)於一九九一年／九二年至一九九五年／九六年課稅年度所產生之若干溢利來自香港，並須繳納50%香港利得稅之決定向稅務上訴委員會提出上訴(「稅務上訴」)。稅務上訴委員會於年內已就稅務上訴作出決定(「委員會決定」)，其已駁回其中一家附屬公司之稅務上訴，但維持其他附屬公司之上訴。本集團之法律顧問已就委員會決定向高等法院提出上訴。

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10. TAXATION (Continued)

(c) (Continued)

For the years of assessment of 1996/97 to 2004/05, the IRD has also issued notices of assessment to the Group regarding the taxability of profits of these Subsidiaries. The Group has lodged objections against those assessments (the "Objections").

Currently, an aggregate amount of HK\$47,494,000 (2006: HK\$47,162,000) has been paid to the IRD in relation to the Tax Appeal and the Objections and that amount has already been included in the taxation recoverable. Subsequent to the balance sheet date, the Group received a writ of summons issued by the Commissioner of Inland Revenue to a subsidiary claiming for the sum of about HK\$33,222,000 being the tax due and payable for the years of assessment 2000/01 to 2003/04 and that amount had been considered when reviewing the tax provision required.

Pending the outcome of the Tax Appeal and the Objections, the Group has made provision for the potential tax liabilities in its consolidated balance sheet as at 31 March 2007 basically in line with the IRD's determination pertaining to the Tax Appeal. Based on the legal counsel's advice, the directors of the Company considered that there was no material underprovision of tax liabilities as at 31 March 2007.

10. 稅項 (續)

(c) (續)

就一九九六年／九七年至二零零四年／零五年課稅年度，稅務局亦就該等附屬公司應否繳付稅款向本集團發出評稅通知。本集團已就該等評稅提出反對（「反對」）。

目前，本集團已就稅務上訴及反對向稅務局支付合共47,494,000港元（二零零六年：47,162,000港元），而有關款額已計入可收回稅項內。於結算日後，本集團接獲稅務局局長向一家附屬公司發出傳訴令狀，追討二零零零／零一年至二零零三／零四年課稅年度之到期及應付稅項約33,222,000港元。有關款項已於審閱所需稅項撥備時作出考慮。

於等待稅務上訴及反對結果期間，本集團已就潛在稅項負債作出撥備，而本集團於二零零七年三月三十一日之綜合資產負債表所呈列之稅項撥備乃基本上根據稅務局就稅務上訴作出之決定計算。根據法律顧問之意見，本公司董事認為，於二零零七年三月三十一日並無任何重大撥備不足之稅項負債。

For the year ended 31 March 2007
截至二零零七年三月三十一日止年度

10. TAXATION (Continued)

The taxation charge for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

10. 稅項(續)

本年度之支出與於綜合收益表之除稅前溢利之對賬如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit before taxation	除稅前溢利	35,703	24,242
Tax charge at domestic income tax rate of 17.5% (2006: 17.5%)	按本地所得稅稅率17.5% (二零零六年：17.5%) 計算之稅項支出	(6,248)	(4,242)
Tax effect of share of results of associates	分佔聯營公司業績之稅務影響	100	381
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	(10,607)	(6,312)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	10,064	9,345
(Under)overprovision in prior years	前年度(撥備不足)超額撥備	(932)	394
Recognition of tax losses previously not recognised	確認以前年度未確認之稅項虧損	-	2,385
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	(3,329)	(7,691)
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	320	1,727
Income tax at concessionary rate	按優惠稅率計算之所得稅	(4,391)	(2,665)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之 附屬公司因不同稅率產生 之稅務影響	(9,230)	(4,535)
Others	其他	1,632	109
Taxation charge for the year	年內稅項支出	(22,621)	(11,104)

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11. DIRECTORS' EMOLUMENTS

Details of the emoluments paid or payable to the directors of the Company were as follows:

Year ended 31 March 2007

		Dr. Lam Man Chan	Ms. Ting Lai Ling	Ms. Ting Lai Wah	Mr. Lam Shing Ngai	Mr. Hui King Chun	Mr. Yeung Cheuk Kwong	Mr. Ng Chi Yeung, Simon	Mr. Tam Yuk Sang, Sammy	Mr. Ho Lok Cheong	Mr. Lam Ping Cheung, Andrew	Total 2007 總額
		林文燦博士	丁麗玲女士	丁麗華女士	林承毅先生	許經振先生	楊卓光先生	吳志揚先生	譚旭生先生	何樂昌先生	林炳昌先生	二零零七年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fees	袍金	780	-	-	60	-	400	180	180	120	-	1,720
Other emoluments	其他酬金											
Basic salaries and allowance	基本薪金及津貼	1,300	1,300	960	87	336	1,200	-	-	-	-	5,183
Contributions to retirement benefit schemes	退休福利計劃供款	12	12	12	2	12	12	-	-	-	-	62
Total emoluments	酬金總額	2,092	1,312	972	149	348	1,612	180	180	120	-	6,965

11. 董事酬金

已付或應付本公司董事之酬金詳情如下：

截至二零零七年三月三十一日止年度

Year ended 31 March 2006

		Dr. Lam Man Chan	Ms. Ting Lai Ling	Ms. Ting Lai Wah	Mr. Hui King Chun	Mr. Yeung Cheuk Kwong	Mr. Ng Chi Yeung, Simon	Mr. Tam Yuk Sang, Sammy	Mr. Ho Lok Cheong	Mr. Lam Ping Cheung, Andrew	Dr. Hari Naroomal Hari Naroomal	Total 2006 總額
		林文燦博士	丁麗玲女士	丁麗華女士	許經振先生	楊卓光先生	吳志揚先生	譚旭生先生	何樂昌先生	林炳昌先生	Harilela博士	二零零六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fees	袍金	780	-	-	-	390	80	80	87	80	80	1,577
Other emoluments	其他酬金											
Basic salaries and allowance	基本薪金及津貼	1,300	1,300	960	972	1,170	-	-	-	-	-	5,702
Contributions to retirement benefit schemes	退休福利計劃供款	12	12	12	12	12	-	-	-	-	-	60
Total emoluments	酬金總額	2,092	1,312	972	984	1,572	80	80	87	80	80	7,339

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12. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2006: four) were directors of the Company whose emoluments are included in the disclosures in note 11 above. The emoluments of the remaining two (2006: one) individuals were as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Basic salaries and allowance	基本薪金及津貼	2,289	1,232

		2007 二零零七年 Number of employees 僱員數目	2006 二零零六年 Number of employees 僱員數目
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	1

13. DIVIDENDS

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Dividends recognised as distribution during the year:	年內已確認為分派之股息：		
Interim dividend paid: HK1.0 cent (2006: HK1.5 cents) per share	已派中期股息每股1.0港仙 (二零零六年：1.5港仙)	7,930	11,895
Final dividend paid for 2005: HK1.0 cents per share	已派二零零五年末期股息：每股1.0港仙	—	7,930
		7,930	19,825

No final dividend for the year ended 31 March 2007 has been proposed by the directors of the Company.

12. 僱員酬金

在本集團五位最高薪酬人士之中，三名(二零零六年：四名)為本公司董事，彼等之酬金列入上文附註11之披露資料。餘下兩名人士(二零零六年：一名)之酬金如下：

13. 股息

本公司董事不建議派付截至二零零七年三月三十一日止年度之末期股息。

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截至二零零七年三月三十一日止年度

14. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following data:

14. 每股盈利

每股基本盈利乃按下列數據計算：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit for the year attributable to equity holders of the Company and earnings for the purposes of basic earnings per share	本公司權益持有人應佔年內溢利及計算每股基本盈利之盈利	13,082	13,138
		Number of ordinary shares 普通股數目	
		2007 二零零七年	2006 二零零六年
Number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利之普通股數目	793,016,684	793,016,684

No diluted earnings per share has been presented as the exercise price of the Company's options was higher than the average market price of the Company's shares for 2007 and 2006.

由於本公司購股權之行使價較本公司股份於二零零七年及二零零六年之平均市價為高，因此並無呈列每股攤薄盈利。

15. INVESTMENT PROPERTIES

15. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 April 2005	於二零零五年四月一日	60,288
Additions	添置	34
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	92,894
Increase in fair value of investment properties	投資物業之公平值增加	33,142
At 31 March 2006	於二零零六年三月三十一日	186,358
Additions	添置	6,677
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	198,746
Transfer to property, plant and equipment	轉撥至物業、廠房及設備	(5,300)
Transfer from land use rights	轉撥自土地使用權	23,000
Increase in fair value of investment properties	投資物業之公平值增加	57,519
At 31 March 2007	於二零零七年三月三十一日	467,000

For the year ended 31 March 2007
截至二零零七年三月三十一日止年度

15. INVESTMENT PROPERTIES (Continued)

15. 投資物業(續)

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Situated in Hong Kong	位於香港	–	5,300
Situated outside Hong Kong	位於香港以外地區	467,000	181,058
		467,000	186,358

The fair values of the Group's investment properties at 31 March 2007 have been arrived at on the basis of a valuation carried out on that date by B.I. Appraisals Limited, a firm of independent qualified professional valuers not connected with the Group. B.I. Appraisals Limited has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards on Properties, was arrived at by adopting investment approach and taking into account the current rent passing and the reversionary income potential of the tenancy.

The investment properties situated in Hong Kong were held under medium-term leases and leased out under operating leases. The investment properties situated outside Hong Kong represent interests in industrial plants in the PRC, which are under medium-term leases.

本集團之投資物業於二零零七年三月三十一日之公平值已由一家與本集團並無關連之獨立合資格專業估值師行保柏國際評估有限公司之估值計算。保柏國際評估有限公司擁有合適資格及近期對有關地區之類似物業估值之經驗。有關估值(符合國際物業估值準則)乃採納投資模式及考慮目前之租金水平及租約之歸原收入潛力後計算。

本集團位於香港之投資物業乃以中期租約持有，並以經營租約方式出租。位於香港以外地區之投資物業指位於中國之工業廠房之權益，該土地乃以中期租賃形式租用。

For the year ended 31 March 2007
截至二零零七年三月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Medium-term leasehold buildings in Hong Kong	Medium-term leasehold buildings outside Hong Kong	Construction in progress	Motor vehicles	Plant and machinery	Leasehold improvements, office equipment, furniture, and fixtures 租賃物業 裝修、辦公室 設備、傢俬 及裝置	Moulds	Total
		位於香港之 中期租賃樓宇 HK\$'000 千港元	位於香港 以外地區之 中期租賃樓宇 HK\$'000 千港元	在建工程 HK\$'000 千港元	汽車 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	租賃物業 裝修、辦公室 設備、傢俬 及裝置 HK\$'000 千港元	模具 HK\$'000 千港元	總計 HK\$'000 千港元
COST	成本值								
At 1 April 2005	於二零零五年四月一日	14,783	445,525	66,365	39,468	604,904	187,222	260,173	1,618,440
Additions	添置	-	1,027	28,537	2,322	40,062	20,440	32,561	124,949
Transfer to investment properties	轉撥至投資物業	-	(94,136)	-	-	-	-	-	(94,136)
Increase in fair value upon transfer to investment properties	轉撥至投資物業之 公平值增加	-	17,837	-	-	-	-	-	17,837
Transfers	轉撥	5,350	55,567	(61,656)	-	3,672	(2,933)	-	-
Disposals	出售	(3,835)	-	-	(247)	(2,317)	(1,144)	(4,370)	(11,913)
At 31 March 2006	於二零零六年 三月三十一日	16,298	425,820	33,246	41,543	646,321	203,585	288,364	1,655,177
Additions	添置	-	5,077	19,361	2,864	28,020	20,066	24,714	100,102
Transfer from investment properties	轉撥自投資物業	5,300	-	-	-	-	-	-	5,300
Transfer to investment properties	轉撥至投資物業	-	(195,190)	-	-	(1,025)	(80,285)	-	(276,500)
Increase in fair value upon transfer to investment properties	轉撥至投資物業之 公平值增加	-	2,594	-	-	-	-	-	2,594
Transfers	轉撥	-	43,175	(43,441)	-	-	266	-	-
Disposals	出售	-	-	-	(2,678)	(15,921)	(27)	(15)	(18,641)
At 31 March 2007	於二零零七年 三月三十一日	21,598	281,476	9,166	41,729	657,395	143,605	313,063	1,468,032

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16. PROPERTY, PLANT AND EQUIPMENT (Continued)

16. 物業、廠房及設備(續)

		Medium-term leasehold buildings in Hong Kong	Medium-term leasehold buildings outside Hong Kong	Construction in progress	Motor vehicles	Plant and machinery	Leasehold improvements, office equipment, furniture, and fixtures 租賃物業 裝修、辦公室 設備、傢俬 及裝置	Moulds	Total
		位於香港之 中期租賃樓宇 HK\$'000 千港元	位於香港 以外地區之 中期租賃樓宇 HK\$'000 千港元	在建工程 HK\$'000 千港元	汽車 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	租賃物業 裝修、辦公室 設備、傢俬 及裝置 HK\$'000 千港元	模具 HK\$'000 千港元	總計 HK\$'000 千港元
DEPRECIATION	折舊								
At 1 April 2005	於二零零五年四月一日	3,724	36,813	-	20,094	192,368	90,922	175,607	519,528
Provided for the year	年度撥備	4,214	7,931	-	4,039	39,626	10,739	15,913	82,462
Transfer to investment properties	轉撥至投資物業	-	(1,242)	-	-	-	-	-	(1,242)
Eliminated on disposals	出售對銷	(871)	-	-	(247)	(488)	(943)	(3,509)	(6,058)
At 31 March 2006	於二零零六年 三月三十一日	7,067	43,502	-	23,886	231,506	100,718	188,011	594,690
Provided for the year	年度撥備	402	7,575	-	3,777	37,923	13,497	16,374	79,548
Transfer to investment properties	轉撥至投資物業	-	(29,870)	-	-	(237)	(47,647)	-	(77,754)
Eliminated on disposals	出售對銷	-	-	-	(2,439)	(12,659)	(4)	(3)	(15,105)
At 31 March 2007	於二零零七年 三月三十一日	7,469	21,207	-	25,224	256,533	66,564	204,382	581,379
CARRYING VALUES	賬面值								
At 31 March 2007	於二零零七年 三月三十一日	14,129	260,269	9,166	16,505	400,862	77,041	108,681	886,653
At 31 March 2006	於二零零六年 三月三十一日	9,231	382,318	33,246	17,657	414,815	102,867	100,353	1,060,487

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16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment other than leasehold buildings, leasehold improvements and construction in progress are depreciated on a reducing balance basis at the following rates per annum:

Motor vehicles	20%
Plant and machinery	5% – 20%
Office equipment	10% – 20%
Furniture and fixtures	10% – 20%
Moulds	15% – 25%

Leasehold buildings and leasehold improvements are depreciated on a straight-line basis over the term of the leases.

Included in the carrying values of property, plant and equipment of the Group at 31 March 2007 is an amount of HK\$8,252,000 (2006: HK\$117,000) in respect of plant and machinery held under finance leases.

Included in construction in progress is net interest capitalised of approximately HK\$949,000 (2006: HK\$3,790,000).

The fair values of the properties transferred to investment properties at the date of transfer have been arrived at on the basis of a valuation carried out on that date by B.I. Appraisals Limited, a firm of independent qualified professional valuers not connected with the Group. B.I. Appraisals Limited has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards on Properties was arrived at by adopting investment approach and taking into account the current rent passing and the reversionary income potential of the tenancy.

16. 物業、廠房及設備(續)

上述物業、廠房及設備項目(租賃樓宇、租賃物業裝修及在建工程除外)乃按餘額遞減基準按下列年利率折舊：

汽車	20%
廠房及機器	5% – 20%
辦公室設備	10% – 20%
傢俬及裝置	10% – 20%
模具	15% – 25%

租賃樓宇及租賃物業裝修乃按租賃年期以直線法折舊。

於二零零七年三月三十一日，本集團之物業、廠房及設備之賬面值包括以融資租約持有價值8,252,000港元(二零零六年：117,000港元)之廠房及機器。

在建工程包括資本化之利息淨額約949,000港元(二零零六年：3,790,000港元)。

於轉撥日期轉撥至投資物業之物業公平值已由一家與本集團並無關連之獨立合資格專業估值師行保柏國際評估有限公司於該日所進行估值計算。保柏國際評估有限公司擁有合適資格及近期對有關地區之類似物業估值之經驗。有關估值(符合國際物業估值準則)乃考慮目前之租金水平及租約之歸原收入潛力後計算。

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17. LAND USE RIGHTS

The land use rights of the Group are held under medium-term leases in the PRC and amortised over the lease term of 50 years.

17. 土地使用權

本集團於中國之土地使用權以中期租約持有及按租約年期50年攤銷。

		HK\$'000 千港元
COST	成本值	
At 1 April 2005	於二零零五年四月一日	–
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	74,557
Disposal	出售	(2,055)
At 31 March 2006	於二零零六年三月三十一日	72,502
Additions	添置	22,051
Increase in fair value upon transfer to investment properties	轉撥至投資物業之公平值增加	5,664
Transfer to investment properties	轉撥至投資物業	(24,333)
At 31 March 2007	於二零零七年三月三十一日	75,884
AMORTISATION	攤銷	
At 1 April 2005	於二零零五年四月一日	–
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	4,361
Charge for the year	本年度支出	1,467
Eliminated on disposal	出售對銷	(99)
At 31 March 2006	於二零零六年三月三十一日	5,729
Charge for the year	本年度支出	1,452
Transfer to investment properties	轉撥至投資物業	(1,333)
At 31 March 2007	於二零零七年三月三十一日	5,848
CARRYING VALUES	賬面值	
At 31 March 2007	於二零零七年三月三十一日	70,036
At 31 March 2006	於二零零六年三月三十一日	66,773
		2007 二零零七年 HK\$'000 千港元
		2006 二零零六年 HK\$'000 千港元
Analysed for reporting purposes as:	就報告目的分析：	
Non-current assets	非流動資產	68,458
Current assets	流動資產	1,578
		70,036
		66,773

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截至二零零七年三月三十一日止年度

18. INTERESTS IN ASSOCIATES

18. 於聯營公司之權益

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Unlisted investment, at cost	非上市投資，按成本值	2,340	13,380
Share of post acquisition (losses) profits, net of dividends received	應佔收購後(虧損)溢利，扣除已收股息	(699)	6,727
		1,641	20,107

Details of the Group's associate at 31 March 2007 are as follows:

於二零零七年三月三十一日，本集團聯營公司之詳情如下：

Name of associate	Place of incorporation	Place of operation	Nominal value of issued ordinary share capital	Percentage of nominal value of issued share capital held by the Group	Principal activity
聯營公司名稱	註冊成立地點	營業地點	已發行普通股股本面值	已發行股本面值之百分比	主要業務
Sun Bright Investments Limited 陽明投資有限公司	Samoa 薩摩亞	PRC 中國	US\$1,000,000 1,000,000美元	30%	Trading and manufacturing of paints (operation ceased since January 2007) 買賣及製造油漆 (由二零零七年一月起停止經營)

The summarised financial information in respect of the Group's associates is set out below:

本集團聯營公司之概要財務資料載列如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Total assets	資產總值	5,481	98,947
Total liabilities	負債總額	(12)	(55,956)
Net assets	資產淨值	5,469	42,991
Group's share of net assets of associates	本集團應佔聯營公司資產淨值	1,641	20,107
Turnover	營業額	12,019	26,192
(Loss) profit for the year	年度(虧損)溢利	(1,440)	4,337
Group's share of results of associates for the year	本集團應佔聯營公司年度業績	(432)	2,179

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截至二零零七年三月三十一日止年度

19. INTANGIBLE ASSETS

19. 無形資產

		Development expenditure 發展開支 HK\$'000 千港元
<hr/>		
COST	成本值	
At 1 April 2005	於二零零五年四月一日	67,398
Additions	增加	<u>22,900</u>
At 31 March 2006	於二零零六年三月三十一日	90,298
Additions	增加	<u>24,753</u>
At 31 March 2007	於二零零七年三月三十一日	<u>115,051</u>
AMORTISATION AND IMPAIRMENT	攤銷及減值	
At 1 April 2005	於二零零五年四月一日	35,633
Charge for the year Impairment	年度支出 減值	19,639 <u>7,359</u>
At 31 March 2006	於二零零六年三月三十一日	62,631
Charge for the year	年度支出	<u>18,678</u>
At 31 March 2007	於二零零七年三月三十一日	<u>81,309</u>
CARRYING VALUES	賬面值	
At 31 March 2007	於二零零七年三月三十一日	<u>33,742</u>
At 31 March 2006	於二零零六年三月三十一日	<u>27,667</u>

For the year ended 31 March 2006, the Group performed an impairment review on its development expenditure based on its budget and estimation of future cash flows and identified impairment loss of HK\$7,359,000. The impairment loss recognised was a result of the discontinuation of certain product lines of the Group.

截至二零零六年三月三十一日止年度，本集團根據其預算及未來現金流量估計及已確定減值虧損7,359,000港元，對其發展開支進行減值評估。確認之減值虧損乃因終止本集團若干產品線所致。

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截至二零零七年三月三十一日止年度

20. LONG-TERM BANK DEPOSIT

For the year ended 31 March 2006, the balance represented US dollars denominated high-yield deposit placed with a financial institution for a tenor up to year 2007. The fair value of the Group's long-term bank deposit as at 31 March 2006 was estimated at HK\$22,207,000 which was determined based on present value of the estimated cash flows discounted using the effective interest rates at 4.4%.

During the year ended 31 March 2007, the long-term bank deposit has been early redeemed.

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Equity securities listed in Hong Kong,
at fair value

於香港上市之股本證券，
按公平值

During the year ended 31 March 2007, the available-for-sale financial assets have been disposed of. Details of the disposal were set out in the Company's circular dated 27 October 2006.

22. INVENTORIES

Raw materials
Work in progress
Finished goods

原料
在製品
製成品

20. 長期銀行存款

截至二零零六年三月三十一日止年度，結餘指存放於財務機構之美元定值高息存款，票據期限至二零零七年。本集團之長期銀行存款於二零零六年三月三十一日之公平值估計為22,207,000港元，乃根據實際利率4.4%貼現之估計現金流量現值計算。

截至二零零七年三月三十一日止年度，長期銀行存款經已提早贖回。

21. 可供出售之金融資產

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
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-	16,922
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截至二零零七年三月三十一日止年度期間已出售可供出售之金融資產。有關出售之詳情已載於本公司於二零零六年十月二十七日刊發之通函。

22. 存貨

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
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290,590	271,803
64,984	45,897
87,068	127,767
442,642	445,467

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23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

23. 貿易及其他應收賬款及預付款項

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Trade receivables	貿易應收賬款	163,847	109,361
Bills receivables	應收票據	6,655	35,365
		170,502	144,726
Other receivables and prepayments	其他應收賬款及預付款項	27,615	21,710
		198,117	166,436

Customers are generally granted credit terms of letter of credit at sight or open accounts from 7 days to 30 days. Longer credit periods are granted to several customers which have long business relationship with the Group and strong financial position.

客戶一般以放賬或往來賬戶形式進行交易，賬齡為即期信用狀或放賬7日至30日。數位已與本集團建立長期業務關係並且財政狀況穩健之客戶獲本集團給予較長之放賬寬限期。

The following is an aged analysis of trade and bills receivables at the balance sheet date:

於結算日，貿易應收賬款及應收票據按賬齡分析如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current – 30 days	現時 – 30日	154,228	142,367
31 – 60 days	31 – 60日	14,005	1,888
61 – 90 days	61 – 90日	206	404
Over 90 days	90日以上	2,063	67
		170,502	144,726

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23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Trade and bills receivables that are denominated in currencies other than functional currency of the relevant group entities are set out below:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
United State Dollars	美元	167,820	142,715
Chinese Renminbi	人民幣	1,948	31
		169,768	142,746

24. BANK BALANCES AND CASH

Bank balances and cash comprise short-term bank deposits with maturity of three months or less and cash held by the Group. The short-term bank deposits carry interest at market rates which range from 2.2% to 6.8% per annum.

25. TRADE AND OTHER PAYABLES

23. 貿易及其他應收賬款及預付款項(續)

以有關集團實體之功能貨幣以外貨幣計值之貿易應收賬款及應收票據載列如下：

24. 銀行結存及現金

銀行結存及現金包括原先到期日為三個月或以下之短期銀行存款及本集團持有之現金。短期銀行存款按市場年利率2.2%至6.8%計息。

25. 貿易及其他應付賬款

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Trade payables	貿易應付賬款	194,981	225,174
Bills payables	應付票據	12,126	5,927
		207,107	231,101
Other payables	其他應付賬款	178,789	132,546
		385,896	363,647

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25. TRADE AND OTHER PAYABLES (Continued)

The following is an aged analysis of trade and bills payables at the balance sheet date:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current – 30 days	現時 – 30日	166,874	214,155
31 – 60 days	31 – 60日	21,962	10,946
61 – 90 days	61 – 90日	2,176	1,773
Over 90 days	90日以上	16,095	4,227
		207,107	231,101

Trade and bills payables that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
United State Dollars	美元	70,237	71,412
Chinese Renminbi	人民幣	18,597	19,592
Euro	歐元	370	–
Japanese Yen	日圓	–	881
		89,204	91,885

25. 貿易及其他應付賬款(續)

於結算日，貿易應付賬款及應付票據按賬齡分析如下：

以有關集團實體之功能貨幣以外貨幣計值之貿易應付賬款及應付票據載列如下：

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26. BANK AND OTHER BORROWINGS

26. 銀行及其他借貸

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Carrying amount repayable:	應償還賬面值：		
Within one year	一年內	426,371	384,076
More than one year, but not exceeding two years	一年後但兩年內	145,146	160,737
More than two years, but not exceeding three years	兩年後但三年內	105,417	131,296
More than three years, but not exceeding four years	三年後但四年內	30,583	23,333
More than four years, but not exceeding five years	四年後但五年內	-	2,500
		707,517	701,942
Less: Amounts due within one year and shown under current liabilities	減：於一年內償還之款項， 並列作流動負債	(426,371)	(384,076)
Amounts due after one year	於一年後償還之款項	281,146	317,866
Secured	有抵押	187,728	-
Unsecured	無抵押	519,789	701,942
		707,517	701,942

The bank and other borrowings carry interest ranging from Hong Kong Inter-bank Offered Rate plus 0.6% to 1.0% (2006: 0.55% to 1.0%) per annum and fixed interest rates ranging from 5.7% to 6.9% per annum. Certain assets of the Group have been pledged to secure certain bank and other borrowings of the Group (see note 34).

銀行及其他借貸按香港銀行同業拆息加年利率0.6%至1.0%(二零零六年：0.55%至1.0%)及固定年利率5.7%至6.9%計算利息。本集團若干資產已抵押作為本集團若干銀行及其他借貸之擔保(見附註34)。

The Group's borrowings that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

以有關集團實體之功能貨幣以外貨幣計值之本集團借貸載列如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
United State Dollars	美元	207,173	129,365
Chinese Renminbi	人民幣	169,000	-
Japanese Yen	日圓	1,722	881
		377,895	130,246

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27. OBLIGATIONS UNDER FINANCE LEASES

27. 融資租約承擔

		Minimum lease payments 應付最低租金		Present value of minimum lease payments 應付最低租金現值	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
The maturity of the obligations under finance leases is as follows:	融資租約承擔之屆滿期限如下：				
Within one year	一年內	2,877	31	2,583	31
More than one year, but not exceeding two years	一年後但兩年內	2,877	–	2,639	–
More than two years, but not exceeding five years	兩年後但五年內	1,630	–	1,491	–
		7,384	31	6,713	31
Less: Future finance charges	減：未來融資費用	(671)	–	–	–
Present value of lease obligations	租約承擔之現值	6,713	31	6,713	31
Less: Amounts due within one year shown under current liabilities	減：須於一年內償還之款項，並列作流動負債			(2,583)	(31)
Amounts due after one year	須於一年後償還之款項			4,130	–

The average lease term is 4 years. Interest rates underlying all obligations under finance leases are fixed at respective contract dates at Hong Kong Inter-bank Offered Rate plus 0.8% to 1% per annum.

平均租賃年期為四年。所有融資租約承擔相關之利率均於各訂約日期釐定，為香港銀行同業拆息加年利率0.8厘至1厘。

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28. DEFERRED TAXATION

The following are the major deferred taxation liabilities (assets) recognised and movements thereon:

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Intangible assets 無形資產 HK\$'000 千港元	Revaluation of properties 物業重估 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2005	於二零零五年 四月一日	31,084	2,625	-	(1,986)	(1,021)	30,702
Charge to equity for the year	年內在股本權益扣除	-	-	5,910	-	-	5,910
Charge (credit) to consolidated income statement for the year	年內在綜合收益表 扣除(計入)	2,346	433	10,913	(2,385)	191	11,498
At 31 March 2006	於二零零六年 三月三十一日	33,430	3,058	16,823	(4,371)	(830)	48,110
Charge to equity for the year	年內在股本權益扣除	-	-	2,725	-	-	2,725
Charge (credit) to consolidated income statement for the year	年內在綜合收益表 扣除(計入)	(2,409)	(106)	18,982	1,617	3,605	21,689
At 31 March 2007	於二零零七年 三月三十一日	31,021	2,952	38,530	(2,754)	2,775	72,524

At the balance sheet date, the Group had unused tax losses of HK\$85,276,000 (2006: HK\$69,618,000) available for offset against future profits and those can be carried forward indefinitely. Deferred taxation assets have been recognised in respect of HK\$15,748,000 (2006: HK\$24,976,000) of such tax losses. No deferred taxation assets have been recognised in relation to the remaining of HK\$69,528,000 (2006: HK\$44,642,000) due to the unpredictability of future profit streams.

28. 遞延稅項

以下為獲確認之主要遞延稅項負債(資產)及其變動:

於結算日，本集團有未用稅項虧損85,276,000港元(二零零六年：69,618,000港元)，可供抵銷未來溢利及無限期結轉。遞延稅項資產已就該等稅項虧損15,748,000港元(二零零六年：24,976,000港元)而予以確認。由於日後溢利趨勢不可預計，就餘下69,528,000港元(二零零六年：44,642,000港元)之稅項虧損而言，並無獲確認為遞延稅項資產。

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29. SHARE CAPITAL

29. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之 普通股		
Authorised:	法定：		
Balance as at 1 April 2005, 31 March 2006 and 31 March 2007	於二零零五年四月一日、 二零零六年三月三十一日 及二零零七年三月三十一日 之結餘	1,200,000,000	120,000
Issued and fully paid:	已發行及繳足：		
Balance as at 1 April 2005, 31 March 2006 and 31 March 2007	於二零零五年四月一日、 二零零六年三月三十一日 及二零零七年三月三十一日 之結餘	793,016,684	79,302

30. SHARE OPTIONS

Pursuant to the share options scheme adopted on 23 August 2002 by the Company (the "Scheme"), the Company may grant options to inter alia, directors and employees of the Company or its subsidiaries, for the purpose of providing incentives, to subscribe for shares in the Company, subject to a maximum of 10% of the issued share capital of the Company from time to time and the maximum number of shares in respect of which options may be granted to any one employee shall not be more than 30% of the maximum number of shares in respect of options may be granted under the Scheme. Options granted are exercisable at any time for a period of ten years from the date of grant. The subscription price of the option shares shall not be less than the higher of (i) the closing price of the shares on the Stock Exchange on the date of grant; (ii) the average closing price on the Stock Exchange for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a share. Options granted must be taken up within 28 days of the date of grant and a nominal consideration of HK\$1 is payable on each grant of options.

30. 購股權

根據本公司於二零零二年八月二十三日所採納之購股權計劃（「計劃」），本公司可向（其中包括）本公司或其附屬公司之董事及僱員授出購股權作為激勵，據此彼等可認購本公司股份，惟最多為本公司不時已發行股本之10%，而任何一名僱員可能獲授之購股權所涉及之股份數目最多不得超過根據該計劃所授出購股權所涉及股份最高數目之30%。所授出之購股權可自授出日期起計十年內任何時間予以行使。行使購股權時之股份認購價不得少於以下之較高者：(i) 股份於授出日期在聯交所之收市價；(ii) 股份於緊接授出日期前五個交易日在聯交所之平均收市價；或(iii) 股份面值。所授出之購股權須於授出日期起計28日內接納，並須於接納購股權時就每份購股權支付1港元名義代價。

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30. SHARE OPTIONS (Continued)

Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

Outstanding share options which was granted under the Scheme as at 31 March 2007 are as follows:

Participants	Date of grant	Exercisable period	Exercise price per share	Outstanding at 1 April 2005 and 31 March 2006	Cancelled during the year	Outstanding at 31 March 2007
參與者	授出日期	行使期限	每股行使價 HK\$ 港元	於二零零五年四月一日及二零零六年三月三十一日尚未行使	年內註銷	於二零零七年三月三十一日尚未行使
Director						
董事						
Mr. Yeung Cheuk Kwong 楊卓光先生	10 July 2003 二零零三年七月十日	2 August 2003 to 28 February 2008 二零零三年八月二日至二零零八年二月二十八日	2.475	4,700,000	(4,700,000)	-
Others						
其他						
Employees and other participant 僱員及其他參與者	10 July 2003 二零零三年七月十日	2 August 2003 to 28 February 2008 二零零三年八月二日至二零零八年二月二十八日	2.475	22,000,000	(22,000,000)	-
				26,700,000	(26,700,000)	-

No options were granted, exercised or lapsed in both years.

Subsequent to balance sheet date, the Company has granted 15,000,000 share options to the directors and employees at the exercise price of HK\$0.69. Options granted are exercisable from 11 June 2007 to 30 June 2009 and the management is still assessing the financial impact of the aforesaid share options granted under the Scheme.

30. 購股權 (續)

於行使日期前失效或註銷之購股權會在尚未行使購股權登記冊內刪除記錄。

根據計劃已授出之尚未行使購股權於二零零七年三月三十一日之結餘詳情如下：

年內及去年並無購股權被授出、行使或失效。

於結算日後，本公司向董事及僱員授出15,000,000份購股權，行使價為0.69港元。所授出之購股權可由二零零七年六月十一日起至二零零九年六月三十日期間行使。管理層仍在評估根據計劃授出此購股權之財務影響。

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31. DISPOSAL OF SUBSIDIARIES

For the year ended 31 March 2006, the Group disposed of its entire interest in certain insignificant subsidiaries. The net assets of the subsidiaries at the date of disposal were as follows:

31. 出售附屬公司

截至二零零六年三月三十一日止年度，本集團出售其於若干非擁有重大權益之附屬公司之全部權益。於出售日期之附屬公司淨資產如下：

		HK\$'000 千港元
Net assets disposed of:	所出售淨資產：	
Bank balances and cash	銀行結存及現金	100
Trade and other payables	貿易及其他應付賬款	(100)
		-
Reserves released	已撥回儲備	(1,108)
Gain on disposal of subsidiaries	出售附屬公司之收益	1,118
		10
Total consideration	代價總額	10
Net cash outflow arising on disposals:	出售產生之現金流出淨額：	
Cash consideration	現金代價	10
Bank balances and cash disposed of	所出售銀行結存及現金	(100)
		(90)

The contribution of the subsidiaries disposed of during the year ended 31 March 2006 to the turnover and result of the Group was insignificant.

截至二零零六年三月三十一日止年度內所出售附屬公司對本集團營業額及業績並無作出重大貢獻。

32. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of HK\$8,972,000.

32. 主要非現金交易

年內，本集團就資產訂立融資租約安排，該等資產於訂立租賃時之資本值合共為8,972,000港元。

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33. RETIREMENT BENEFIT SCHEMES

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group in funds under the control of trustee.

In addition, the Group's contribution to a local municipal government retirement scheme in the PRC are expensed as fall due while the local municipal government in the PRC undertakes to assume the retirement benefit obligations of all existing and future retirees of the qualified staff in the PRC.

The retirement benefit cost charged to the consolidated income statement represents contributions payable to the schemes by the Group at the rates specified in the rules of the schemes.

34. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure certain bank and other borrowings of the Group (see note 26):

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Investment properties	投資物業	210,619	—
Property, plant and equipment	物業、廠房及設備	79,324	—
Land use rights	土地使用權	43,786	—
		333,729	—

In addition, the Group's obligations under finance leases (see note 27) are secured by the lessors' title to the leased assets with a carrying amount of HK\$8,252,000 (2006: HK\$117,000).

33. 退休福利計劃

本集團為其所有於香港之合資格僱員設立強積金計劃。計劃之資產乃由受託人控制之基金持有，與本集團之資產分開處理。

此外，本集團就中國當地市政府退休計劃之供款乃於產生時列作開支，而中國當地市政府已承諾承擔所有現有及未來於中國之合資格退休僱員之退任福利。

綜合收益表之退休福利成本指本集團按計劃規定以特定比率應支付之供款。

34. 資產抵押

下列賬面值之資產已作出抵押，為本集團若干銀行及其他借貸提供擔保（見附註26）：

此外，本集團於融資租約之責任（見附註27）已由賬面值為8,252,000港元（二零零六年：117,000港元）之租賃資產之出租人業權提供擔保。

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35. CAPITAL COMMITMENTS

35. 資本承擔

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	已訂約但未於綜合財務報表撥備之購置物業、廠房及設備資本支出	9,884	8,984
Capital expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for	已批准但未訂約之購置物業、廠房及設備資本支出	1,069	16,533
		10,953	25,517

36. OPERATING LEASE COMMITMENTS

36. 經營租約承擔

As lessor

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

作為出租人

於結算日，本集團與租戶已就下列未來最低租金訂約：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	10,910	8,589
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	19,299	13,015
After five years	五年後	3,498	3,855
		33,707	25,459

Leases are negotiated for an average term of three years.

租約乃經磋商達成，平均租期為三年。

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36. OPERATING LEASE COMMITMENTS (Continued)

As lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of building premises and other assets falling due:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	2,916	590
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	1,863	195
After five years	五年後	3,759	-
		8,538	785

Operating lease payments represent rental payable by the Group for certain building premises and machineries. Leases are negotiated for an average term of two years.

36. 經營租約承擔 (續)

作為承租人

於結算日，本集團就樓宇處所及其他資產根據於下列年期屆滿之不可撤銷經營租約應付之未來最低租金如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	2,916	590
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	1,863	195
After five years	五年後	3,759	-
		8,538	785

經營租約款項指本集團就其若干樓宇處所及機器應付之租金。租約乃經磋商達成，平均租期為兩年。

For the year ended 31 March 2007
截至二零零七年三月三十一日止年度

37. RELATED PARTY TRANSACTIONS

- (a) During the year, the Group entered into the following significant transactions with related parties in the ordinary course of business:

37. 有關連人士交易

- (a) 本集團在年內與有關連人士在日常業務過程中曾進行以下重大交易：

			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		Notes 附註		
Rental expense paid to Man Fat Enterprise Company Limited	租金支出，支付予：文發企業有限公司	a	225	540
Geming Company Limited	錦聲有限公司		-	288
Legal and professional fees paid to Andrew Lam & Co.	法律及專業費用，支付予：林炳昌律師事務所	b	305	958
Purchases from Sun Bright Investments Limited	採購來自：陽明投資有限公司	c	5,650	-
Sun Bright Industrial Paints Limited	陽明(清遠)塗料開發有限公司	c	1,745	2,106
Rental income from Sun Bright Industrial Paints Limited	租金收入，來自：陽明(清遠)塗料開發有限公司	c	148	-

Notes:

- (a) The rental expense relates to lease of warehouse, car park and office space from Man Fat Enterprise Company Limited and Geming Company Limited, companies in which Dr. Lam Man Chan and Ms. Ting Lai Ling, directors of the Company, have beneficial interests.
- (b) The legal and professional fees were paid to Andrew Lam & Co., in which Mr. Lam Ping Cheung, Andrew, a non-executive director of the Company who resigned on 20 June 2006, had a beneficial interest.
- (c) During the year, the Group made purchases with Sun Bright Investments Limited, an associate of the Group and purchases with and received rental income from Sun Bright Industrial Paints Limited, a subsidiary of an associate of the Group.

附註：

- (a) 租金支出乃因向文發企業有限公司及錦聲有限公司租用貨倉、停車場及辦公室而產生，本公司董事林文燦博士及丁麗玲女士實益擁有該兩間公司之權益。
- (b) 法律及專業費用乃支付予林炳昌律師事務所，於二零零六年六月二十日辭任之本公司非執行董事林炳昌先生於其中擁有實益權益。
- (c) 年內，本集團向其聯營公司陽明投資有限公司進行採購及向本集團聯營公司之附屬公司陽明(清遠)塗料開發公司進行採購及收取租金。

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截至二零零七年三月三十一日止年度

37. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

The remuneration of members of key management other than the directors of the Company are as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Basic salaries and allowance	基本薪金及津貼	4,124	2,796
Contributions to retirement benefit scheme	退休福利計劃供款	17	12
		4,141	2,808

The remuneration of the directors of the Company are disclosed in note 11.

(c) Disposal of an associate

During the year, the Group disposed of 50% interest in Metro Capital Securities Limited to Dr. Lam Man Chan at a consideration of HK\$20,000,000. The Group recognised a gain on disposal of HK\$960,000. Details of the disposal were set out in the Company's circular dated 22 August 2006.

37. 有關連人士交易(續)

(b) 主要管理人員之薪酬

本公司董事以外之主要管理層成員之酬金如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Basic salaries and allowance	4,124	2,796
Contributions to retirement benefit scheme	17	12
	4,141	2,808

本公司董事酬金於附註11披露。

(c) 出售聯營公司

年內，本集團已出售美高證券有限公司之50%權益予林文燦博士，代價為20,000,000港元。本集團已確認出售收益960,000港元。有關出售之詳情已載於本公司於二零零六年八月二十二日刊發之通函。

For the year ended 31 March 2007
截至二零零七年三月三十一日止年度

38. SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 March 2007 are as follows:

38. 附屬公司

於二零零七年三月三十一日，本公司之主要附屬公司詳情如下：

Name of subsidiary	Place of incorporation/ registration	Place of operation	Nominal value of issued ordinary share/ registered capital	Percentage of nominal value of issued share capital/registered capital held by the Company	Principal activities
附屬公司名稱	成立/ 註冊地點	經營地點	已發行普通股/ 註冊股本面值	本公司持有已發行股本/ 註冊資本面值之百分比	主要業務
Denca Industrial Limited 電科實業有限公司	Hong Kong 香港	Hong Kong 香港	HK\$2 2港元	100*	Trading of electronic products 經銷電子產品
Din Wai Electronics Limited	British Virgin Islands 英屬維爾京群島	PRC 中國	US\$2 2美元	100*	Manufacturing of electronic products 製造電子產品
Dongguan Fenggang Ngai Lik Electronics Company Limited (Note (a)) 東莞鳳崗毅力電子有限公司 (附註(a))	PRC 中國	PRC 中國	HK\$24,500,000 24,500,000港元	87*	Manufacturing of electronic products 製造電子產品
Zhong Yi (Qing Yuan) Electronics Plastic Metal Company Limited (Note (b)) 忠毅(清遠)電子塑膠五金有限公司 (附註(b))	PRC 中國	PRC 中國	HK\$121,129,727 121,129,727港元	100*	Manufacturing of electronic products 製造電子產品
Faithful Lion Limited 忠毅有限公司	Hong Kong 香港	PRC 中國	HK\$10,000 10,000港元	100*	Property investment 物業投資
Junestar Pacific Limited 俊星太平洋有限公司	Hong Kong 香港	Hong Kong 香港	HK\$10,000 10,000港元	100*	Investment holding 投資控股
Kin Ngai Industrial Limited 堅毅實業有限公司	Samoa 薩摩亞	PRC 中國	US\$10 10美元	100*	Leasing of plant and machineries 出租廠房及機器

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38. SUBSIDIARIES (Continued)

38. 附屬公司(續)

Name of subsidiary	Place of incorporation/ registration	Place of operation	Nominal value of issued ordinary share/ registered capital	Percentage of nominal value of issued share capital/registered capital held by the Company 本公司持有已發行股本/ 註冊資本 面值之百分比	Principal activities
附屬公司名稱	成立/ 註冊地點	經營地點	已發行普通股/ 註冊股本面值		主要業務
Million Age Enterprise Limited 萬年世紀企業有限公司	Hong Kong 香港	PRC 中國	HK\$10,000 10,000港元	100*	Property investment 物業投資
Ngai Lik (BVI) Limited	British Virgin Islands 英屬維爾京群島	British Virgin Islands 英屬維爾京群島	US\$10,000 10,000美元	100	Investment holding 投資控股
Ngai Lik Capital Limited 毅力融資有限公司	Hong Kong 香港	Hong Kong 香港	HK\$10,000 10,000港元	100*	Provision of financial services 提供財務服務
Ngai Lik Electronics Trading Limited 毅力電子貿易有限公司	Hong Kong 香港	Hong Kong 香港	HK\$10,000 10,000港元	100*	Trading of electronic products 經銷電子產品
Ngai Lik Enterprises Limited 毅力企業有限公司	Hong Kong 香港	Hong Kong 香港	HK\$3,000,000 3,000,000港元	100*	Provision of management and logistics services 提供管理及物流服務
Ngai Lik Mobile Electronics Limited 毅力汽車電子有限公司	Hong Kong 香港	Hong Kong and PRC 香港與中國	HK\$10,000 10,000港元	100*	Trading and manufacturing of car audio products 經銷及製造汽車音響產品
Ngai Lik Properties Limited 毅力地產有限公司	Hong Kong 香港	Hong Kong 香港	HK\$2 2港元	100*	Property investment 物業投資

Notes to the Consolidated Financial Statements 綜合賬目附註

For the year ended 31 March 2007

截至二零零七年三月三十一日止年度

38. SUBSIDIARIES (Continued)

38. 附屬公司(續)

Name of subsidiary	Place of incorporation/ registration	Place of operation	Nominal value of issued ordinary share/ registered capital	Percentage of nominal value of issued share capital/registered capital held by the Company	Principal activities
附屬公司名稱	成立/ 註冊地點	經營地點	已發行普通股/ 註冊股本面值	本公司持有 已發行股本/ 註冊資本 面值之百分比	主要業務
Ngai Lik Trading (Macao Commercial Offshore) Limited 毅力貿易(澳門離岸商業服務) 有限公司	Macao 澳門	Macao 澳門	MOP1,000,000 1,000,000澳門元	100*	Trading of electronic products 經銷電子產品
Ngai Wai Plastic Manufacturing Limited	British Virgin Islands 英屬維爾京群島	PRC 中國	US\$1 1美元	100*	Manufacturing of plastic components 製造塑膠組件
Pascal Investment Limited 百德寶投資有限公司	Hong Kong 香港	Hong Kong 香港	HK\$2 2港元	100*	Investment holding 投資控股
Shing Wai Limited	British Virgin Islands 英屬維爾京群島	PRC 中國	US\$1 1美元	100*	Manufacturing of electrical and mechanical components 製造電器及機械組件

* Interest held by the Company through subsidiaries.

* 本公司透過附屬公司持有之權益。

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截至二零零七年三月三十一日止年度

38. SUBSIDIARIES (Continued)

Notes:

- (a) Dongguan Fenggang Ngai Lik Electronics Company Limited ("DFNL"), a sino-foreign joint venture in the PRC, was established by the Group with an independent third party. Since the signing of an agreement in the prior year, the Group is entitled to all the net profits arising from the operation of DFNL after the payment of certain fixed amounts to the independent third party. The Group is also entitled to all the assets and responsible for all the liabilities of DFNL other than the amount contributed by the independent third party.
- (b) The subsidiary is set up and registered as a wholly-owned foreign investment enterprise in the PRC.
- (c) None of the subsidiaries had any debt securities subsisting at 31 March 2007 or at any time during the year.
- (d) The above table lists the subsidiaries of the Company which, in the opinion of the Board, principally affected the results or assets of the Group. To give details of all other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

39. COMPARATIVE FIGURES

In the current year, rental and management services income which was previously classified as other income is included in turnover in order to align with the business segment reporting. Comparative figures have been restated to conform with current year's presentation.

38. 附屬公司(續)

附註：

- (a) 東莞鳳崗毅力電子有限公司(「DFNL」)為本集團與一名獨立第三方於中國成立之中外合作經營企業。根據於過往年度簽訂之協議，本集團可於扣除向獨立第三方支付若干定額款項後全數享有DFNL經營業務所產生之純利。除獨立第三方之應佔款項外，本集團可享有及承擔DFNL之所有資產及負債。
- (b) 有關附屬公司乃於中國成立及註冊為外商全資投資企業。
- (c) 概無附屬公司擁有於二零零七年三月三十一日或於本年度任何時間仍然有效之債務證券。
- (d) 上表載列本公司之附屬公司，董事認為該等公司主要影響本集團之業績及資產。董事會認為載列所有其他附屬公司之詳情可能導致篇幅冗長。

39. 比較數字

於本年度，先前分類為其他收入之租金及管理服務收入已計入營業額內，以配合業務分類報告。比較數字經已重列以符合本年度之呈列方式。

Five Year Financial Summary 五年財務概要

		Year ended 31 March 截至三月三十一日止年度				
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
RESULTS	業績		(Restated) (經重列)			
Turnover	營業額	3,654,926	2,843,345	3,417,581	3,299,447	3,074,197
Profit before taxation	除稅前溢利	35,703	24,242	64,785	261,074	235,726
Taxation	稅項	(22,621)	(11,104)	(4,557)	(15,910)	(13,586)
Profit for the year	年度溢利	13,082	13,138	60,228	245,164	222,140
Attributable to:	下列人士應佔：					
Equity holders of the Company	本公司權益持有人	13,082	13,138	60,228	245,168	222,140
Minority interests	少數股東權益	-	-	-	(4)	-
		13,082	13,138	60,228	245,164	222,140
		As at 31 March 於三月三十一日				
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	2,328,924	2,263,683	2,132,801	2,014,105	1,700,671
Total liabilities	負債總額	(1,248,045)	(1,189,719)	(1,064,626)	(912,160)	(660,997)
		1,080,879	1,073,964	1,068,175	1,101,945	1,039,674
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	1,076,859	1,069,944	1,064,155	1,097,925	1,035,654
Minority interests	少數股東權益	4,020	4,020	4,020	4,020	4,020
		1,080,879	1,073,964	1,068,175	1,101,945	1,039,674

Note:

附註：

Following the adoption of HKAS 1, which became effective for accounting periods commencing on or after 1 March 2005. The presentation of minority interests and share of taxation of associates in prior years had been changed to conform to the new accounting standard.

於採納二零零五年三月一日或之後會計期間生效之香港會計準則第1號後，過往年度所呈列之少數股東權益及應佔聯營公司稅項已作出變動，以符合新會計準則之規定。

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Dr. Lam Man Chan (*Chairman*)
 Ms. Ting Lai Ling
 Ms. Ting Lai Wah
 Mr. Yeung Cheuk Kwong
 Mr. Lam Shing Ngai

Independent Non-executive Directors

Mr. Ng Chi Yeung, Simon
 Mr. Tam Yuk Sang, Sammy
 Mr. Ho Lok Cheong

COMPANY SECRETARY

Mr. Yeung Cheuk Kwong

JOINT AUDITORS

Deloitte Touche Tohmatsu
 Graham H.Y.Chan & Co.

PRINCIPAL BANKERS

Hang Seng Bank Limited
 The Hongkong and Shanghai Banking Corporation Limited
 Agricultural Bank of China
 Banco Bilbao Vizcaya Argentaria
 Bank of China (Hong Kong) Limited
 Citic Ka Wah Bank Limited
 Citibank N.A.
 Dah Sing Bank, Limited
 DBS Bank
 Industrial and Commercial Bank of China (Asia) Limited

HONG KONG LEGAL ADVISER

Richards Butler

BERMUDA LEGAL ADVISER

Conyers, Dill & Pearman

PRINCIPAL REGISTRARS

Butterfield Fund Services (Bermuda) Limited
 11 Rosebank Centre, Bermudiana Road,
 Hamilton, Bermuda.

BRANCH REGISTRARS

Tengis Limited
 26th Floor, Tesbury Centre, 28 Queen's Road East,
 Wanchai, Hong Kong.

REGISTERED OFFICE

Clarendon House, Church Street,
 Hamilton HM11, Bermuda

HONG KONG PRINCIPAL OFFICE

Flat 29-32, 8/F., Block B, Focal Industrial Centre,
 21 Man Lok Street, Hunghom, Kowloon.

WEBSITE

www.ngailik.com

董事會

執行董事

林文燦博士 (主席)
 丁麗玲女士
 丁麗華女士
 楊卓光先生
 林承毅先生

獨立非執行董事

吳志揚先生
 譚旭生先生
 何樂昌先生

公司秘書

楊卓光先生

聯席核數師

德勤•關黃陳方會計師行
 陳浩賢會計師事務所

主要往來銀行

恒生銀行有限公司
 香港上海滙豐銀行有限公司

中國農業銀行
 西班牙對外銀行
 中國銀行(香港)有限公司
 中信嘉華銀行有限公司
 花旗銀行
 大新銀行
 星展銀行
 中國工商銀行(亞洲)有限公司

香港法律顧問

齊伯禮律師行

百慕達法律顧問

Conyers, Dill & Pearman

主要股份過戶登記處

Butterfield Fund Services (Bermuda) Limited
 11 Rosebank Centre, Bermudiana Road,
 Hamilton, Bermuda.

股份過戶登記分處

登捷時有限公司
 香港灣仔皇后大道東28號
 金鐘匯中心26樓

註冊辦事處

Clarendon House, Church Street
 Hamilton HM11, Bermuda

香港主要辦事處

香港九龍紅磡民樂街21號
 富高工業中心B座8樓29-32室

網址

www.ngailik.com

