WINBOX INTERNATIONAL (HOLDINGS) LIMITED
永保時國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 474)

ANNUAL REPORT 2007/08

Contents

Corporate Information

BOARD OF DIRECTORS

Ms. Choi Hon Hing *(Chairman)*
Ms. Fung Wing Ki, Vicky *(Executive Director)*
Ms. Fung Wing Yee, Wynne *(Executive Director)*
Mr. Tam Hok Lam, Tommy, *J.P.*
(Independent Non-Executive Director)
Dr. Hui Ka Wah, Ronnie, *J.P.*
(Independent Non-Executive Director)
Mr. Leung Man Chun, Paul
(Independent Non-Executive Director)

AUDIT COMMITTEE

Mr. Tam Hok Lam, Tommy, *J.P.*
(Chairman of Committee)
Dr. Hui Ka Wah, Ronnie, *J.P.*
Mr. Leung Man Chun, Paul

REMUNERATION COMMITTEE

Mr. Tam Hok Lam, Tommy, *J.P.*
(Chairman of Committee)
Dr. Hui Ka Wah, Ronnie, *J.P.*
Mr. Leung Man Chun, Paul
Ms. Choi Hon Hing

INVESTMENT COMMITTEE

Ms. Choi Hon Hing *(Chairman of Committee)*
Ms. Fung Wing Ki, Vicky
Mr. Jip Ki Chi, Terence

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Jip Ki Chi, Terence

COMPLIANCE ADVISER

Optima Capital Limited
Unit 3618, 36th Floor
Bank of America Tower
12 Harcourt Road
Central, Hong Kong

SOLICITORS

F. Zimmern & Co.
Suites 1501-1503
15th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

AUDITOR

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

Corporate Information

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Hang Seng Bank Limited
83 Des Voeux Road
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705, Grand Cayman KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

2nd Floor, Ching Cheong Industrial Building
1-7 Kwai Cheong Road
Kwai Chung, New Territories
Hong Kong

WEBSITE

www.winboxhk.com

Financial Highlights

For the years ended 31 March	2008	2007
Operating Results	**HK$'000**	HK$'000
Revenue	**176,803**	156,508
Gross profit	**55,632**	57,733
Net profit	**22,180**	28,051
Per Share Data	**HK cents**	HK cents
Earnings per share – basic	**5.48**	7.01
Final dividend per share (proposed)	**2.50**	2.50
Net asset per share	**51.13**	47.00
Financial Position	**HK$'000**	HK$'000
Total assets	**251,724**	217,629
Net assets	**207,411**	188,004
Financial Ratios	**%**	%
Gross profit to revenue %	**31.5%**	36.9%
Net profit to revenue %	**12.5%**	17.9%
Return on equity %	**10.7%**	14.9%
Debt to equity %	**2.3%**	0.0%

Directors, Senior Management and Staff

DIRECTORS

Executive Directors

Ms. Choi Hon Hing, 59, is an Executive Director and the Chairman of the Company. She is responsible for the overall control and management of the Group. Ms. Choi joined the Group in October 1994 as the Director of both Winbox (BVI) Limited ("Winbox (BVI)") and Winbox Company Limited ("WCL"), after the acquisition of Winbox (BVI) by Goodwill International (BVI) Limited and other independent shareholders. She has since contributed significantly to the changeover in the management of the Group during the course of acquisition by Boxmore Limited and has secured a number of new customers for the Group by virtue of her marketing expertise and her business affiliations. Currently, she is also a director of all the subsidiaries of the Company other than Winpac SARL and Dardel S.A.S.

Ms. Fung Wing Ki, Vicky, 34, is an Executive Director of the Company. She is a daughter of Ms. Choi Hon Hing and a sister of Ms. Fung Wing Yee, Wynne. Ms. Fung graduated with Bachelor's degrees in Economics and Law from the University of Sydney, Australia in 1995 and 1997 respectively, and commenced her career as a legal practitioner in an international law firm, Coudert Brothers, in 1997. She joined WCL in 2001, initially assisting the Group in its administrative matters as corporate development manager. Ms. Fung became a Director of the Group in August 2004. Currently, she is also a director of all the subsidiaries of the Company other than Winbox Plastic Manufacturing (Shenzhen) Company Limited.

Ms. Fung Wing Yee, Wynne, 33, is an Executive Director. She is a daughter of Ms. Choi Hon Hing and a sister of Ms. Fung Wing Ki, Vicky. Ms. Fung graduated with a Bachelor's degree in Interior Architecture from the University of New South Wales, Australia in May 1998. After graduation, she worked as an architectural assistant. In 2000, she joined WCL as a designer of the Group's products. Ms. Fung has been involved in many new designs of the Group's products and is responsible for the management of the design and research and development departments. Currently, she is also a director of all the subsidiaries of the Company other than Dardel S.A.S, Winbox Plastic Manufacturing (Shenzhen) Company Limited, Winpac Europe Limited and Winpac SARL.

Independent Non-Executive Directors

Mr. Tam Hok Lam, Tommy, *J.P.*, 59, is an Independent Non-Executive Director of the Company. Mr. Tam is a fellow member of the Association of International Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants. He is also an honorary Director of Hong Kong Watch Manufacturers Association Limited and a council member of the Hong Kong Institute of Directors. Mr. Tam is currently an Independent Non-Executive Director of Elegance International Holdings Limited, a listed company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Main Board"), which is principally engaged in the manufacturing and trading of optical frames, sunglasses and optical cases. Mr. Tam is currently a Managing Director of Tomson Holdings Limited which is an investment holdings company, and is also the Chairman of Andrea Palama Limited which is involved in watch design, production and trading. Mr. Tam is a Standing Committee member of Chinese People Political Consultative Conference in Shandong Province, the People's Republic of China. Mr. Tam was appointed as an Independent Non-Executive Director of the Company in March 2006.

Directors, Senior Management and Staff

Dr. Hui Ka Wah, Ronnie, *J.P.*, 44, is an Independent Non-Executive Director of the Company. Dr. Hui graduated from the University of Hong Kong with a Bachelor of Medicine degree and Bachelor of Surgery degree and holds the Diploma of Child Health at Royal College of Physicians & Surgeons in Ireland and at Royal College of Physicians & Surgeons of Glasgow. Dr. Hui is a registered medical practitioner in Hong Kong and has been registered as Specialist in Pediatrics since 2001. Dr. Hui is a member of the Royal College of Physicians of the United Kingdom, a fellow member of the Hong Kong Academy of Medicine (Paediatrics) and a fellow member of the Hong Kong College of Paediatricians. Dr. Hui is a Chartered Financial Analyst Charter holder and holds a MBA degree at Universitas 21 Global. Dr. Hui is the Vice Chairman and Executive Director of Core Healthcare Investment Holdings Limited (a company listed on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM")). Dr. Hui is an Executive Director of Hong Kong Health Check and Laboratory Holdings Company Limited (a company listed on the Main Board) and Town Health International Holdings Company Limited (a company listed on GEM). He is also an Independent Non-Executive Director of CASH Financial Services Group Limited (a company listed on GEM), and SunCorp Technologies Limited (a company listed on the Main Board). He is the Head of Corporate Investment of Group Sense Limited and the Corporate Marketing Director of Quam Capital (Holdings) Limited. He was appointed as an Independent Non-Executive Director of the Company in March 2006.

Mr. Leung Man Chun, Paul, 34, is an Independent Non-Executive Director of the Company. Mr. Leung graduated from the University of Sydney with a Bachelor's degree in Economics in 1995 and with a Master's degree in Commerce from the University of New South Wales, Australia in 1996. Mr. Leung is a Certified Practising Accountant in Australia. He was previously a statistician at Dresdner RCM Global Investors Asia Limited from 1996 to 1998. In July 1998, he joined Kingsway Company as financial controller and was promoted to Director of the company in July 1999. Mr. Leung was appointed as an Independent Non-Executive Director of the Company in March 2006.

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Jip Ki Chi, Terence, 38, is the Financial Controller, Company Secretary and Qualified Accountant of the Company. He graduated from the Queensland University of Technology, Australia, with a Bachelor Degree in Accountancy in 1993. Mr. Jip was admitted as a Certified Practising Accountant of the Australian Society of Certified Practising Accountants in 1997. He is also a fellow member of the Hong Kong Institute of Certified Public Accountants. He has over 13 years of experience in the field of accounting and finance, especially in trading and manufacturing companies. Mr. Jip joined the Company in June 2007.

Chairman's Statement

RESULTS OVERVIEW

The Group's revenue for the year ended 31 March 2008 increased by approximately 13.0% to approximately HK$176.8 million (2007: HK$156.5 million) while the Group's gross profit maintained at approximately HK$55.6 million (2007: HK$57.7 million) for the year ended 31 March 2008. Gross profit margin decreased from approximately 36.9% for the year ended 31 March 2007 to approximately 31.5% for the year ended 31 March 2008, primarily due to rapidly rising labour and material costs, appreciation of the Renminbi ("RMB") and increase in export taxes. Moreover, due to the downturn of the stock market since the last quarter of year 2007, the Group's other income from investing activities had dropped as compared with the interim results. As a result, the Group's profit for the year ended 31 March 2008 decreased by approximately 20.9% to approximately HK$22.2 million (2007: HK$28.1 million) and the respective net profit margin decreased from approximately 17.9% to approximately 12.5% for the year ended 31 March 2008. Basic earning per share was HK5.48 cents (2007: HK7.01 cents).

BUSINESS REVIEW

This year was a difficult year for most of the manufacturers in the Pearl River Delta region as the increase in material and labour costs, upsurging commodity prices and the appreciation of the RMB eroded the margin. Meanwhile, the adoption of new labour law regulations in the Mainland China makes it even more challenging for the labour-intensive manufacturing businesses in the coming years. Even so, the Group was able to achieve growth in terms of turnover and the gross profit only dropped slightly as compared with last financial year figure.

The Group had also taken further steps to enhance its internal control systems by reorganising, in particular, its accounting and finance, and logistic functions, and improving communications and operations among various departments, especially between Hong Kong and China, by providing a better information technology environment. The first phase of the enterprise resource planning system has been implemented in the second quarter of year 2008, which is expected to contribute positively to the streamlining of operation flows and the more timely and efficient provision of business information and operational data in the years to come. The second phase of the system, which mainly focuses on further customization of its functions and improvement in data accuracy, is about to commence with a view to fine-tune the system.

Chairman's Statement

PROSPECTS

In view of the growth in demand for its products, as shown in the steady increase in turnover over the past few years, which is anticipated to continue, and in order to further expand its operations, the Group has recently entered into an agreement with a village committee in Qiao Tou, Dongguan, the People's Republic of China (the "PRC"), to develop new plant facilities in the area. I believe that the new production facilities will increase the Group's production capacity and thereby enable the Group to handle further demand from the Group's customers and benefit from the economies of scales. In addition to the increase in production capacity, the Group also plans to install new machinery at its new production facilities to cater for the needs of the more diversified product requirements of the customers. The new facilities will also be upgraded in such a way as to apply appropriate technology to promote the efficient use of resources and to demonstrate our concern for the environment, which is one of the important attributes of today's enterprises.

Despite expectations of a slowdown in the American economy, we nevertheless expect to achieve steady performance in 2008/2009. However, the operating environment in the manufacturing sector will continue to be challenging in 2008/2009. With the rapidly upsurging raw material and labour costs, manufacturing overhead and appreciation of the Renminbi against the Hong Kong and US dollars, our gross margin will face more challenges. However, the Group has already commenced the execution of long-term strategies to tackle such difficulties. Firstly, our manufacturing sector has commenced using piece rate instead of hourly rate to encourage more efficient labour. Secondly, the Group has been able to increase the selling price of its products to counter the effect of higher costs. We have also expanded the production of premium branding products, which offer higher selling price and profit margin. Further, the Group will continue to develop innovative products that could allow us to capitalise on premium selling prices and greater profit margin. In addition, we have started to explore new business or investment opportunities in related industries so as to bolster sales growth and raise profits in the coming years.

I would like to take this opportunity to thank my fellow Directors and all staff members for their continuous hard work, dedication and support to the Group.

Choi Hon Hing
Chairman

Hong Kong
18 July 2008

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 March 2008 increased by approximately 13.0% to HK$176.8 million (2007: HK$156.5 million). The increase was attributable to the better overall economic environment in major markets of different geographical segments of the Group that allowed it to generate larger volume of business. Products manufactured by the Group are mainly sold directly to customers located in Europe and North America.

Gross Profit

The Group's gross profit decreased to approximately HK$55.6 million (2007: HK$57.7 million) for the year ended 31 March 2008. Gross profit margin also decreased from approximately 36.9% for the year ended 31 March 2007 to approximately 31.5% for the year ended 31 March 2008, primarily due to the increase in cost of sales in terms of direct material costs, direct labour costs, appreciation of RMB and the revised Value Added Tax policy in the Mainland China.

Other Income, Change in Fair Value of Derivative Financial Instruments and Impairment Loss on Available-For-Sale Investments

For the year ended 31 March 2008, the Group's other income increased by approximately 67.2% to HK$11.8 million (2007: HK$7.1 million). However, due to the downturn in the stock market since the last quarter of year 2007, a total loss of approximately HK$6.2 million (2007: gain of HK$0.2 million) was recorded in change in fair values of derivative financial instruments and impairment loss on available-for-sale investments held by the Group, which offset the increase in other income.

Distribution and Selling Costs

The Group's distribution and selling costs as a percentage of turnover were approximately 2.4% (2007: 2.3%) for the year ended 31 March 2008.

Administrative Expenses

The Group's administrative expenses increased by approximately 11.9% to HK$30.0 million for the year ended 31 March 2008 (2007: HK$26.8 million). The difference was mainly due to increase in staff costs.

Finance Costs

The Group's finance costs for the year ended 31 March 2008 maintained at a low level of approximately HK$47,000 (2007: HK$0.2 million).

Taxation

The effective tax rate of the Group has decreased from approximately 18.3% to 17.7% for the year ended 31 March 2008. The decrease was mainly attributable to increase in non-taxable income.

Profit for the Year

The Group's profit for the year ended 31 March 2008 decreased by approximately 20.9% to HK$22.2 million (2007: HK$28.1 million) and the respective net profit margin decreased from approximately 17.9% to approximately 12.5% for the year ended 31 March 2008.

LIQUIDITY, CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The Group funds its operations principally from internal resources. As at 31 March 2008, the Group had cash and cash equivalents of approximately HK$75.6 million (2007: HK$64.5 million). The Group's working capital slightly decreased to approximately HK$141.0 million (2007: HK$145.0 million). Current ratio (a ratio of total current assets to total current liabilities) also decreased by approximately 29.7% to 4.3 times (2007: 6.1 times), mainly due to the increase in bank borrowings and drop in fair value of financial derivatives. Gearing ratio (a ratio of total borrowings to total assets other than goodwill) as at 31 March 2008 was maintained at a minimum level of approximately 2.0% (2007: 0%).

For the year ended 31 March 2008, the Group generated a net cash inflow from operating activities of approximately HK$31.7 million (2007: HK$18.1 million). On the other hand, the Group incurred a net cash outflow from investing activities of approximately HK$21.3 million (2007: inflow of approximately HK$1.5 million), primarily due to the increase in the purchases of available-for-sale investments, which are mainly listed shares held for long-term investment purposes. The dividend payment to the Group's shareholders of approximately HK$10.1 million (2007: HK$10.0 million) constituted the major part of the outflow under the Group financing activities for the year ended 31 March 2008.

The Group has executed deeds of charge in favour of the financial institutions to facilitate the Group to enter into the investment schemes and secure the bank borrowings. The deeds are secured by the charge over the assets of the Group held by these financial institutions, including investments held for trading, available-for-sale investments and bank balances. As at 31 March 2008, total assets of the Group charged in favour of the financial institutions were approximately HK$65.2 million (2007: HK$58.1 million). The Group has pledged its leasehold buildings with a carrying value of approximately HK$3.3 million (2007: HK$3.7 million) to secure general banking facilities granted to the Group.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

There were no significant capital commitments as at 31 March 2008.

The Group had no material contingent liabilities as at the close of business on 31 March 2008.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The net foreign exchange gain for the year ended 31 March 2008 was approximately HK$0.6 million. The Group's foreign exchange risks arise mainly from the mismatch between the currency of its sales, purchases and operating expenses. Its sales are denominated in US dollars, Euros and Hong Kong dollars. The Group's purchases and expenses are mostly denominated in Hong Kong dollars and RMB, and some in US dollars and Euros. The Group has certain foreign currency investments held for trading, available-for-sale investments and investment in foreign operations, which are exposed to foreign currency exchange risk. For the year ended 31 March 2008, the Group did not have any financial instruments to hedge the foreign exchange rate risk and will consider entering into non-deliverable forward contract to minimize the effect of the appreciation of the RMB.

EMPLOYMENT AND SHARE OPTION SCHEMES

As at 31 March 2008, the Group had a total of approximately 1,623 employees in the PRC, Hong Kong and France. Remuneration packages for the employees are maintained at a competitive level in the relevant jurisdiction, within which employees are attracted, retained and motivated. Remuneration packages are reviewed periodically.

A summary of the share option schemes of the Group is set out in note 32 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any significant investments, material acquisitions and disposals during the year ended 31 March 2008.

Report of Directors

The Directors of the Company (the "Directors") present their annual report and the audited financial statements of the Company for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and provision of management service to its subsidiaries.

The principal activities of its subsidiaries are set out in note 35 to the consolidated financial statements for the year ended 31 March 2008.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2008 are set out in the consolidated income statement for the year ended 31 March 2008 on page 31 of this annual report.

Dividends amounting to approximately HK$10,141,000 were paid to the shareholders during this financial year. The Directors now recommend the payment of a final dividend of HK$0.025 per share to the shareholders on the register of members on 27 August 2008, amounting to approximately HK$10,287,000.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 March 2008 were approximately HK$2,863,000, being the retained profit.

Details of the movements in the reserves of the Group during the year under review are set out in the consolidated statement of changes in equity on pages 33 and 34 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements for the year ended 31 March 2008.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 28 to the consolidated financial statements for the year ended 31 March 2008.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association although there are no restrictions against such rights under the Companies Law in the Cayman Islands.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years ended 31 March 2008 is set out on page 90 of this annual report.

PURCHASE, SALES OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2008.

DIRECTORS

The Directors during the year under review and up to the date of this annual report were:

Executive Directors:

Ms. Choi Hon Hing *(Chairman)*
Ms. Fung Wing Ki, Vicky
Ms. Fung Wing Yee, Wynne

Independent Non-Executive Directors:

Mr. Tam Hok Lam, Tommy, *J.P.*
Dr. Hui Ka Wah, Ronnie, *J.P.*
Mr. Leung Man Chun, Paul

Each of the Directors is subject to retirement by rotation in accordance with the Company's Articles of Association. Mr. Tam Hok Lam, Tommy, *J.P.* and Mr. Leung Man Chun, Paul shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Report of Directors

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 5 and 6 of this annual report.

DIRECTORS SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for a term of three years commencing from 1 May 2006. Each service contract will continue thereafter until terminated by not less than two months' notice in writing served by either party on the other.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with any company in the Group which is not determinable by the Group within one year without compensation (other than statutory compensation).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the Independent Non-Executive Directors has confirmed their independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers all of the Independent Non-Executive Directors independent.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2008, the interests of the Directors or their associates in shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the "Model Code"), were as follows:

Long positions in ordinary shares and underlying shares of the Company:

Name of Director	Capacity	Nature of Interest	Number of shares of the Company held	Number of underlying shares of the Company held	Total	Approximate percentage of total issued share capital
Ms. Choi Hon Hing	Beneficial owner	Personal interest	1,633,294	3,111,019) (Note 1))		
	Interest of a controlled corporation	Corporate interest	706,556 (Note 2)	–))		
	Beneficiary of trust	Other interest	160,000,000 (Note 3)	–))		
	Interest of spouse	Spouse interest	43,640,117	600,000) (Note 4)	209,690,986	51.69%
Ms. Fung Wing Ki, Vicky	Beneficial owner	Personal interest	803,979	2,333,283) (Note 1))		
	Beneficiary of trust	Other interest	160,000,000 (Note 3)	–)	163,137,262	40.21%
Ms. Fung Wing Yee, Wynne	Beneficial owner	Personal interest	999,979	2,333,283) (Note 1))		
	Beneficiary of trust	Other interest	160,000,000 (Note 3)	–)	163,333,262	40.26%
Mr. Tam Hok Lam, Tommy, *J.P.*	Beneficial owner	Personal interest	–	400,000 (Note 5)	400,000	0.09%

Name of Director	Capacity	Nature of Interest	Number of shares of the Company held	Number of underlying shares of the Company held	Total	Approximate percentage of total issued share capital
Dr. Hui Ka Wah, Ronnie, *J.P.*	Beneficial owner	Personal interest	–	400,000 (Note 5)	400,000	0.09%
Mr. Leung Man Chun, Paul	Beneficial owner	Personal interest	–	400,000 (Note 5)	400,000	0.09%

Notes:

1. These interests represented the interests in underlying shares in respect of share options granted by the Company to these Directors as beneficial owners under the Pre-Listing Share Option Scheme adopted on 16 May 2006, the details of which are set out in the details of movements in the share options on note 32 to the consolidated financial statements.

2. Ms. Choi Hon Hing has a beneficial interest in Bo Hing Limited ("Bo Hing"), which was interested in 706,556 shares in the Company as at 31 March 2008, representing approximately 0.17% of the issued share capital of the Company.

3. The three references to 160,000,000 shares relate to the same block of shares held by Gainbest Investments Limited ("Gainbest") which is a company wholly owned by HSBC International Trustee Limited as the trustee of a discretionary trust set up by Mr. Fung Ka Pun, the spouse of Ms. Choi Hon Hing, of which the discretionary objects include but not limited to Ms. Choi Hon Hing, Ms. Fung Wing Ki, Vicky and Ms. Fung Wing Yee, Wynne. Gainbest is a substantial shareholder of the Company and its shareholding in the Company is set out in the section headed "Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company" of this report.

4. These interests represented Ms. Choi Hon Hing's spouse interest in 600,000 underlying shares in respect of share options granted by the Company to Mr. Fung Ka Pun, spouse of Ms. Choi Hon Hing, the details of which are set out in the details of movements in the share options on note 32 to the consolidated financial statements.

5. These interests represented the interests in underlying shares in respect of share options granted by the Company to these Directors as beneficial owners under the Share Option Scheme ("Post-Listing Scheme") adopted on 16 May 2006, the details of which are set out in the details of movements in the share options on note 32 to the consolidated financial statements.

Other than as disclosed above, as at 31 March 2008, none of the Directors or their associates had any interests or short positions in any shares, underlying shares and debentures of, the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

Particulars of the Company's share option schemes and details of movements in the share options are set out in note 32 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2008, the following entities have interests or short positions of 5% or more in the shares and underlying shares of the Company which were recorded in the Register of Substantial Shareholders maintained under Section 336 of the SFO or had otherwise notified to the Company:

Name	Number of shares of the Company held	Number of underlying shares of the Company held	Capacity	Approximate percentage of the total issued share capital
Gainbest Investments Limited	160,000,000 (Note 1)		Beneficial owner	39.44%
Mr. Fung Ka Pun	160,000,000 (Note 1)		Founder of a discretionary trust	51.69%
	42,888,567 (Note 2)		Interest of controlled corporations	
	1,458,106	600,000 (Note 3)	Beneficial owner	
	1,633,294	3,111,019 (Note 4)	Interest of spouse	
HSBC International Trustee Limited	160,000,000 (Note 1)		Trustee of a discretionary trust	39.44%
Monnie Luck Limited	31,760,000 (Note 5)		Beneficial owner	7.83%
Yue Xiu Enterprises (Holdings) Limited	31,760,000 (Note 5)		Interest of a controlled corporation	7.83%

Name	Number of shares of the Company held	Number of underlying shares of the Company held	Capacity	Approximate percentage of the total issued share capital
Goodwill International (Holdings) Limited	42,182,011		Beneficial owner	10.39%
Newmark Capital Corporation Limited	52,953,402 (Note 6)		Beneficial owner	13.05%
Newmark Capital Holdings Limited	52,953,402 (Note 6)		Interest of a controlled corporation	13.05%
Mr. Ng Poh Meng	52,953,402 (Note 6)		Interest of a controlled corporation	13.05%

Other than as disclosed above, as at 31 March 2008, no person (other than Directors) has interests or short positions in the shares or underlying shares of the Company which were recorded in the Register of Substantial Shareholders maintained under Section 336 of the SFO.

Notes:

1. Gainbest is a company wholly owned by HSBC International Trustee Limited as the trustee of a discretionary trust set up by Mr. Fung Ka Pun, for the benefit of his family members including but not limited to Ms. Choi Hon Hing, Ms. Fung Wing Ki, Vicky and Ms. Fung Wing Yee, Wynne as discretionary objects.

2. Mr. Fung Ka Pun has beneficial interests in Bo Hing and Goodwill International (Holdings) Limited, which were interested in 706,556 shares and 42,182,011 shares in the Company respectively as at 31 March 2008, representing approximately 10.57% of the issued share capital of the Company.

3. These interests represented the interests in underlying shares in respect of share options granted by the Company to Mr. Fung Ka Pun as beneficial owner under the Post-Listing Scheme, the details of which are set out in the details of movements in the share options on note 32 to the consolidated financial statements.

4. These interests represented the interests in underlying shares in respect of share options granted by the Company to Ms. Choi Hon Hing, spouse of Mr. Fung Ka Pun, the details of which are set out in the details of movements in the share options on note 32 to the consolidated financial statements.

5. Monnie Luck Limited is wholly owned by Mr. Xiao Boyan as trustee on trust for Yue Xiu Enterprises (Holdings) Limited.

6. Newmark Capital Corporation Limited is wholly owned by Newmark Capital Holdings Limited which, in turn, is wholly owned by Mr. Ng Poh Meng.

DIRECTORS' INTEREST IN CONTRACTS

Save as disclosed in the financial statements for the year ended 31 March 2008, no contracts of significance in relation to the Group's business (as defined in the Listing Rules) to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, existed at the end of the year or at any time during the year under review.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporation" above and the option holding disclosed in note 32 to the consolidated financial statements, at no time during the year under review was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 March 2008.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2008, the aggregate sales attributable to the Group's largest customer and five largest customers respectively accounted for approximately 21.1% and 57.5% of the Group's total revenue for the year under review. The aggregate purchases attributable to the Group's largest supplier and five largest suppliers respectively accounted for approximately 9.7% and 34.2% of the Group's total purchase for the year under review.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers for the year under review.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

Report of Directors

CONNECTED TRANSACTIONS

During the year ended 31 March 2008, the Company did not have any material connected transactions which were subject to the requirements of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and to the best of the knowledge of the Directors.

AUDIT COMMITTEE

The Audit Committee, comprising three Independent Non-Executive Directors, has reviewed with the management of the Group the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including a review of the annual results for the year.

AUDITOR

A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Choi Hon Hing
Chairman

Hong Kong
18 July 2008

Corporate Governance Report

The Company is committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize on a quality board of Directors (the "Board"), sound internal control, transparency and accountability to all shareholders of the Company.

For the year ended 31 March 2008, the Company has applied the principles of the Code on Corporate Governance Practices (the "CG Code"), as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company has complied with the CG Code, save for the deviation from Code Provision A.2.1 of the CG Code.

This report describes the Group's corporate governance practices and explains the said deviation from the CG Code.

BOARD COMPOSITION AND BOARD PRACTICES

The Board is responsible for the oversight of the Group's business management, strategic decisions, performance and affairs with the objective of enhancing shareholders' interest.

The Board comprises three Executive Directors and three Independent Non-Executive Directors whose biographical details are set out on pages 5 and 6 of this annual report.

The Board comprises:

Executive Directors:

Ms. Choi Hon Hing *(Chairman)*
Ms. Fung Wing Ki, Vicky
Ms. Fung Wing Yee, Wynne

Independent Non-Executive Directors:

Mr. Tam Hok Lam, Tommy, *J.P.*
Dr. Hui Ka Wah, Ronnie, *J.P.*
Mr. Leung Man Chun, Paul

The Board, led by the Chairman of the Company ("the Chairman"), is collectively responsible for the approval and monitoring of the Group's overall strategies and policies, approval of annual budgets and business plans, evaluating the performance of the Group and overseeing the management of the Company. The Chairman ensures the Board to work effectively and discharge its responsibilities. All Directors (including all Independent Non-Executive Directors) have been consulted on all major and material matters of the Company. With the support of the Company Secretary of the Company ("Company Secretary"), the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner.

Corporate Governance Report

The Board is of the view that due to the scale of the operations of the Group, it is not necessary to appoint a Chief Executive Officer and the Board has delegated the authority and responsibility for the management on the daily operations of the Group to the management, department heads and various committees.

The Board has at least four formal meetings a year at quarterly intervals and meets as and when required. Directors are given written notice of the meetings at least 14 days in advance and agenda with supporting Board papers no less than 3 days prior to the meetings to enable the Directors to make informed decisions on matters to be raised at the Board meetings.

The attendance of the Directors at the Board meetings for the year ended 31 March 2008 is set out as follows:

	Number of meetings attended/held
Executive Directors:	
Ms. Choi Hon Hing	4/4
Ms. Fung Wing Ki, Vicky	4/4
Ms. Fung Wing Yee, Wynne	4/4
Independent Non-Executive Directors:	
Mr. Tam Hok Lam, Tommy, *J.P.*	4/4
Dr. Hui Ka Wah, Ronnie, *J.P.*	3/4
Mr. Leung Man Chun, Paul	4/4
Average attendance rate	96%

All Board members have full access to relevant information both at the meetings and at regular intervals.

Board minutes are kept by the Company Secretary and are circulated to the Directors and are open for inspection by the Directors.

The Company Secretary shall provide professional advice and information to the Directors. In addition, the Directors are able, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense. The Board may resolve to provide appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

Appropriate insurance cover has been arranged in respect of legal action arising from the business of the Group against its Directors.

Pursuant to Rule 3.10 of the Listing Rules, every listed issuer is required to have at least three Independent Non-Executive Directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Company, with three Independent Non-Executive Directors, which represented more than one-third of the total Board members; and more than one of them has appropriate professional qualifications in accounting or related financial management expertise, is complied with Rule 3.10 of the Listing Rules.

Each of the Independent Non-Executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all Independent Non-Executive Directors meet with the guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the guidelines. Review will be made regularly on the Board's composition to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Group.

Each of the Independent Non-Executive Directors has been appointed by the Company for a term of three years starting from 30 March 2006.

Pursuant to the articles of association of the Company, one third of the Directors will retire from office by rotation at each annual general meeting, provided that every Director shall be subject to retirement at least once every three years, which complies with the Code Provision A.4.2 of the CG Code.

Since all Board members participate in the appointment of new Directors, the Company does not establish a nomination committee. All new appointments and re-appointments of the Directors are subject to the concurrence of all Board members whose deliberations are based on the expertise and leadership qualities of the candidates.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not separate the roles of the chairman and chief executive officer. Ms. Choi Hon Hing, the Chairman, assumes the role of chief executive officer and is responsible for the overall control and management of the Company and the Group. The Company considers that the combination of the roles of chairman and chief executive officer can promote the efficient formulation and implementation of the Company's strategies which will enable the Group to capture business opportunities efficiently and promptly. The Company considers that through the supervision of its Board and its Independent Non-Executive Directors, a balancing mechanism exists so that the interests of the shareholders of the Company are adequately represented.

Corporate Governance Report

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. With the assistance of the finance department of the Company which is under the supervision of the Qualified Accountant of the Company, the Directors ensure the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards. The Directors also ensure that the publication of the financial statements of the Group is in a timely manner. The statement of the auditor of the Company regarding their reporting responsibilities on the financial statements for the year ended 31 March 2008 is set out in the Independent Auditor's Report on pages 29 and 30 of this annual report.

INTERNAL CONTROLS

The Board has overall responsibility for maintaining sound and effective internal controls to safeguard the shareholders' investment and the Group's assets.

Procedures have been designed for safeguarding assets against unauthorized use or disposition; for maintaining proper accounting records; for the reliability of financial information used within the business or for publication; and for ensuring the compliance with the relevant legislations and regulations.

The Board also reviews and monitors the effectiveness of the internal control system regularly to ensure that the policies and procedures in place are adequate.

The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

The key procedures that the Board has established to provide effective internal controls are as follows:

- A comprehensive monthly management reporting system providing financial and operational performance indicators to the management and the relevant financial information for reporting and disclosure purposes is in place;

- Business plans and budgets are prepared annually by each individual business unit and subject to review and approval by both the senior management and the Executive Directors. Monthly reporting of significant variances between actual and budgeted figures is done to identify, evaluate and report on the likelihood and potential financial impact of significant business risks;

- Management structure with defined roles, responsibilities and reporting lines are established. Delegated authorities are documented and communicated; and

- Systems and procedures are in place to identify, measure, manage and control all risks that may have impact on the Group.

The Board, through the audit committee of the Company (the "Audit Committee"), has conducted a review on the effectiveness of the Group's internal control system for the year ended 31 March 2008 including financial, operational and compliance controls and risk management processes. The Board, through the review by the Audit Committee, is satisfied that the Group has fully complied with the code provisions on internal controls during the year under review as set forth in the CG Code.

AUDIT COMMITTEE

The Company established an Audit Committee on 16 May 2006 with reference to "A Guide for the Formation of an Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. The terms of reference of the Audit Committee are consistent with the code provisions as set out in the CG Code and are available on the Company's website.

The Audit Committee comprises three Independent Non-Executive Directors, namely:

Mr. Tam Hok Lam, Tommy, *J.P.* *(Chairman of Audit Committee)*
Dr. Hui Ka Wah, Ronnie, *J.P.*
Mr. Leung Man Chun, Paul

The chairman of the Audit Committee possesses a professional accountancy qualification and has substantial experience in accounting and financial matters. In fact, all members of the Audit Committee have diversified professional experience in accounting and/or finance.

The principal duties of the Audit Committee are to review and to supervise the Group's financial reporting system, financial statements and internal control procedures. It also acts as an important link between the Board and the Company's auditor in matters within the scope of the group audit. Meetings shall be held at least twice a year. Additional meetings should be held if the Audit Committee shall so request. The attendance of the Directors at the meetings for the year ended 31 March 2008 is set out as follows:

	Number of meetings attended/held
Independent Non-Executive Directors:	
Mr. Tam Hok Lam, Tommy, *J.P.*	2/2
Dr. Hui Ka Wah, Ronnie, *J.P.*	1/2
Mr. Leung Man Chun, Paul	2/2
Average attendance rate	83%

The Audit Committee has reviewed the audited accounts and final results announcement for the year ended 31 March 2008 and the interim report and the interim results announcement for the six months ended 30 September 2007. It also reviewed and recommended to the Board for approval of the audit fee proposal for the Group for the year ended 31 March 2008.

For the year ended 31 March 2008, the Group paid Deloitte Touche Tohmatsu, the external auditor of the Group, HK$825,000 and HK$181,000 as audit fees and non-audit related fees respectively.

REMUNERATION COMMITTEE

The Company set up a remuneration committee (the "Remuneration Committee") on 16 May 2006 for the purpose of ensuring that there are formal and transparent procedures for setting up policies in respect of the remuneration of Directors and senior management. The Remuneration Committee consists of four members, including three Independent Non-Executive Directors and the Chairman, namely:

Mr. Tam Hok Lam, Tommy, *J.P. (Chairman of the Remuneration Committee)*
Dr. Hui Ka Wah, Ronnie, *J.P.*
Mr. Leung Man Chun, Paul
Ms. Choi Hon Hing

The Remuneration Committee is chaired by Mr. Tam Hok Lam, Tommy, J.P.. Meetings shall be held at least once a year. Additional meetings should be held if the Remuneration Committee shall so request. The attendance of the members at the meeting for the year ended 31 March 2008 is set out as follows:

	Number of meetings attended/held
Executive Director:	
Ms. Choi Hon Hing	1/1
Independent Non-Executive Directors:	
Mr. Tam Hok Lam, Tommy, *J.P.*	1/1
Dr. Hui Ka Wah, Ronnie, *J.P.*	1/1
Mr. Leung Man Chun, Paul	1/1
Average attendance rate	100%

The Remuneration Committee is governed by the terms of reference of the Remuneration Committee which is consistent with the terms as set out in the CG Code. The Remuneration Committee has complied with the terms of reference of the Remuneration Committee for the year ended 31 March 2008. The said terms of reference are available on the Company's website. No Director is involved in deciding his own remuneration.

The remuneration of the Directors and the five highest paid individuals are set out in notes 13 and 14 respectively to the consolidated financial statements.

INVESTMENT COMMITTEE

The Company's investment committee (the "Investment Committee") was set up in May 2006 to ensure that there are formal and transparent procedures for planning and approving investments for the Group. The Investment Committee comprises three members including the Chairman of the Company, a Director and the financial controller of the Company, and all investment management and control were performed by such Investment Committee. The Group has formalized an investment policy detailing the investment objective, decision making, monitoring and risk assessment on the investments to ensure they are in line with the investment strategy of the Group.

COMMUNICATION WITH SHAREHOLDERS

The Board is committed to provide useful information of the Group to the shareholders through the publication of notices, announcements, circulars, interim and annual reports. Furthermore, additional information can be accessed via the Group's website (www.winboxhk.com).

The Board endeavours to maintain an on-going dialogue with shareholders and, in particular, to use annual general meetings or other general meetings to communicate with shareholders directly.

At the 2007 annual general meeting:

(i) A separate resolution was proposed by the Chairman in respect of each separate issue, including the re-election of Directors.

(ii) The Chairman of the Board, the members of the Audit Committee and Remuneration Committee attended to answer questions of shareholders.

(iii) The procedures for demanding a poll by the shareholders were incorporated in the annual general meeting circular of the Company dated 24 July 2007 in relation to the general mandates to issue and repurchase shares and re-election of Directors.

The 2008 annual general meeting will be held on 28 August 2008. Shareholders shall refer to the 2008 annual general meeting circular which will be dispatched to them around 28 July 2008 for further details.

Deloitte.
德勤

德勤 • 關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

TO THE MEMBERS OF WINBOX INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Winbox International (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 89, which comprise the consolidated balance sheet as at 31 March 2008, 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 control 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.

AUDITOR'S 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 the agreed terms of engagement, 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.

Independent Auditor's Report

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 auditor's 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 auditor considers internal control relevant to the entity'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 the entity's internal control. 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.

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 2008 and of the Group's 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 July 2008

Consolidated Income Statement

For the year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Revenue	7	**176,803**	156,508
Cost of sales		**(121,171)**	(98,775)
Gross profit		**55,632**	57,733
Other income	9	**11,810**	7,063
Distribution and selling costs		**(4,226)**	(3,675)
Administrative expenses		**(29,981)**	(26,791)
Change in fair value of derivative financial instruments		**(4,039)**	229
Impairment loss on available-for-sale investments		**(2,200)**	–
Finance costs	10	**(47)**	(229)
Profit before taxation		**26,949**	34,330
Taxation	11	**(4,769)**	(6,279)
Profit for the year	12	**22,180**	28,051
Dividends recognised as distribution	15	**10,141**	10,000
Earnings per share	16		
– Basic (HK cents)		**5.48**	7.01
– Diluted (HK cents)		**5.37**	N/A

Consolidated Balance Sheet

At 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment	17	**17,134**	15,956
Prepaid lease payments	18	**3,469**	4,402
Investment property	19	**1,307**	–
Goodwill	20	**12,670**	10,730
Available-for-sale investments	21	**33,010**	12,923
		67,590	44,011
Current assets			
Inventories	23	**33,394**	32,976
Trade receivables	24	**25,650**	16,239
Bills receivable	24	**490**	566
Other receivables, deposits and prepayments	24	**18,256**	13,627
Investments held for trading	22	**29,779**	45,734
Taxation recoverable		**1,001**	–
Bank balances and cash	24	**75,564**	64,476
		184,134	173,618
Current liabilities			
Trade payables	25	**14,468**	9,552
Other payables, deposits received and accruals	25	**19,211**	16,044
Derivative financial instruments	26	**4,107**	68
Bank borrowings	27	**4,853**	–
Taxation payable		**473**	2,915
		43,112	28,579
Net current assets		**141,022**	145,039
Total assets less current liabilities		**208,612**	189,050
Non-current liability			
Retirement benefits obligations	34	**1,201**	1,046
Net assets		**207,411**	188,004
Capital and reserves			
Share capital	28	**20,281**	20,000
Reserves		**187,130**	168,004
Equity attributable to equity holders of the Company		**207,411**	188,004

The consolidated financial statements on pages 31 to 89 were approved and authorised for issue by the Board of Directors on 18 July 2008 and are signed on its behalf by:

Choi Hon Hing
DIRECTOR

Fung Wing Ki, Vicky
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2008

	Share capital HK$'000	Share premium HK$'000	Statutory surplus reserve HK$'000 (note c)	Share option reserve HK$'000	Asset revaluation reserve HK$'000	Special reserve HK$'000 (note b)	Translation reserve HK$'000	Retained profits HK$'000	Total equity attributable to equity holders of the Company HK$'000
At 1 April 2006 (note a)	4	6,544	–	–	–	7,698	3,130	147,238	164,614
Exchange difference on translation of foreign operations recognised directly in equity	–	–	–	–	–	–	2,831	–	2,831
Profit for the year	–	–	–	–	–	–	–	28,051	28,051
Total recognised income for the year	–	–	–	–	–	–	2,831	28,051	30,882
Amount arising on group reorganisation	(4)	(6,544)	–	–	–	6,548	–	–	–
Issue of new shares as consideration for the acquisition of Winbox (BVI) Limited pursuant to a group reorganisation	20,000	–	–	–	–	(20,000)	–	–	–
Recognition of equity-settled share-based payments	–	–	–	2,508	–	–	–	–	2,508
Dividend paid	–	–	–	–	–	–	–	(10,000)	(10,000)
At 1 April 2007	20,000	–	–	2,508	–	(5,754)	5,961	165,289	188,004
Exchange difference on translation of foreign operations	–	–	–	–	–	–	7,698	–	7,698
Fair value changes on available-for-sale investments	–	–	–	–	(3,201)	–	–	–	(3,201)
(Expense) income recognised directly in equity	–	–	–	–	(3,201)	–	7,698	–	4,497
Transfer to profit or loss on disposal of available-for-sale investments	–	–	–	–	(510)	–	–	–	(510)
Profit for the year	–	–	–	–	–	–	–	22,180	22,180
Total recognised income and expense for the year	–	–	–	–	(3,711)	–	7,698	22,180	26,167
Issue of new shares due to exercise of share options	281	985	–	–	–	–	–	–	1,266
Transfer upon exercise of share options	–	1,529	–	(1,529)	–	–	–	–	–
Transfer	–	–	2,100	–	–	–	–	(2,100)	–
Recognition of equity-settled share-based payments	–	–	–	2,115	–	–	–	–	2,115
Dividend paid	–	–	–	–	–	–	–	(10,141)	(10,141)
At 31 March 2008	**20,281**	**2,514**	**2,100**	**3,094**	**(3,711)**	**(5,754)**	**13,659**	**175,228**	**207,411**

Consolidated Statement of Changes in Equity

For the year ended 31 March 2008

Notes:

(a) The share capital as at 1 April 2006 represented the aggregate share capital of the Company and Winbox (BVI) Limited.

(b) As at 1 April 2006, special reserve of HK$7,698,000 represents the difference between the nominal amount of share capital issued by Winbox (BVI) Limited and the nominal amount of the share capital of the acquired subsidiaries arisen from a group reorganisation occurred in prior years. During the year ended 31 March 2007, HK$13,452,000 was debited to the special reserve which represents the difference between the nominal amount of share capital issued by the Company of HK$20,000,000 and the nominal amount of the share capital and the share premium of Winbox (BVI) Limited arising from the group reorganisation to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited of HK$6,548,000. Details of this reorganisation are stated in note 1 to the consolidated financial statements.

(c) As stipulated by the relevant laws and regulations of the People's Republic of China ("PRC"), before distribution of the net profit each year, a subsidiary, Winbox Plastic Manufacturing (Shenzhen) Company Limited ("Winbox Plastic Manufacturing (Shenzhen)") established in the PRC shall set aside 10% of its net profit after taxation for the statutory surplus reserve fund. During the year ended 31 March 2008, the board of directors of Winbox Plastic Manufacturing (Shenzhen) approved the transfer of approximately HK$2,100,000 from retained profits to the statutory surplus reserve, which representing 10% of the accumulated net profit after taxation (as determined under PRC GAAP) for the period from 1 January 2004 to 31 December 2006. The reserve fund can only be used, upon approval by the board of directors of Winbox Plastic Manufacturing (Shenzhen) and by the relevant authority, to offset accumulated losses or increase capital.

Consolidated Cash Flow Statement

For the year ended 31 March 2008

	2008 HK$'000	2007 HK$'000
OPERATING ACTIVITIES		
Profit before taxation	**26,949**	34,330
Adjustments for:		
Dividend income	**(2,346)**	(999)
Interest income	**(3,696)**	(2,680)
Finance costs	**47**	229
Reversal of allowance for bad and doubtful debts	**–**	(50)
Allowance for slow moving inventories	**3,337**	31
Depreciation of property, plant and equipment	**1,720**	1,399
Release of prepaid lease payments	**87**	105
Share-based payments	**2,115**	2,508
Gain on disposal of property, plant and equipment and prepaid lease payments	**(207)**	–
Gain on disposal of available-for-sale investments	**(510)**	–
Change in fair value of investments held for trading	**(4,156)**	(2,096)
Change in fair value of derivative financial instruments	**4,039**	(229)
Impairment loss on available-for-sale investments	**2,200**	–
Operating cash flows before movements in working capital	**29,579**	32,548
Increase in inventories	**(3,755)**	(8,590)
(Increase) decrease in trade receivables	**(9,411)**	1,550
Decrease (increase) in bills receivable	**76**	(383)
Increase in other receivables, deposits and prepayments	**(4,629)**	(2,139)
Decrease in investments held for trading	**20,111**	6,430
Increase (decrease) in trade payables	**4,916**	(939)
Increase (decrease) in other payables, deposits received and accruals	**3,167**	(5,918)
Cash generated from operations	**40,054**	22,559
Income tax paid	**(8,364)**	(4,476)
NET CASH FROM OPERATING ACTIVITIES	**31,690**	18,083
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(3,167)**	(665)
Purchases of available-for-sale investments	**(25,802)**	(1,560)
Proceeds from disposal of property, plant and equipment and prepaid lease payments	**1,362**	–
Proceeds from disposal of available-for-sale investments	**704**	–
Interest received	**3,306**	2,680
Dividends received from investments held for trading	**1,113**	999
Dividends received from available-for-sale investments	**1,233**	–
NET CASH (USED IN) FROM INVESTING ACTIVITIES	**(21,251)**	1,454

Consolidated Cash Flow Statement

For the year ended 31 March 2008

	2008	2007
	HK$'000	HK$'000
FINANCING ACTIVITIES		
Dividend paid	**(10,141)**	(10,000)
Interest paid	**(47)**	(229)
Repayment of borrowings	**–**	(780)
New bank borrowings raised	**4,853**	–
Issuance of new shares	**1,266**	–
CASH USED IN FINANCING ACTIVITIES	**(4,069)**	(11,009)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**6,370**	8,528
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**64,476**	54,675
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**4,718**	1,273
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**75,564**	64,476
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	**75,564**	64,476

1. GENERAL AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company was incorporated in the Cayman Islands on 30 September 2005 as an exempted company with limited liability under the Companies Law, Cap. 22 (Laws 3 of 1961, as consolidated and revised) of the Cayman Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporation Information" section to the annual report.

Through a group reorganisation ("the Reorganisation") to rationalise the structure of the Company and its subsidiaries (hereinafter collectively referred as the "Group") in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the Group on 16 May 2006. Details of the Reorganisation are set out in the prospectus dated 24 May 2006. The Group resulting from the Reorganisation is regarded as a continuing entity and the Reorganisation has been prepared using the principles of merger accounting in accordance with the accounting policy in note 3.

The Company's shares have been listed on the Stock Exchange since 6 June 2006.

The principal activities of the Company are investment holding and provision of management service to its subsidiaries. The principal activities of its subsidiaries are set out in note 35.

The Group's consolidated financial statements are presented in Hong Kong dollars ("HKD"), which is the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 April 2007.

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC) – INT 8	Scope of HKFRS 2
HK(IFRIC) – INT 9	Reassessment of embedded derivatives
HK(IFRIC) – INT 10	Interim financial reporting and impairment
HK(IFRIC) – INT 11	HKFRS 2: Group and treasury share transactions

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

The adoption of the new HKFRSs had no material effect on how the Group's results and financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior year adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements[1]
HKAS 23 (Revised)	Borrowing costs[1]
HKAS 27 (Revised)	Consolidated and separate financial statements[2]
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation[1]
HKFRS 2 (Amendment)	Vesting conditions and cancellations[1]
HKFRS 3 (Revised)	Business combinations[2]
HKFRS 8	Operating segments[1]
HK(IFRIC) – INT 12	Service concession arrangements[3]
HK(IFRIC) – INT 13	Customer loyalty programmes[4]
HK(IFRIC) – INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction[3]

1 Effective for accounting periods beginning on or after 1 January 2009.
2 Effective for accounting periods beginning on or after 1 July 2009.
3 Effective for accounting periods beginning on or after 1 January 2008.
4 Effective for accounting periods beginning on or after 1 July 2008.

The directors of the Company anticipate that the application of these standards or interpretations (other than HKFRS 3 (Revised), HKAS 23 (Revised) and HKAS 27 (Revised)) will have no material impact on the results and the financial position of the Group. The directors of the Company have not yet estimated the potential impact arising from the application of HKFRS 3 (Revised), HKAS 23 (Revised) and HKAS 27 (Revised).

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. As mentioned in note 1, the Reorganisation was accounted for using the principles of merger accounting. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

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.

Merger accounting for business combination under common control

Business combinations under common control are accounted for using merger accounting. In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the consolidated financial statements of the combined entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties. The combined entity recognises the assets, liabilities and equity of the combining entities or business at the carrying amounts in the consolidated financial statements of the controlling party or parties prior to the common control combinations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (other than involving entities under common control)

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combinations. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Goodwill

Goodwill arising on an acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated balance sheet.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold 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.

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.

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of relevant lease.

Dividend income from investments is recognised when the shareholders' right to receive payment have been established.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment including land and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment, over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method.

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 the 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.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. When an owner-occupied property becomes an investment property, the cost and accumulated depreciation of the owner-occupied property at the date of transfer are transferred to investment property. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing

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 lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

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.

Leasehold land and building

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

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 the respective functional currency at the rates of exchange 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. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which case, the exchange differences are also recognised directly in equity.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HKD) 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 period, 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 translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Retirement benefit costs

Payments to the Group's retirement benefit schemes which are defined contribution plans are charged as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at balance sheet date. Actuarial gains and losses which exceed 10 per cent of the greater of the present value of the Group's pension obligations and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the consolidated balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Taxation

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

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 and 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax 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 tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences 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.

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

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax 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 tax is also dealt with in equity.

Impairment losses on tangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At balance sheet date, the Group reviews the carrying amounts of its assets (other than goodwill) 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

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

Financial instruments

Financial assets and financial liabilities are recognised on the 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 (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of three categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount of the financial asset at initial recognition.

Income is recognised on an effective interest basis for debt instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL

Financial assets at FVTPL of the Group comprise of investments held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the 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, receivables (including trade receivables, bills receivable, other receivables and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses.

3. 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 financial assets at FVTPL, loans and receivables and held-to maturity investments. 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 available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becomes probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 60 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, 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 original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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 Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount of the financial liability at initial recognition.

Interest expense is recognised on an effective interest basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at FVTPL

Financial liabilities at FVTPL of the Group comprise of investment held for trading.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

At each balance sheet date subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

Other financial liabilities

Other financial liabilities including trade payables, other payables and bank borrowings 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derivative financial instruments

Derivatives that do not qualify for hedge accounting are deemed as held for trading. Changes in fair values of such derivatives are recognised directly in profit or loss.

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 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 receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

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

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees and others providing similar services

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 option reserve).

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

At the time when the share options are exercised, the amount previously recognised in share option 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 option reserve will be transferred to retained profits.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions that have significant effect on the amounts recognised in the consolidated financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual cash flows are less than expected, a material impairment loss may arise. The carrying amount of goodwill at the balance sheet date was HK$12,670,000 (2007: HK$10,730,000) with no impairment loss recognised. Details of the value in use calculation are provided in note 20.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts which includes the bank borrowings, net of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of cash dividends, new share issues, as well as the issue of new debt or the repayment of existing debt.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2008 **HK$'000**	2007 HK$'000
Financial assets		
Financial assets at FVTPL		
– Held for trading	**29,779**	45,734
Loans and receivables (including cash and cash equivalents)	**117,030**	94,164
Available-for-sale financial assets	**33,010**	12,923
	179,819	152,821
Financial liabilities		
Financial liabilities at FVTPL		
– Held for trading	**4,107**	68
Amortised cost	**34,831**	21,599
	38,938	21,667

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, bills receivable, other receivables, bank balances, trade payables, other payables, bank borrowings, available-for-sale investments, investments held for trading and derivative financial instruments. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the polices 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.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk

Foreign currency risk management

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities denominated in at the reporting date are as follows:

	Assets		**Liabilities**	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
United States Dollars ("USD")	**52,688**	51,521	**2,580**	86
Euro ("EUR")	**22,832**	13,429	**1,653**	667
Others	**12,350**	10,489	**6,646**	550

As HKD is pegged to USD, the Group does not expect any significant foreign currency exposure arising from the fluctuation of the USD/HKD exchange rates. The following table details the Group's sensitivity to a 5% increase and decrease in HKD against currencies other than USD, assuming all other variables were held constant. 5% is the sensitivity rate used by directors in the assessment of the reasonably possible change in foreign exchange rates.

	2008	2007
	HK$'000	HK$'000
Decrease/increase in profit for the year	**701**	652

In directors' opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk management

The Group is exposed to cash flow interest rate risk in relation to bank balances. The interest rate risk on bank balances is limited because of the short maturity.

The Group is exposed to fair value interest rate risk in relation to fixed rate bank borrowings and investments in unlisted debt securities. In the opinion of the directors, the Group's exposure to interest rate risk is insignificant and hence sensitivity analysis is not disclosed.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

Price risk management

The Group is exposed to equity securities price risk through its available-for-sale investments, investments held for trading and derivative financial instruments. Derivative financial instruments represent investment schemes entered by the Group with financial institutions. The Group is obligated to purchase or sell listed equity securities at a series of pre-determined times, based on the price calculated with a pre-specified formula. As the underlying securities of these derivatives are equity securities, they expose the Group to equity price risk. The directors of the Company manage the exposure by maintaining a portfolio of equity investments with different risk profiles.

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date. If the prices of the respective listed shares of available-for-sale investments and held-for-trading investments had been 10% higher/lower, assuming all other variables were held constant, the impact to the Group would be:

	2008 **HK$'000**	2007 HK$'000
Increase/decrease in profit for the year	**1,648**	2,567
Increase/decrease in equity for the year	**1,445**	–

10% change in equity price represents the directors' assessment of the reasonably possible change in equity price. In directors opinion the sensitivity analysis is unrepresentative of the inherent price risk as the year end exposure does not reflect the exposure during the year.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 March 2008 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group has concentration of credit risk in respect of the trade receivables. As at 31 March 2008 and 2007, five customers comprised over 50% of the Group's trade receivables. In order to minimise the credit risk, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has a concentration of credit risk on liquid funds deposited with a few major banks, the credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

For derivative financial instruments, which are to be settled on gross basis, the Group has approximately HK$14.6 million (2007: HK$8.7 million) contractual cash outflow in return with listed securities within 1 year.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. It has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate per annum	Less than 1 month	Between 1 to 3 months	Between 4 to 12 months	Total undiscounted cash flows	Total carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2008						
Non-derivative financial liabilities						
Trade payables	**-**	**5,787**	**6,746**	**1,935**	**14,468**	**14,468**
Other payables	**-**	**5,025**	**10,485**	**-**	**15,510**	**15,510**
Bank borrowings	**3.5**	**4,859**	**-**	**-**	**4,859**	**4,853**
		15,671	**17,231**	**1,935**	**34,837**	**34,831**
2007						
Non-derivative financial liabilities						
Trade payables	–	3,506	4,941	1,105	9,552	9,552
Other payables	–	4,096	7,951	–	12,047	12,047
		7,602	12,892	1,105	21,599	21,599

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value

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

- the fair value of investments held for trading and available-for-sale investments which are 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 (excluding derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. For derivative financial instruments, the fair value is determined using option pricing model (including Monte Carlo Simulation and binomial model).

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. REVENUE

Revenue represents the amounts received and receivable for goods sold by the Group to outside customers, less sales tax and sales returns during the year.

8. SEGMENT INFORMATION

The directors report the geographical segments as the Group's primary segment information.

Geographical segments

The following table provides an analysis of the Group's sales by geographical market in which the customers are located, irrespective of the origin of the goods.

Consolidated income statement

	Hong Kong		North America		Europe		Others		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue	**40,423**	29,273	**14,986**	17,667	**114,519**	104,467	**6,875**	5,101	**176,803**	156,508
Segment results	**12,188**	11,760	**3,676**	5,803	**20,873**	24,469	**1,600**	1,591	**38,337**	43,623
Other income									**11,810**	7,292
Unallocated corporate expenses									**(23,151)**	(16,356)
Finance costs									**(47)**	(229)
Profit before taxation									**26,949**	34,330
Taxation									**(4,769)**	(6,279)
Profit for the year									**22,180**	28,051

Consolidated balance sheet

	Hong Kong		North America		Europe		Others		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Assets										
Segment assets	**9,703**	7,829	**3,196**	2,313	**54,015**	45,815	**1,730**	954	**68,644**	56,911
Unallocated corporate assets									**183,080**	160,718
Consolidated total assets									**251,724**	217,629
Liabilities										
Segment liabilities	**-**	–	**-**	–	**6,038**	7,185	**-**	–	**6,038**	7,185
Unallocated corporate liabilities									**38,275**	22,440
Consolidated total liabilities									**44,313**	29,625

8. SEGMENT INFORMATION (continued)

Geographical segments (continued)

Other information

	Hong Kong		North America		Europe		Others		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Additions to property, plant and equipment	**-**	–	**-**	–	**368**	38	**2,799**	627	**3,167**	665
Depreciation of property, plant and equipment	**270**	255	**164**	154	**1,239**	945	**47**	45	**1,720**	1,399
Release of prepaid lease payments	**87**	105	**-**	–	**-**	–	**-**	–	**87**	105
Reversal of allowance for bad and doubtful debts	**-**	–	**-**	–	**-**	(36)	**-**	(14)	**-**	(50)
Allowance for slow moving inventories	**-**	–	**-**	–	**1,337**	(319)	**2,000**	350	**3,337**	31

The following is an analysis of the carrying amount of segment assets at the balance sheet date, and additions to property, plant and equipment during the year, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**16,247**	11,737	**2,165**	232
The PRC	**14,128**	11,237	**634**	395
Europe	**38,269**	33,937	**368**	38
	68,644	56,911	**3,167**	665

Business segment

The Group is mainly engaged in the sale of quality plastic and paper boxes for luxury consumer goods. Accordingly, no segmental analysis on business segment is presented.

9. OTHER INCOME

	2008 HK$'000	2007 HK$'000
Change in fair value of investments held for trading	**4,156**	2,096
Dividend income from investments held for trading	**1,113**	999
Dividend income from available-for-sale investments	**1,233**	–
Gain on disposal of property, plant and equipment and prepaid lease payments	**207**	–
Gain on disposal of available-for-sale investments	**510**	–
Interest earned on bank deposits	**2,262**	1,621
Interest earned on available-for-sale investments	**390**	–
Interest earned on debt securities	**1,044**	1,059
Net foreign exchange gain	**570**	374
Sundry income	**325**	914
	11,810	7,063

10. FINANCE COSTS

	2008 HK$'000	2007 HK$'000
Interest on bank borrowings wholly repayable within five years	**47**	229

11. TAXATION

	2008 HK$'000	2007 HK$'000
Current tax:		
Hong Kong	**2,198**	3,227
Other jurisdictions	**2,571**	3,052
	4,769	6,279

Hong Kong Profits Tax is calculated at 17.5% (2007: 17.5%) of the estimated assessable profit for the year.

Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

11. TAXATION (continued)

Pursuant to the relevant laws and regulations in the PRC, the Company's wholly owned subsidiary, Winbox Plastic Manufacturing (Shenzhen) is entitled to use a tax rate of 15% (2007: 15%), being the applicable tax rate for foreign invested enterprise in the area of Shenzhen Special Economic Zone 深圳經濟特區 for the year. On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations change the tax rate from 15% to 25% from 1 January 2008.

French profits tax is calculated at 33.3% (2007: 33.3%) of the estimated assessable profit for the Company's wholly owned subsidiary, Dardel S.A.S. ("Dardel") for the year.

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

	2008	2007
	HK$'000	HK$'000
Profit before taxation	**26,949**	34,330
Tax at Hong Kong Profits Tax rate of 17.5%	**4,716**	6,008
Tax effect of expenses not deductible for tax purposes	**2,065**	906
Tax effect of income not taxable for tax purposes	**(2,233)**	(466)
Effect of different tax rate of subsidiaries operating in other jurisdiction	**1,027**	971
Tax effect of estimated tax losses not recognised	**–**	315
Income tax concession	**(551)**	(1,339)
Utilisation of estimated tax losses previously not recognised	**(114)**	(123)
Others	**(141)**	7
Taxation for the year	**4,769**	6,279

At 31 March 2007, the Group had unused estimated tax losses of approximately HK$653,000 available to offset against future profits. No unused estimated tax losses available to offset against future profits as at 31 March 2008.

12. PROFIT FOR THE YEAR

	2008 **HK$'000**	2007 HK$'000
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**825**	778
Reversal of allowance for bad and doubtful debts (included in administrative expenses)	–	(50)
Allowance for slow moving inventories (included in cost of sales)	**3,337**	31
Cost of inventories recognised as an expense	**117,834**	98,744
Depreciation of property, plant and equipment	**1,720**	1,399
Release of prepaid lease payments	**87**	105
Listing fee	–	2,589
Operating lease rentals in respect of rented premises	**3,388**	3,999
Staff costs:		
Directors' emoluments	**3,343**	3,576
Other staff costs		
– salaries, bonus and other allowances	**40,350**	32,232
– retirement benefit scheme contributions	**4,668**	4,310
– share-based payments	**933**	1,084
	49,294	41,202

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the six (2007: six) directors were as follows:

	2008						2007					
	Fee HK$'000	Salaries and other allowances HK$'000	Bonus HK$'000	Retirement benefit scheme contributions HK$'000	Share-based payments HK$'000	Total HK$'000	Fee HK$'000	Salaries and other allowances HK$'000	Bonus HK$'000	Retirement benefit scheme contributions HK$'000	Share-based payments HK$'000	Total HK$'000
Executive directors:												
Choi Hon Hing	-	584	600	12	382	1,578	–	584	600	12	570	1,766
Fung Wing Ki, Vicky	-	210	200	9	286	705	–	201	200	9	427	837
Fung Wing Yee, Wynne	-	226	100	10	286	622	–	226	100	10	427	763
Non-executive directors:												
Tam Hok Lam, Tommy	70	-	-	-	76	146	70	–	–	–	–	70
Hui Ka Wah, Ronnie	70	-	-	-	76	146	70	–	–	–	–	70
Leung Man Chun, Paul	70	-	-	-	76	146	70	–	–	–	–	70
	210	1,020	900	31	1,182	3,343	210	1,011	900	31	1,424	3,576

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

14. EMPLOYEE'S EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2007: three) were directors of the Company whose emoluments is included in the disclosures in note 13 above. The emoluments of the remaining two individuals (2007: two individuals) were as follows:

	2008 HK$'000	2007 HK$'000
Salaries and other allowances	**2,169**	1,965
Bonus	**337**	336
Retirement benefit scheme contributions	**206**	196
Share-based payments	**76**	114
	2,788	2,611

The emoluments were within the following bands:

	2008 No. of employees	2007 No. of employees
Nil to HK$1,000,000	**–**	–
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**1**	1

During the year, no emoluments or discretionary bonus were paid by the Group to the above highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

15. DIVIDENDS

	2008	2007
	HK$'000	HK$'000
Dividends recognised as distribution	**10,141**	10,000
Proposed final dividends	**10,287**	10,141

The final dividend for the year ended 31 March 2008 of HK$0.025 (2007: HK$0.025) per share, amounting to approximately HK$10,287,000 (2007: HK$10,141,000), was proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

16. EARNINGS PER SHARE

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

	2008	2007
	HK$'000	HK$'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share	**22,180**	28,051

	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**404,504**	400,000
Effect of diluted potential ordinary shares: Share options	**8,479**	
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**412,983**	

The calculation of weighted average number of ordinary shares for the year ended 31 March 2007 was based on the assumption that the Reorganisation and the share subdivision had been existed on 1 April 2006.

No diluted earnings per share has been presented for the year ended 31 March 2007 because the exercise price of the Company's options, after taken into account for the effect of the share based payments to be recognised over the remainder of the vesting period for employee services to be rendered, was higher than the average market price for shares during the year.

17. PROPERTY, PLANT AND EQUIPMENT

	Freehold land HK$'000	Buildings on freehold land HK$'000	Buildings HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Moulds HK$'000	Motor vehicles HK$'000	Total HK$'000
COST OR VALUATION									
At 1 April 2006	458	6,341	9,330	3,098	6,315	2,919	7,625	152	36,238
Exchange adjustments	49	664	–	–	55	112	1	–	881
Additions	–	–	–	38	85	291	231	20	665
Disposals	–	–	–	–	–	(27)	–	–	(27)
At 31 March 2007	507	7,005	9,330	3,136	6,455	3,295	7,857	172	37,757
Exchange adjustments	91	1,267	–	–	128	221	12	–	1,719
Additions	–	33	–	1,201	555	1,183	195	–	3,167
Transfer to investment property	–	–	(1,624)	–	–	–	–	–	(1,624)
Disposals	–	–	(360)	(246)	–	(1,177)	–	(161)	(1,944)
At 31 March 2008	**598**	**8,305**	**7,346**	**4,091**	**7,138**	**3,522**	**8,064**	**11**	**39,075**
DEPRECIATION									
At 1 April 2006	–	247	1,946	2,794	5,936	2,140	7,070	152	20,285
Exchange adjustments	–	32	–	–	48	63	1	–	144
Provided for the year	–	124	187	133	239	385	326	5	1,399
Eliminated on disposals	–	–	–	–	–	(27)	–	–	(27)
At 31 March 2007	–	403	2,133	2,927	6,223	2,561	7,397	157	21,801
Exchange adjustments	–	93	–	–	106	168	5	–	372
Provided for the year	–	171	180	368	172	556	268	5	1,720
Eliminated on transfer to investment property	–	–	(317)	–	–	–	–	–	(317)
Eliminated on disposals	–	–	(51)	(246)	–	(1,177)	–	(161)	(1,635)
At 31 March 2008	**-**	**667**	**1,945**	**3,049**	**6,501**	**2,108**	**7,670**	**1**	**21,941**
CARRYING VALUES									
At 31 March 2008	**598**	**7,638**	**5,401**	**1,042**	**637**	**1,414**	**394**	**10**	**17,134**
At 31 March 2007	507	6,602	7,197	209	232	734	460	15	15,956

The above items of property, plant and equipment are depreciated on straight-line basis at the following rates per annum:

Freehold land	Nil
Buildings on freehold land	2%
Buildings	Over the shorter of term of lease and 50 years
Leasehold improvements	20%
Plant and machinery	20%
Furniture, fixtures and equipment	20%
Moulds	20%
Motor vehicles	25%

The freehold land and buildings on freehold land are located outside Hong Kong.

18. PREPAID LEASE PAYMENTS

	2008	2007
	HK$'000	HK$'000
The Group's prepaid lease payments comprise:		
Leasehold land in Hong Kong	**2,713**	2,780
Leasehold land outside Hong Kong	**756**	1,622
	3,469	4,402

The leasehold land of the Group is held under medium-term lease and charged to consolidated income statement on a straight-line basis over the lease terms.

19. INVESTMENT PROPERTY

	HK$'000
COST	
At 1 April 2006 and 31 March 2007	–
Transfer from property, plant and equipment	1,624
At 31 March 2008	**1,624**
DEPRECIATION	
At 1 April 2006 and 31 March 2007	–
Transfer from property, plant and equipment	317
At 31 March 2008	**317**
CARRYING VALUES	
At 31 March 2008	**1,307**
At 1 April 2006 and 31 March 2007	–

The fair value of the Group's investment property at 31 March 2008 was approximately HK$1,323,000. The fair value has been arrived at based on a valuation carried out by RHL Appraisal Ltd., independent valuers not connected with the Group. The valuation was determined by reference to recent market prices for similar properties.

The above investment property is held under medium lease term and depreciated on a straight-line basis over the shorter of the term of the lease and 50 years.

20. GOODWILL

	HK$'000
COST	
At 1 April 2006	9,699
Exchange adjustments	1,031
At 31 March 2007	10,730
Exchange adjustments	1,940
At 31 March 2008	**12,670**

Goodwill acquired in a business combination is allocated to a cash generating unit ("CGU") arising from Dardel, a subsidiary in France for the purpose of goodwill impairment testing.

The recoverable amount of the CGU is determined based on value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecast. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecast derived from the most recent financial budget approved by management for the next five years and extrapolates cash flows for the following five years based on an estimated growth rate of 4% (2007: 4%). This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flow is 19% (2007: 20%).

21. AVAILABLE-FOR-SALE INVESTMENTS

	2008	2007
	HK$'000	HK$'000
Available-for-sale investments include:		
Listed equity securities, at fair value	**14,451**	–
Unlisted equity securities, at cost	**11,805**	11,805
Club debentures, at fair value	**2,464**	1,118
Unlisted debt securities, at fair value	**4,290**	–
	33,010	12,923

Fair values of listed equity securities are based on quoted market bid price.

The unlisted equity securities are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Group are of the opinion that their fair values cannot be measured reliably.

Club debentures are stated at fair values which have been determined by reference to the market prices in the secondary markets.

Unlisted debt securities represent debt securities in the principal amount of US$500,000 (or equivalent to HK$3,900,000) issued by a private company incorporated in Cayman Island. The debt securities can be converted into shares of this private company if the initial public offering of shares of this private company is successful. The debt securities carry interest at 10% per annum and will be settled together with the principal amount on 1 January 2012 if the initial public offering failed. In the opinion of the directors, the amount of the embedded conversion option is insignificant.

22. INVESTMENTS HELD FOR TRADING

	2008	2007
	HK$'000	HK$'000
Investments held for trading include:		
Listed equity securities, at fair value	**16,481**	25,674
Unlisted debt securities, at fair value	**13,298**	20,060
	29,779	45,734

Fair values of investments held for trading are based on quoted market bid price.

The investments in debt securities offer the Group the opportunity for return through interest income and trading gains. These debt securities have fixed maturity and will be matured from the year of 2008 to 2011 (2007: 2007 to 2009) and coupon rate ranged from 3.625% to 6.25% (2007: 5.13% to 6.75%).

23. INVENTORIES

	2008	2007
	HK$'000	HK$'000
Raw materials	**14,380**	15,923
Work in progress	**12,059**	9,473
Finished goods	**6,955**	7,580
	33,394	32,976

24. OTHER CURRENT FINANCIAL ASSETS

Trade and bills receivables

	2008	2007
	HK$'000	HK$'000
Trade receivables	**25,650**	16,239
Bills receivable	**490**	566
	26,140	16,805

Included in the Group's trade and bills receivables are receivable of approximately HK$15,649,000 (2007: HK$10,925,000) denominated in USD which is the currency other than the functional currency of the respective group entities.

The Group allows an average credit period of 30 to 60 days (2007: 30 to 60 days) to its customers. The aged analysis of trade and bills receivables net of allowance for bad and doubtful debts is stated as follows:

	2008	2007
	HK$'000	HK$'000
0 to 30 days	**16,401**	11,900
31 to 60 days	**6,107**	4,439
61 to 90 days	**2,626**	382
91 to 180 days	**1,006**	84
	26,140	16,805

In determining the recoverability of trade and other receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the report date. The Group considers the trade and other receivables are determined to be impaired if they are aged for more than 180 days based on the management past experience. The directors believe that there is no further credit provision required in excess of the allowance for bad and doubtful debts.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK$6,554,000 and HK$3,904,000 as at 31 March 2008 and 2007, respectively, which are past due at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these trade receivables is 72 days and 61 days in the year of 2008 and 2007, respectively.

24. OTHER CURRENT FINANCIAL ASSETS (continued)

Trade and bills receivables (continued)

Ageing of trade receivables which are past due but not impaired

	2008 HK$'000	2007 HK$'000
Overdue by 1 to 30 days	**2,922**	3,438
Overdue by 31 to 60 days	**2,626**	382
Overdue by 61 to 180 days	**1,006**	84
	6,554	3,904

Movement in the allowance for bad and doubtful debts

	2008 HK$'000	2007 HK$'000
Balance at beginning of year	–	1,303
Amount written off as uncollectible	–	(1,253)
Amounts recovered during the year	–	(50)
Balance at the end of year	–	–

Other receivables, deposits and prepayments comprise amounts receivable from third parties and recoverable within one year.

Bank balances and cash comprise cash held by the Group and short-term bank deposits carrying effective interest at approximately 2.6% (2007: 2.7%) per annum with an original maturity of three months or less.

The bank balances and cash of approximately HK$47,848,000 (2007: HK$38,290,000) are denominated in currencies other than the functional currency of the respective group entities.

25. OTHER CURRENT FINANCIAL LIABILITIES

Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 30 to 60 days. The aged analysis of trade payables is stated as follows:

	2008	2007
	HK$'000	HK$'000
0 to 30 days	**6,532**	5,215
31 to 60 days	**3,007**	1,284
61 to 90 days	**2,280**	1,615
91 to 180 days	**2,649**	1,438
	14,468	9,552

Included in the Group's trade payables are payables of HK$4,519,000 (2007: HK$1,243,000) denominated in currencies other than the functional currency of the respective group entities.

Other payables principally comprise amounts outstanding for ongoing costs.

26. DERIVATIVE FINANCIAL INSTRUMENTS

At the balance sheet date, the Group entered into six (2007: two) investment schemes with financial institutions. Under the investment schemes, the Group is a party that has an obligation to purchase or sell listed equity securities at a series of predetermined times, based on the price calculated by a pre-specified formula. All of the contracts have a maximum term of one year. The financial institutions can terminate the contracts when the market prices of the underlying equity securities are higher or lower than a predetermined price. The fair value of investments are determined using option pricing model (including Monte Carlo Simulation and binomial model).

The Group has executed deeds of charge in favour of the financial institutions to facilitate the Group to enter into the investment schemes and obtain bank borrowings (as set out in note 27). The deeds are secured by the charge over the assets of the Group held by these financial institutions, including investments held for trading, available-for-sale investments and cash balances. At 31 March 2008, total assets of the Group charged in favour of the financial institutions were approximately HK$65,200,000 (2007: HK$58,100,000).

27. BANK BORROWINGS

	2008 HK$'000	2007 HK$'000
Bank borrowings – secured	**4,853**	–

At 31 March 2008, bank borrowings were denominated in Swiss Franc, carrying fixed interest rate at 3.5% per annum and was secured by a floating charge on certain assets of the Group deposited in the bank under the same deed of charge as disclosed in note 26.

28. SHARE CAPITAL

	Number of shares	Share capital HK$'000
Authorised:		
At 1 April 2006, ordinary shares of HK$0.10 each (note a)	3,900,000	390
Share subdivision (note b)	3,900,000	–
Increase during the year (note c)	1,992,200,000	99,610
At 31 March 2007 and 2008, ordinary shares of HK$0.05 each	2,000,000,000	100,000
Issued and fully paid:		
At 1 April 2006, ordinary shares of HK$0.10 each (note a)	1	–
Share subdivision (note b)	1	–
Issue of new shares as consideration for the acquisition of Winbox (BVI) Limited pursuant to the Reorganisation (note d)	399,999,998	20,000
At 31 March 2007, ordinary shares of HK$0.05 each	400,000,000	20,000
Exercise of share options (note f)	5,626,144	281
At 31 March 2008, ordinary shares of HK$0.05 each	405,626,144	20,281

28. SHARE CAPITAL (continued)

Details of the changes in the Company's share capital for the year ended 31 March 2007 and 2008 are as follows:

(a) The Company was incorporated in the Cayman Islands on 30 September 2005 with an authorised share capital of HK$390,000 divided into 3,900,000 shares of HK$0.10 each. One ordinary share of HK$0.10 was issued and allotted, fully paid on the same date.

(b) On 10 May 2006, every issued and unissued share of HK$0.10 was subdivided into two shares of HK$0.05 each.

(c) By written resolutions of the then sole shareholder of the Company dated 16 May 2006, the authorised share capital of the Company was increased from HK$390,000 to HK$100,000,000 by the creation of an additional 1,992,200,000 shares to rank pari passu in all respect with the shares then in issue of HK$0.05 each.

(d) On 16 May 2006, the Company acquired the entire issued share capital of Winbox (BVI) Limited from Boxmore Limited ("Boxmore") at a consideration to be satisfied by the allotment of 399,999,998 shares of HK$0.05 each in the Company, credited as fully paid, to Boxmore.

(e) The Company's shares have been listed on the Stock Exchange since 6 June 2006.

(f) On 12th June 2007, share options for 5,626,144 of HK$0.05 each were exercised at the exercise price of HK$0.225. Details of options outstanding and movements during the year are set out in note 32.

All the shares which were issued during the year rank pari passu with the then existing shares in all respects.

29. PLEDGE OF ASSETS

At 31 March 2008, other than the deed secured by the charge over the assets of the Group as disclosed in notes 26 and 27, the Group has pledged its leasehold land and buildings with a carrying value of HK$3,322,000 (2007: HK$3,694,000) to secure general banking facilities granted to the Group.

30. CAPITAL COMMITMENT

At 31 March 2007, the Group had commitment to capital expenditure of HK$108,000 in respect of the acquisition of property, plant and equipment contracted but not provided for in the consolidated financial statements. The Group has no significant capital commitment as at 31 March 2008.

31. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2008	2007
	HK$'000	HK$'000
Within one year	**4,315**	4,384
In the second to fifth year inclusive	**4,131**	8,924
	8,446	13,308

Operating lease payments represent rentals payable by the Group for certain of its office and factory premises. Leases are negotiated for lease term of two to three years and rentals are fixed for two to three years.

32. SHARE OPTION SCHEMES

The Company had two share option schemes, including pre-listing share option scheme (the "Pre-Listing Scheme") and share option scheme (the "Post-Listing Scheme"), which were both adopted on 16 May 2006. The terms and conditions of the Pre-Listing Scheme and the Post-Listing Scheme are set out below.

(A) Pre-Listing Scheme

The major terms of the Pre-Listing Scheme are summarised as follows:

(i) The purpose was to provide incentives to the participants;

(ii) The participants included directors of the Company or its subsidiaries, senior management and other employees of the Group;

(iii) The maximum number of shares in respect of which options might be granted under the Pre-Listing Scheme shall not exceed 19,555,261 shares;

(iv) In relation to each grantee of the options granted under Pre-Listing Scheme, the right of the grantee to exercise the option shall vest in three stages: 30% of share options granted (rounded down to the nearest whole number of shares) will vest from the expiry of one year from the listing date (6 June 2006) up to the day immediately before the fourth anniversary of the listing date; 30% of share options granted (rounded down to the nearest whole number of shares) will vest from the expiry of two years from the listing date up to the day immediately before the fifth anniversary of the listing date; and 40% of the share options granted (round down to the nearest whole number of shares) will vest from the expiry of three years from the listing date up to the day immediately before the sixth anniversary of the listing date;

(v) The exercise price of an option is HK$0.225 per share; and

(vi) No further options will be granted under the Pre-Listing Scheme after the day immediately prior to the date of listing of the Company's shares.

32. SHARE OPTION SCHEMES (continued)

(B) Post-Listing Scheme

The major terms of the Post-Listing Scheme are summarised as follows:

(i) The purpose was to provide incentives to the participants;

(ii) The participants included any full-time or part-time employees, executives and officers of the Company and any of its subsidiaries (including executive, non-executive directors and independent non-executive directors of the Company and any of its subsidiaries) and business consultants and legal and other professional advisors of the Company or its subsidiaries which, in the opinion of the Company's board of directors, has or had made contribution to the Group;

(iii) The maximum number of shares in respect of which options might be granted under the Post-Listing Scheme must not exceed 30% of the issued share capital of the Company from time to time. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any 12 months period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to a substantial shareholder or an independent non-executive director in excess of 0.1% of the Company's share capital and with a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

(iv) In relation to each grantee of the options granted under the Post-Listing Scheme, the right of the grantee to exercise the option shall vest in three stages: 30% of share options granted (rounded down to the nearest whole number of shares) will vest from the expiry of one year from the acceptance date of the option (the "Acceptance Date") up to the day immediately before the fourth anniversary of the Acceptance Date; 30% of share options granted (rounded down to the nearest whole number of shares) will vest from the expiry of two years from the Acceptance Date up to the day immediately before the fifth anniversary of the Acceptance Date; and 40% of the share options granted (round down to the nearest whole number of shares) will vest from the expiry of three years from the Acceptance Date up to the day immediately before the sixth anniversary of the Acceptance Date.

32. SHARE OPTION SCHEMES (continued)

(B) Post-Listing Scheme (continued)

(v) The exercise price of an option will be determined by the board of directors of the Company and will not be less than the highest of:

- the closing price of the share on the date of grant;
- the average closing price of the share for the 5 business days immediately preceding the date of grant; and
- the nominal value of the share; and

(vi) A consideration of HK$1 is payable on acceptance of the offer of grant of options.

32. SHARE OPTION SCHEMES (continued)

Details of the share options outstanding and movements during the two years were as follows:

					Number of share options					
Grantee	Name of the scheme	Date of grant	Exercising period	Exercise price per share HK$	Outstanding at 1 April 2006	Granted during the year (Note a)	Outstanding at 1 April 2007	Granted during the year (Note b)	Exercised during the year (Note c)	Outstanding at 31 March 2008
Executive directors										
Choi Hon Hing	Pre-listing Scheme	16.5.2006	6.6.2007 to 5.6.2010	0.225	–	1,333,294	1,333,294	–	(1,333,294)	–
	Pre-listing Scheme	16.5.2006	6.6.2008 to 5.6.2011	0.225	–	1,333,294	1,333,294	–	–	1,333,294
	Pre-listing Scheme	16.5.2006	6.6.2009 to 5.6.2012	0.225	–	1,777,725	1,777,725	–	–	1,777,725
Fung Wing Ki, Vicky	Pre-listing Scheme	16.5.2006	6.6.2007 to 5.6.2010	0.225	–	999,979	999,979	–	(999,979)	–
	Pre-listing Scheme	16.5.2006	6.6.2008 to 5.6.2011	0.225	–	999,979	999,979	–	–	999,979
	Pre-listing Scheme	16.5.2006	6.6.2009 to 5.6.2012	0.225	–	1,333,304	1,333,304	–	–	1,333,304
Fung Wing Yee, Wynne	Pre-listing Scheme	16.5.2006	6.6.2007 to 5.6.2010	0.225	–	999,979	999,979	–	(999,979)	–
	Pre-listing Scheme	16.5.2006	6.6.2008 to 5.6.2011	0.225	–	999,979	999,979	–	–	999,979
	Pre-listing Scheme	16.5.2006	6.6.2009 to 5.6.2012	0.225	–	1,333,304	1,333,304	–	–	1,333,304
Non-executive directors										
Tam Hok Lam, Tommy	Post-Listing Scheme	8.6.2007	12.6.2008 to 11.6.2011	0.860	–	–	–	120,000	–	120,000
	Post-Listing Scheme	8.6.2007	12.6.2009 to 11.6.2012	0.860	–	–	–	120,000	–	120,000
	Post-Listing Scheme	8.6.2007	12.6.2010 to 11.6.2013	0.860	–	–	–	160,000	–	160,000
Hui Ka Wah, Ronnie	Post-Listing Scheme	8.6.2007	9.6.2008 to 8.6.2011	0.860	–	–	–	120,000	–	120,000
	Post-Listing Scheme	8.6.2007	9.6.2009 to 8.6.2012	0.860	–	–	–	120,000	–	120,000
	Post-Listing Scheme	8.6.2007	9.6.2010 to 8.6.2013	0.860	–	–	–	160,000	–	160,000
Leung Man Chun, Paul	Post-Listing Scheme	8.6.2007	12.6.2008 to 11.6.2011	0.860	–	–	–	120,000	–	120,000
	Post-Listing Scheme	8.6.2007	12.6.2009 to 11.6.2012	0.860	–	–	–	120,000	–	120,000
	Post-Listing Scheme	8.6.2007	12.6.2010 to 11.6.2013	0.860	–	–	–	160,000	–	160,000

32. SHARE OPTION SCHEMES (continued)

Grantee	Name of the scheme	Date of grant	Exercising period	Exercise price per share HK$	Outstanding at 1 April 2006	Granted during the year (Note a)	Outstanding at 1 April 2007	Granted during the year (Note b)	Exercised during the year (Note c)	Outstanding at 31 March 2008
					Number of share options					
Advisor to the Group										
Fung Ka Pun (note d)	Post-Listing Scheme	8.6.2007	8.6.2008 to 7.6.2011	0.860	–	–	–	180,000	–	180,000
	Post-Listing Scheme	8.6.2007	8.6.2009 to 7.6.2012	0.860	–	–	–	180,000	–	180,000
	Post-Listing Scheme	8.6.2007	8.6.2010 to 7.6.2013	0.860	–	–	–	240,000	–	240,000
Employees	Pre-Listing Scheme	16.5.2006	6.6.2007 to 5.6.2010	0.225	–	2,533,330	2,533,330	–	(2,292,892)	240,438
	Pre-Listing Scheme	16.5.2006	6.6.2008 to 5.6.2011	0.225	–	2,533,330	2,533,330	–	–	2,533,330
	Pre-Listing Scheme	16.5.2006	6.6.2009 to 5.6.2012	0.225	–	3,377,764	3,377,764	–	–	3,377,764
	Post-Listing Scheme	8.6.2007	8.6.2008 to 5.7.2011	0.860	–	–	–	150,000	–	150,000
	Post-Listing Scheme	8.6.2007	8.6.2009 to 5.7.2012	0.860	–	–	–	150,000	–	150,000
	Post-Listing Scheme	8.6.2007	8.6.2010 to 5.7.2013	0.860	–	–	–	200,000	–	200,000
	Post-Listing Scheme	18.3.2008	18.3.2009 to 17.3.2012	0.536	–	–	–	90,000	–	90,000
	Post-Listing Scheme	18.3.2008	18.3.2010 to 17.3.2013	0.536	–	–	–	90,000	–	90,000
	Post-Listing Scheme	18.3.2008	18.3.2011 to 17.3.2014	0.536	–	–	–	120,000	–	120,000
					–	19,555,261	19,555,261	2,600,000	(5,626,144)	16,529,117
Weighted average exercise price					–	0.225	0.225	0.823	0.225	0.319

Notes:

(a) The fair value of the share options granted under Pre-Listing Scheme on 16 May 2006 determined at the date of grant using the Black-Scholes Option Pricing Model was approximately HK$5.1 million.

(b) The fair value of the share options granted to executive directors, non-executive directors and employees under the Post-Listing Scheme on 8 June 2007 and 18 March 2008, determined at the date of grant using the Black-Scholes Option Pricing Model was approximately HK$676,000 and HK$89,000 respectively. 600,000 options were granted to Mr. Fung Ka Pun who provides services to the Group that were similar to those rendered by employees of the Group. Therefore, the fair value of the services provided by him is determined by reference to the fair value of share options granted on grant date of HK$238,000.

(c) The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK$0.452 per share.

(d) Mr. Fung Ka Pun is a substantial shareholder of the Company.

32. SHARE OPTION SCHEMES (continued)

In obtaining the fair value of the share options granted during both years, the Black-Scholes option pricing model has been used. The input into the model were as follows:

	16 May 2006	8 June 2007	18 March 2008	Notes
Share price	HK$0.55	HK$0.86	HK$0.49	a
Exercise price	HK$0.225	HK$0.86	HK$0.536	
Expected life of options	4 – 6 years	4 – 6 years	4 – 6 years	b
Expected volatility	20% – 26%	62% – 72%	99% – 117%	c
Expected dividend yield	4.5%	2.9%	5.1%	d
Risk free rate	4.47%	4.63%	2.73%	

Notes:

(a) The prices of the Company's share at 16 May 2006, 8 June 2007 and 18 March 2008 are HK$0.55, HK$0.86 and HK$0.49 per share, respectively.

(b) The life of option ranges from 4 to 6 years from the date of grant.

(c) Expected volatility is determined by using the historical volatility of the price of the Company.

(d) Expected dividend yield is determined by the directors based on the historical record and the expected future performance of the Group.

The Black-Scholes Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share option are based on directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

In the current year, share option expenses of approximately HK$2,115,000 (2007: HK$2,508,000) have been recognised with a corresponding credit in the Group's share option reserve.

33. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following related party transactions:

	2008	2007
	HK$'000	HK$'000
Services fee paid to a related company (note)	**82**	61

Note: A director of this related company is also the director of the Company.

During the year, the Company issued 600,000 share options to Mr. Fung Ka Pun. Details of the share options are set out in note 32.

The remuneration of directors and other members of key management during the year was as follows:

	2008	2007
	HK$'000	HK$'000
Salaries and other short-term benefits	**4,426**	4,422
Post-employment benefits	**237**	227
Share-based payments	**1,031**	1,538
	5,694	6,187

The remuneration of directors and key executive is determined by the remuneration committee having regard to the performance of individuals and market trends.

34. RETIREMENT BENEFIT SCHEMES

The Group operated a pension scheme under rules and regulations of Mandatory Provident Fund Schemes Ordinance ("MPF Scheme"). The assets of the MPF Scheme are held separately in an independently administrated fund. The Group has chosen to follow the minimum statutory contribution requirement of 5% of eligible employees' monthly relevant income but limited to the mandatory cap of HK$20,000. The contributions are charged to the consolidated income statement as incurred. In respect of employees who leave the MPF Scheme before the employer's voluntary contributions become fully vested, the relevant portion of the voluntary contributions forfeited will be refunded to the Group.

The employees of the Group's subsidiaries in the PRC and a subsidiary in France are members of state-managed retirement benefit schemes operated by respective local governments. The subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement benefit schemes. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

During the year, the total amounts contributed by the Group to the schemes and cost charged to the consolidated income statement represents contribution payable to the schemes by the Group at rates specified in the rules of the schemes.

Defined benefit plan

The Group operates an unfunded defined benefit plan for qualifying employees of its subsidiary in France. Under the scheme, the employees are entitled to retirement benefits which varies according to the length of the service to the probable retirement age and monthly and annual remuneration of the employees. No other post-retirement benefits are provided.

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries at 31 March 2008 and 2007 are as follows:

Name of subsidiary	Place of incorporation or registration/ operations	Class of share held	Issued and fully paid up share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				Directly	Indirectly	
Winbox (BVI) Limited	The British Virgin Islands ("BVI")	Ordinary	US$460	100%	–	Investment holding
Dardel	France	Ordinary	EUR470,000	–	100%	Sale of quality plastic and paper boxes for luxury consumer goods
Fairich Investment Limited	Hong Kong	Ordinary	HK$2	–	100%	Investment holding
First Light Investments Limited	BVI	Ordinary	US$1	–	100%	Provision of sub-contracting services (intra group service)
Grand Cast Limited	Hong Kong	Ordinary	HK$2	–	100%	Investment holding
Golden Hope Holdings Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Winbox Company Limited	Hong Kong	Ordinary	Ordinary shares HK$5,500,000 Non-voting deferred shares HK$5,500,000 (Note)	–	100%	Sale of quality plastic and paper boxes for luxury consumer goods

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Name of subsidiary	Place of incorporation or registration/ operations	Class of share held	Issued and fully paid up share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				Directly	Indirectly	
Winbox Plastic Manufacturing (Shenzhen)	The PRC	Contributed capital	HK$30,000,000	–	100%	Manufacture and sale of quality plastic and paper boxes for luxury consumer goods and the provision of sub-contracting services (intra group service)
Winpac Europe Limited	United Kingdom	Ordinary	£500,000	–	100%	Investment holding
Winpac International Limited	Hong Kong	Ordinary	HK$2	–	100%	Investment holding
Winpac Trading Co. Limited	Hong Kong	Ordinary	HK$500,000	–	100%	Sale of quality plastic and paper boxes for luxury consumer goods
Winpac SARL	France	Ordinary	EUR10,000	–	100%	Property holding

Note: The holders of the non-voting deferred shares are not entitled to receive notice of or to attend or vote at any general meeting of this subsidiary, and not entitle to participate in the profits of this subsidiary. On a winding up, the holders of the non-voting deferred shares are entitled to be paid out of the surplus assets a return of the capital paid up on such shares after a total of HK$100,000,000 has been distributed in respect of each of the shares.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Financial Summary

RESULTS

	Year ended 31 March				
	2004	2005	2006	2007	**2008**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
	(note)	(note)	(note)	(note)	
Revenue	89,919	130,581	151,055	156,508	**176,803**
Profit for the year attributable to equity holders of the Company	24,065	30,186	26,804	28,051	**22,180**

ASSETS AND LIABILITIES

	As at 31 March				
	2004	2005	2006	2007	**2008**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
	(note)	(note)	(note)	(note)	
Total assets	153,161	185,434	200,092	217,629	**251,724**
Total liabilities	(21,471)	(26,500)	(35,478)	(29,625)	**(44,313)**
	131,690	158,934	164,614	188,004	**207,411**
Equity attributable to equity holders of the Company	131,539	158,934	164,614	188,004	**207,411**
Minority interests	151	–	–	–	**–**
	131,690	158,934	164,614	188,004	**207,411**

Note: The Company was incorporated in the Cayman Islands on 30 September 2005 and became the holding company of the Group with effect from 16 May 2006 as a result of a reorganisation scheme as set out in the prospectus dated 24 May 2006 issued by the Company. Accordingly, the results of the Group for each of the four years ended 31 March 2007 have been prepared on a combined basis as if the current group structure had been in existence throughout the years concerned. In addition, the assets and liabilities of the Group as at 31 March 2004, 2005 and 2006 have been prepared on a combined basis as if the current group structure had been in existence at those dates.