

Starlight International Holdings Ltd

升岡國際有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 485



STARLITE

ANNUAL REPORT 年報 2010

OUR MISSION

In striving to become a world leader in the consumer electronics arena, we pledge to serve customers with innovation and quality services, operate an efficient organization to create value for all stakeholders and honour our responsibilities as a good global corporate citizen.

集團使命

我們承諾透過為客戶提供創新優質的產品和服務，建立高效率的企業架構，為股東及客戶創造價值，並且克盡良好世界企業公民的責任，矢志成為全球領先的消費電子產品商。





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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors:

Lau Sak Hong, Philip
Lau Sak Kai, Anthony
Lau Sak Yuk, Andy
Lau Chu Lan, Carol

Non-executive Director:

Hon Sheung Tin, Peter

Independent Non-executive Directors:

Ho Hau Chong, Norman
Chan Chak Chung
Chuck Winston Calptor

SECRETARY

Lo Tai On

AUDITOR

Deloitte Touche Tohmatsu

AUDIT COMMITTEE

Hon Sheung Tin, Peter
Ho Hau Chong, Norman
Chan Chak Chung

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited
Hang Seng Bank Limited

SOLICITOR

Hon & Company

SHARE REGISTRARS AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL OFFICE

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董事局

執行董事：

劉錫康
劉錫淇
劉錫澳
劉翠蓮

非執行董事：

韓相田

獨立非執行董事：

何厚鏘
陳澤仲
卓育賢

秘書

羅泰安

核數師

德勤•關黃陳方會計師行

審核委員會

韓相田
何厚鏘
陳澤仲

主要銀行

香港上海滙豐銀行有限公司
渣打銀行(香港)有限公司
恒生銀行有限公司

律師

韓潤樂律師事務所

香港股票過戶登記處

卓佳秘書商務有限公司

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

主要辦事處

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CHAIRMAN'S STATEMENT 主席報告書



Mr. Lau Sak Hong, Philip
劉錫康先生
Chairman 主席

BUSINESS REVIEW

Results

The Group's performance for year ended 31 March, 2010 continued to be affected by the prolonged global economic recession and slow recovery. Lack of confidence in the consumer market and fierce pricing pressure from customers resulted in a decrease of 42% in turnover of the Group from HK\$1,281M to HK\$738M and a net loss of HK\$67M attributable to the owners of the Company. (2009: net loss of HK\$110M)

業務回顧

業績

截至2010年3月31日止年度，全球經濟持續衰退及復甦步伐緩慢，繼續影響本集團表現。由於消費市場信心不足及來自消費者之巨大降價壓力，本集團營業額由1,281,000,000港元減少至738,000,000港元，減幅達42%，並錄得本公司擁有人應佔淨虧損67,000,000港元(2009年：淨虧損110,000,000港元)。

CHAIRMAN'S STATEMENT

主席報告書

Electronics Division

The Group's two major markets, North America and Europe were slow to regain their economic stability and consumer confidence. Unemployment was high throughout these regions during the fiscal year. Consequently, sales to North America decreased by 33% and Europe by 59%. Our marketing effort was made difficult due to competition from the brand name manufacturers. These manufacturers reduced their prices in order to maintain their turnover. After their price cutting, the differential between a brand name product and our product was so small that there was no price incentive for retailers to carry our products in their stores.

We experienced gain in sales of the LCD high definition television sets in North America during fiscal 2010. We attributed this gain to that the North American households are finally ready to switch from their old CRT TV to digital TV. If our assessment is correct, we expect a good opportunity to regain our turnover focusing on the digital television market.

Our gross profit margin decreased by 3% in fiscal 2010. Due to the global recession, we decided to close out a lot of our inventory kept in the warehouses in North America. This move was necessary to free up the financing costs and reduced the storage costs in warehouses. We estimated that the close out factor accounted for half of the drop (1.5%) in the gross profit margin in fiscal 2010. Other factors attributable to the decline in the gross profit margin were fierce pricing pressure and a slight increase in our cost structure due to higher labor and material costs throughout the year.

Selling and distribution costs were reduced by HK\$62M and administrative expenses by HK\$37M, of which HK\$17M was from salaries and wages of the administrative staff. We will continue to monitor our overhead expenses as part of the effort to regain profitability of the Group.

電子生產業務

北美洲及歐洲為本集團之兩大主要市場，該等地區經濟回穩及消費者信心恢復之步伐緩慢。於本財政年度內，上述地區之失業率一直居高不下。因此，北美洲及歐洲之銷售分別下跌33%及59%。面對來自品牌製造商之激烈競爭，本集團之營銷工作舉步維艱。這些製造商不惜降價以維持其營業額，而降價措施大大縮小品牌產品與本集團產品之價格差距，導致本集團產品價格優勢不足以吸引零售商訂購。

於2010財政年度，本集團於北美洲之LCD高清電視機銷售有所上升，我們認為這主要由於北美家庭終於有意購買數碼電視機以取代老舊的CRT電視機。如果上述評估正確，透過專注於數碼電視機市場，本集團營業額有望回升。

於2010財政年度，本集團毛利率下降3%。由於全球經濟衰退，我們決定減價拋售北美倉庫存儲之大量存貨，從而降低融資成本及倉庫之存儲成本。預計存貨拋售引致之利潤減少佔2010財政年度毛利率跌幅之一半(1.5%)。毛利率下降之其他原因包括巨大之價格壓力及全年勞工及材料成本增加導致成本架構微幅上升。

銷售及分銷成本下降62,000,000港元，行政開支亦減少37,000,000港元，當中17,000,000港元來自削減行政人員薪酬。我們將繼續監控本集團之間接開支，致力提升本集團之盈利水平。

CHAIRMAN'S STATEMENT

主席報告書

Securities Trading

The Group recorded a segment result of a profit of HK\$8.2 million of the year.

Prospect

The speed of recovery of the global economic condition has been slow and has severely affected our performance in fiscal 2010. We however, remain positive on the outlook of our business. In April 2010, we entered into an exclusive licensing agreement with Polaroid for a period of 5 years with options for two additional renewal terms. This license gives us ready access to compete with other brand name manufacturers. Under the agreement, we have rights to use the Polaroid brand name on a wide range of electronic products; the major categories include TV, DVD, Blu-Ray DVD, portable DVD, DVD home theater systems, E-books readers and Ipod docking stations. So far the response has been favorable from our retail customers.

Sensing there is a great demand for digital TV in North America in the future years, we will launch the LED TV in August 2010. We will be targeting the 19" - 32" TV to suit the smaller households and meet the demand for the second and third bedroom in the family. After this launch, we plan to introduce Blu-Ray DVD with the LED TV as a combo unit or as a stand alone unit to the market. We have also been able to strengthen our sales force in US by hiring two ex-Polaroid sales executives to our sales team. We are pleased that we have regained a few major accounts recently offering our Polaroid LED TV.

In May 2010, we launched an open offer of our shares to shareholders to raise approximately HK\$72M in cash to finance the Polaroid project. We expect the offer will be completed at the end of July 2010. We will continue to reduce our inventory to provide additional working capital for our operation which will be further streamlined to reduce our administrative and overhead expenditure.

While we are cautiously optimistic about the global economy, we believe we are on track to improve our performance in the future years.

證券買賣

於本年度，本集團錄得分部業績溢利8,200,000港元。

展望

全球經濟復甦緩慢，嚴重影響本集團2010財政年度之表現，但我們仍看好未來業務前景。於2010年4月，本集團與Polaroid訂立獨家特許權協議，為期五年，並可續約兩期。憑藉該特許權，我們具備與其他品牌製造商競爭之實力。根據該協議，我們有權就多種電子產品使用Polaroid之品牌名，主要產品類別包括電視機、DVD機、藍光DVD機、手提式DVD機、DVD家庭影院組合、電子書閱讀器及Ipod平台座。迄今為止，有關產品備受零售客戶青睞。

有見未來數年北美市場對數碼電視機之需求強勁，我們將於2010年8月推出LED電視機。我們將主推19至32吋電視機，此類產品適合小型家庭使用，並可滿足次臥及客臥之需求。其後，我們計劃在北美市場推出藍光DVD機，配合LED電視機作為組合產品或作為單獨產品銷售。此外，我們亦聘用兩名Polaroid前任銷售專員，藉此提升美國銷售團隊之實力。推出Polaroid LED電視機後，我們最近再度取得若干大型訂單，著實令人欣喜。

於2010年5月，本集團向股東公開發售股份籌集現金約72,000,000港元，用於撥付Polaroid項目所需資金。預期發售事項將於2010年7月底完成。本集團將繼續減少存貨，以為本集團業務提供額外營運資金，並將進一步精簡集團業務，降低行政及間接開支。

我們對全球經濟持審慎樂觀態度，但我們相信，未來數年本集團之表現將逐步好轉。

CHAIRMAN'S STATEMENT

主席報告書

FINANCIAL POSITION

Liquidity and Financial Resources

The financial position of the Group remained stable. As at 31 March 2010 cash and deposits amounted to HK\$80 million, as compared to HK\$104 million last year.

Gearing ratio calculated as total borrowings to shareholders' funds was 0.36 (2009: 0.49), and net bank borrowings to shareholders funds was 0.23 for the year (2009: 0.33). Current ratio calculated as current assets to current liabilities changed to 1.46 from 1.43 last year.

Financing and Capital Structure

The Group finances its operations by combination of equity and borrowings. As at 31 March 2010, the Group's total borrowings is about HK\$219 million (2009: HK\$326 million), of which the whole amount is repayable within one year. Net borrowings, calculated as borrowings less net bank balances and cash, is HK\$139 million (2009: HK\$223 million).

The Group's transactions were mostly denominated in US dollars and Hong Kong dollars. The exposure to exchange rate risk was insignificant.

Pledge of Assets

As at 31 March 2010, the Group pledged certain assets and liabilities with carrying value of HK\$32 million (2009: HK\$46 million) to secure general credit facilities for margin accounts with brokers.

Contingent Liabilities

As at 31 March 2010, the Group had no contingent liabilities.

STAFF

As at 31 March 2010, the Group had a total staff of 1,804 of which 1,709 were employed in the PRC for the Group's manufacturing and distribution business.

The Group provides employee benefits such as staff insurance, retirement scheme, discretionary bonus and share option scheme and also provides in-house training programmes and external training sponsorship.

財務狀況

流動資金及財務資源

本集團之財務狀況保持穩健。於2010年3月31日，現金及存款為80,000,000港元，而去年則為104,000,000港元。

以總借貸對比股東資金計算之資產負債比率為0.36 (2009年：0.49)，而本年度之銀行借貸淨額對比股東資金則為0.23 (2009年：0.33)。按流動資產對比流動負債計算之流動比率由去年度之1.43轉為1.46。

財務及資本架構

本集團乃以權益及借貸作為營運資金。於2010年3月31日，本集團之借貸總額約為219,000,000港元 (2009年：326,000,000港元)，須於1年內償還。借貸淨額(以借貸減銀行結餘及現金淨值計算)為139,000,000港元(2009年：223,000,000港元)。

由於本集團之交易大部份以美元或港元為結算單位，故所承受之匯率風險並不重大。

資產抵押

於2010年3月31日，本集團已抵押賬面值為32,000,000港元(2009年：46,000,000港元)之若干資產及負債，作為一般信貸融資及經紀股票戶口之擔保。

或然負債

於2010年3月31日，本集團並無或然負債。

員工

於2010年3月31日，本集團擁有員工共1,804人，其中1,709人受僱於中國，負責本集團之製造及分銷業務。

本集團為其員工提供之福利如員工保險、退休計劃、酌情花紅及購股權計劃，亦提供內部訓練及外界訓練資助。

DIRECTORS AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理人員資料

EXECUTIVE DIRECTORS

Mr. Philip Lau Sak Hong, aged 63, was appointed executive director of the Company on 26th September, 1989. He is also the Chairman and Managing Director of the Company. He has been in the Group for 40 years and over 40 years of management experience in the electronics industry. Mr. Lau did not hold any directorship in other listed public companies in the last three years. Mr. Lau is also a director in a number of subsidiaries of the Group of the Company. He is the brother of Mr. Anthony Lau Sak Kai, Mr. Andy Lau Sak Yuk, Ms. Carol Lau Chu Lan, Mr. Eric Lau Shek Hung and Mr. Jacky Lau Sek Hoi who are executive directors and senior management of the Company.

Mr. Anthony Lau Sak Kai, aged 60, was appointed executive director of the Company on 26th September, 1989. Mr. Lau has been in the Group for 38 years and is responsible for the Group's overall production management in China and also in charge of the research & development of the Group. Mr. Lau did not hold any directorship in other listed public companies in the last three years. Mr. Lau is also a director of a number of subsidiaries of the Group of the Company. He is the brother of Mr. Philip Lau Sak Hong, Mr. Andy Lau Sak Yuk, Ms. Carol Lau Chu Lan, Mr. Eric Lau Shek Hung and Mr. Jacky Lau Sek Hoi who are executive directors and senior management of the Company.

Mr. Andy Lau Sak Yuk, aged 60, was appointed executive director of the Company on 26th September, 1989. He is in charge of the research and development of the Group and has been in the Group for 38 years. Mr. Lau did not hold any directorship in other listed public companies in the last three years. Mr. Lau is also a director in a number of subsidiaries of the Group of the Company. He is the brother of Mr. Philip Lau Sak Hong, Mr. Anthony Lau Sak Kai, Ms. Carol Lau Chu Lan, Mr. Eric Lau Shek Hung and Mr. Jacky Lau Sek Hoi who are executive directors and senior management of the Company.

執行董事

劉錫康先生，63歲，於1989年9月26日獲委任為本公司執行董事。彼亦為本公司主席兼董事總經理。彼在本集團已服務40年並擁有超過40年電子工業之管理經驗。劉先生於過去三年並無出任其他上市公司董事職位。劉先生亦為本公司多家集團附屬公司之董事。彼為本公司之執行董事及高層管理人員劉錫淇先生、劉錫澳先生、劉翠蓮女士、劉錫鴻先生及劉錫海先生之胞兄。

劉錫淇先生，60歲，於1989年9月26日獲委任為本公司執行董事。彼在本集團已服務38年，負責本集團之中國整體生產管理，亦主管本集團之研究及發展部。劉先生於過去三年內並無出任其他上市公司董事職位。劉先生亦為本公司多家集團附屬公司之董事。彼為本公司之執行董事及高層管理人員劉錫康先生、劉錫澳先生、劉翠蓮女士、劉錫鴻先生及劉錫海先生之兄弟。

劉錫澳先生，60歲，於1989年9月26日獲委任為本公司執行董事，負責本集團之研究及發展，並於本集團已服務38年。劉先生於過去三年並無出任其他上市公司董事職位。劉先生亦為本公司多家集團附屬公司之董事。彼為本公司之執行董事及高層管理人員劉錫康先生、劉錫淇先生、劉翠蓮女士、劉錫鴻先生及劉錫海先生之兄弟。

DIRECTORS AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理人員資料

Ms. Lau Chu Lan, Carol, aged 61, was appointed executive director of the Company on 23rd July, 2010. She has of 33 years of experience in financial management, business consultation, financial and regulatory auditing. Ms. Lau serves as an Interim Chief Financial Officer and Chairwoman of the Board of The Singing Machine Company, Inc., and serves as Chief Financial Officer of Cosmo Communications Corporation, which are subsidiaries of the Company and both are registered as public listed companies in the United States. Save as disclosed above, she did not hold any directorship of other public listed company in the last three years. Ms. Lau is the sister of Mr. Lau Sak Hong, Philip, Mr. Anthony Lau Sak Kai, Mr. Andy Lau Sak Yuk, Mr. Eric Lau Shek Hung and Mr. Jacky Lau Sek Hoi who are executive directors and senior management of the Company.

NON-EXECUTIVE DIRECTOR

Mr. Hon Sheung Tin, Peter, aged 69, had been an independent non-executive director of the Company on 1988 and re-designated as non-executive director of the Company on 28th September, 2004. He has been practising as a solicitor in Hong Kong for over 40 years. He retired as Senior Partner of Messrs. Hon & Co., Solicitors & Notaries since 1st April, 2008 and remains as consultant. He is a director of Starlight Industrial Holdings Limited and The Singing Machine Company, Inc. where both are subsidiaries of the Company. He resigned as an independent non-executive director of Automated Systems Holdings Limited in August, 2009. He is a member of audit committee and remuneration committee of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Norman Ho Hau Chong, aged 54, was appointed independent non-executive director of the Company on 1st October, 1998. He is a member of audit committee of the Company. He holds a Bachelor of Arts degree from the University of Exeter, and is a member of the Institute of Chartered Accounts in England and Wales, a Fellow of the Hong Kong Institute of Certified Public Accountants. He has over 23 years of experience in management and property development. He is a director in CITIC Pacific Limited, Hong Kong Ferry (Holdings) Company Limited, Lee Hing Development Limited, Miramar Hotel & Investment Company Limited, Shun Tak Holdings Limited and Vision Values Holdings Ltd (formerly know as New World Mobile Holdings Limited), all of which are listed on the Stock Exchange. Mr. Ho resigned on 1st July, 2009 as director of Taifook Securities Group Limited, a company listed on the Stock Exchange.

劉翠蓮女士，61歲，於2010年7月23日獲委任為本公司執行董事。彼於財務管理、商業諮詢、財務及監管審計方面擁有33年經驗。劉女士出任The Singing Machine Company, Inc.之臨時財務總監及董事會主席並出任Cosmo Communications Corporation之財務總監，兩家公司均為本公司之附屬公司且均於美國註冊為上市公司。除上文所披露者外，彼於過去三年內並無出任其他上市公司董事職位。劉翠蓮女士為本公司之執行董事及高層管理人員劉錫康先生、劉錫淇先生、劉錫澳先生、劉錫鴻先生及劉錫海先生之姐妹。

非執行董事

韓相田先生，69歲，彼於1988年獲委任為本公司獨立非執行董事，其後於2004年9月28日重新委任為本公司非執行董事。現職為律師，於香港執業超過40年。彼於2008年4月1日起辭任韓潤樂律師樓之首席合夥人，惟仍留任顧問職務。彼亦為升岡集團有限公司及The Singing Machine Company, Inc. (均為本公司附屬公司)之董事。彼於2009年8月辭任自動系統集團有限公司之獨立非執行董事一職。彼為本公司審核委員會及薪酬委員會成員。

獨立非執行董事

何厚鏘先生，54歲，彼於1998年10月1日獲委任為本公司獨立非執行董事。彼為本公司審核委員會成員。何先生持有英國University of Exeter 學士學位，亦為英格蘭及威爾斯特許會計師公會會員及香港會計師公會資深會員。何先生有超過23年管理及地產發展經驗。何先生為中信泰富有限公司、香港小輪(集團)有限公司、利興發展有限公司、美麗華酒店企業有限公司、信德集團有限公司及Vision Values Holdings Ltd (前稱新世界移動控股有限公司)之董事，該等公司均於聯交所上市。何先生於2009年7月1日辭任聯交所上市公司大福證券集團有限公司之董事一職。

DIRECTORS AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理人員資料

Mr. Chan Chak Chung, aged 52, was appointed director of the Company on 30th September, 2004. He is an Independent Non-executive Director. He is also a member of audit committee and remuneration committee of the Company. He is a qualified accountant with about 29 years in the public accountancy profession. He holds a Master degree in Business Administration. He is an associate member of Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants of United Kingdom. He did not hold any directorship in other listed public companies in the last three years.

Mr. Winston Calptor Chuck, aged 54, was appointed director of the Company on 30th September, 2004. He is an Independent Non-executive Director and a member of remuneration committee of the Company. He has been practising as a solicitor in Hong Kong over 28 years. He holds a Bachelor Degree of Arts from University of Ontario, Canada. He is also an independent non-executive director of ITC Corporation Limited, a company listed on the Stock Exchange.

SENIOR MANAGEMENT

Mr. Lau Shek Hung, Eric, aged 54, a brother of Mr. Lau Sak Hong, Philip, is a Director of a major subsidiary of the Group. He is responsible for the Group's Colour TV manufacturing business. He has been in the Group for 14 years and has over 21 years of experience in the electronics field.

Mr. Lau Sek Hoi, Jacky, aged 51, a brother of Mr. Lau Sak Hong, Philip, is a Director of a major subsidiary of the Group. He is holding a science degree from one Australian university and is currently responsible for the Group's material sourcing, purchasing and control activities. He has been in the Group for 25 years.

Mr. Wong Kai Wai, Tony, aged 61, joined the Group as General Manager in 2005. He started his career in the audio and video manufacturing business since 1967. He was formerly a director of a television manufacturing company listed in Hong Kong. He supervises and coordinates different divisions of the Group.

陳澤仲先生，52歲，自2004年9月30日獲委任為本公司董事。彼為本公司之獨立非執行董事。彼亦為本公司審核委員會及薪酬委員會成員。陳先生為合資格會計師，於執業會計專業擁有約29年經驗。彼持有工商管理碩士學位，為香港會計師公會及英國特許公認會計師公會會員。彼於過去三年內並無出任其他上市公司董事職位。

卓育賢先生，54歲，自2004年9月30日獲委任為本公司董事。彼為本公司之獨立非執行董事及薪酬委員會成員。卓先生為事務律師，於香港執業逾28年。彼獲加拿大University of Ontario頒授文學學士學位。彼亦為於聯交所上市之德祥企業集團有限公司之獨立非執行董事。

高級管理人員

劉錫鴻先生，54歲，為劉錫康先生之胞弟，亦為集團一主要附屬公司董事，專責主管本集團彩色電視機製造業務，彼在本集團已服務了14年並擁有21年以上電子業務經驗。

劉錫海先生，51歲，為劉錫康先生之胞弟，亦為本集團一主要附屬公司董事。彼取得澳洲一所大學之理科學位，現負責本集團原料採購及控制等工作。彼在本集團已服務了25年。

王繼偉先生，61歲，2005年加入集團為集團總經理。從1967年開始從事音響及電視製造專業，曾為一家於香港上市之電視製造公司之董事。現全面負責管理及協調集團各部業務。

DIRECTORS AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理人員資料

Stephen R. Brothers, aged 66, is the Vice President of Sales and Marketing for the Company, and is responsible for sales of DVD, portable DVD, DVD home theater systems, and I-Pod related products in the United States.

Prior to joining Starlight, Mr. Brothers, served as President of Apex Digital, a manufacturer and distributor of DVD and TV product throughout the US. During this period, Mr. Brothers was responsible for Key National accounts, and was heavily involved in product development. For most of his career, Mr. Brothers worked as a manufacturers representative in the Middle Atlantic area, representing a number of Consumer Electronic and IT manufacturers. Mr. Brothers graduated from the University Of Virginia, and holds a bachelors degree from that University.

Mr. Man Chi Kuen, aged 46, joined the Group as Chief Financial Officer in 2009. Mr. Man graduated with bachelor degree in business administration from Chinese University of Hong Kong and with post graduate diploma in financial analysis from University of Hong Kong. Mr. Man is CPA of various US states and in Hong Kong, and is CGA of Ontario, Canada. Mr. Man has 25 years of extensive work experience across Canada, US, Hong Kong and PRC.

Gary Atkinson, aged 29, joined the Singing Machine Company, Inc. in January 2008 and was appointed as the interim Chief Executive Officer in November 2009. Mr. Atkinson is a licensed attorney in the State of Florida and Georgia. He graduated from the University of Rochester with a Bachelors Degree in Economics and has been awarded a dual-degree J.D./M.B.A. from Case Western Reserve University School of Law and Weatherhead School of Management. Mr. Atkinson is the nephew of Mr. Lau Sak Hong, Philip and son of Ms. Lau Chu Lan, Carol.

Mr. Peter Horak, aged 71, was appointed Chief Executive Officer of Cosmo in January 2001. He is the co-founder of Cosmo Canada and has been its CEO since 1988. Mr. Horak has extensive knowledge and experience in distribution of consumer electronics products in Canada. Prior to joining Cosmo Canada in 1982, Mr. Horak worked with several top electronic companies and served as Sanyo's Vice President of Sales and Marketing. He leads the sales team to open new markets and develop new products and works closely with the administrative group and warehouse supporting group.

Mr. Jeff Horak, aged 51, joined one of the Group US subsidiary Cosmo Communications Canada Inc. as Vice President of Sales & Marketing since 1981. He is responsible for sales, business development of foreign markets and develops various product lines, which Cosmo distribute.

Stephen R. Brothers，66歲，為本公司銷售及市場推廣部副總裁，負責在美國銷售DVD機、手提式DVD機、DVD家庭影院組合以及I-Pod相關產品。

加入升岡前，Brothers先生曾擔任Apex Digital（在美國製造及分銷DVD機及電視機產品）之總裁。在此期間，Brothers先生負責全國重點客戶，並積極參與產品開發。Brothers先生作為製造商代表（代表眾多消費電子產品及IT產品製造商）長期活躍在大西洋中部地區。Brothers先生畢業於弗吉尼亞大學，並於該大學獲得學士學位。

文志乾先生，46歲，於2009年加入本集團擔任財務總監。文先生畢業於香港中文大學，獲得工商管理學士學位，並持有香港大學財務分析深造文憑。文先生為多個美國州份及香港之執業會計師及加拿大多倫多註冊會計師。文先生於加拿大、美國、香港及中國大陸擁有25年豐富工作經驗。

Gary Atkinson，29歲，於2008年1月加入The Singing Machine Company, Inc.，並於2009年11月獲委任為臨時行政總裁。Atkinson先生為美國佛羅里達州及喬治亞州之執業律師。彼畢業於University of Rochester，取得經濟學學士學位，並獲Case Western Reserve University法學院及Weatherhead School of Management頒發法律博士／工商管理碩士雙學位。Atkinson先生為劉錫康先生之侄、劉翠蓮女士之子。

Peter Horak先生，71歲，於2001年1月獲委任為Cosmo之行政總裁。彼為Cosmo Canada之共同創辦人，並於1988年起擔任該公司之行政總裁。Horak先生於加拿大分銷消費電子產品方面擁有豐富知識及經驗。於1982年加盟Cosmo Canada前，Horak先生曾於多家著名電子公司工作，並曾任三洋之銷售及市場推廣部副總裁。彼帶領銷售隊伍開拓新市場、開發新產品以及與行政隊伍及庫存支援隊伍緊密合作。

Jeff Horak先生，51歲，於1981年加入本集團之美國附屬公司Cosmo Communications Canada Inc.，擔任銷售及市場推廣部副總裁。彼負責Cosmo所分銷產品之銷售、海外業務發展及開發不同產品系列。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to maintaining a high standard of corporate governance. The Board of directors of the Company (“the Board”) firmly believes that to maintain a good, solid and sensible framework of corporate governance will ensure the Company to run its business in the best interests of its shareholders as a whole.

The Company adopted all the code provisions in the Code on Corporate Governance Practices (“the Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”) as its own code on corporate governance practices.

During the year ended 31 March 2010, the Company has complied with the Code except the following:

1. Pursuant to code provision A.2.1, the roles of chairman and chief executive officer of an issuer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. Philip Lau Sak Hong is currently the chairman and managing director of the Company. Having considered the current business operation and the size of the Group, the Board is of the view that Mr. Lau acting as both the chairman and managing director of the Company is acceptable and in the best interest of the Company. The Board will review this situation periodically.

本公司致力維持高水平企業管治。本公司董事局（「董事局」）深信，維持良好、穩健及明智的企業管治架構，將確保本公司之業務營運符合其股東整體最佳利益。

本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「該守則」）內之所有條文作為其本身企業管治常規守則。

除下列各項外，本公司於截至2010年3月31日止年度一直遵守該守則之規定：

1. 根據守則條文第A.2.1條，發行人主席及行政總裁之職責須獨立區分，且不應由同一人出任。主席及行政總裁之職責區分須書面清楚列明。劉錫康先生現時出任本公司之主席兼董事總經理。基於目前業務運作情況與本集團之規模，董事局認為，由劉先生出任本公司之主席兼董事總經理乃可接受及符合本公司最佳利益。董事局將定期檢討這情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

2. The Company was incorporated in Bermuda and enacted by private act, the Starlight International Holdings Limited Company Act, 1989 of Bermuda (the "1989 Act"). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the bye-laws of the Company ("the Bye-laws"). As the Company is bound by the provisions of the 1989 Act, the Bye-laws cannot be amended to fully reflect the requirements of the code provision A.4.2 which stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

To enhance good corporate governance practices, Mr. Philip Lau Sak Hong, the chairman and managing director of the Company will voluntarily retire from his directorship at annual general meeting of the Company at least once every three years in order for the Company to comply with the Code, provided that, being eligible for re-election, he may offer himself for re-election at the annual general meeting.

BOARD OF DIRECTORS

The Board is charged with leading the Group in a responsible and effective manner. Each director has to carry out his/her duties in utmost good faith above and beyond any prevailing applicable laws and regulations and act in the best interests of the shareholders. The duties of the Board include establishing the strategic direction of the Group, setting objectives and monitoring the performance of the Group.

The Board has established schedule of matters specifically reserved to the Board for its decision and those reserved for the management. The Board reviews this schedule on a periodic basis to ensure that it remains appropriate to the needs of the Company.

2. 本公司乃根據私人法1989年百慕達升岡國際有限公司法(「該1989年法」)於百慕達註冊成立。根據該1989年法第3(e)節，擔任執行主席或董事總經理之董事毋須根據本公司之公司細則(「該公司細則」)規定於各股東週年大會上輪值告退。由於本公司受到該1989年法之條文約束，該公司細則不得作出修訂以全面遵守守則條文第A.4.2條有關各董事(包括擁有特定委任年期之董事)須最少每三年輪值告退一次之規定。

為加強良好之企業管治常規，本公司主席兼董事總經理劉錫康先生將自願於本公司股東週年大會上每三年輪值告退一次，使本公司可遵守該守則之規定，惟其有權並願意於股東週年大會上膺選連任。

董事局

董事局須以負責有效之方式領導本集團。除遵守任何現行適用法例及規例外，每名董事須絕對真誠地履行彼之職責，並以股東最佳利益行事。董事局職責包括制定本集團策略方向、設定目標及監察本集團表現。

董事局制定專門留待董事局議決及管理層處理之事務議程。董事局會定期審閱相關議程，確保其仍然切合本公司需要。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board of the Company consists of three executive directors, three independent non-executive directors and one non-executive director. Their brief biographical details and relationship, if any, are described on page 7 of the Annual Report.

The independent non-executive directors, all of whom are independent of the management of the Company, are highly experienced professionals coming from a diversified background. They ensure that the Board maintains high standards of financial and other mandatory reporting as well as providing adequate check and balance of safeguard the interest of shareholders and the Company as a whole.

Each of the independent non-executive directors and non-executive director has entered into an appointment letter with the Company pursuant to which each of them is appointed for service with the Company from 1 October 2009 to 30 September 2011. The appointment shall terminate on the earlier of (i) 30 September 2011, or (ii) the date on which the director ceases to be director for any reasons pursuant to the bye-laws of the Company or any other applicable laws.

The full Board meets no less than four times a year to review the financial and operating performance of the Group. Additional board meetings were held when necessary. Due notice and board papers were given to all directors prior to the meeting in accordance with the Listing Rules and the Code. The Board has established procedure to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expenses.

本公司董事局由3名執行董事、3名獨立非執行董事及1名非執行董事組成。彼等之簡歷及關係(如有)載於年報第7頁。

全體獨立非執行董事均獨立於本公司管理層，乃來自不同背景之資深專業人士。彼等確保董事局維持高水平財務及其他強制申報，並具備充分權力制衡，以保障股東及本公司整體利益。

獨立非執行董事及非執行董事各自與本公司訂立委任書，據此，彼等各自獲委任自2009年10月1日至2011年9月30日期間向本公司提供服務。任期須於下列較早期限終止：(i) 2011年9月30日；或(ii)董事基於任何理由根據本公司之公司細則或任何其他適用法例終止出任董事之日。

董事局全體成員每年會面不少於4次，以審閱本集團財務及營運表現。董事局將於有需要時額外舉行會議。已於會議舉行前根據上市規則及該守則向全體董事發出適當通告及董事局文件。董事局已制定程序，讓董事在作出合理要求時於適當情況下徵求獨立專業意見，費用由本公司承擔。

CORPORATE GOVERNANCE REPORT

企業管治報告

There were four (4) regular Board meetings held in the financial year ended 31 March 2010. The attendance record of each director is shown below. All business transacted at the above meetings are well-documented and maintained in accordance with applicable laws and regulations.

於截至2010年3月31日止財政年度，曾舉行四(4)次董事局例會。每名董事之出席記錄呈列如下。上述會議處理之所有事務均按照適用法例及規條妥為記錄及存檔。

| Name of director | 董事姓名 | No. of board meeting attended 出席董事局例會次數 |
|-----------------------|------|--|
| Philip Lau Sak Hong | 劉錫康 | 4 |
| Anthony Lau Sak Kai | 劉錫淇 | 4 |
| Andy Lau Sak Yuk | 劉錫澳 | 4 |
| Peter Hon Sheung Tin | 韓相田 | 4 |
| Norman Ho Hau Chong | 何厚鏘 | 2 |
| Chan Chak Chung | 陳澤仲 | 4 |
| Winston Calptor Chuck | 卓育賢 | 3 |

DIRECTORS' SECURITIES TRANSACTIONS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules ("the Model Code"), as the code of conduct regarding director's securities transactions.

The Company has made specific enquiry of all directors that they have complied with the Model Code throughout the year ended 31 March 2010.

In addition, the Board also established written guidelines on no less exacting terms than the Model Code for senior management of the Company in respect of their dealings in the securities of the Company.

BOARD COMMITTEES

To strengthen the functions of the Board and to enhance its expertise, there are two Board committees namely, the Audit Committee and Remuneration Committee formed under the Board, with each performing different functions.

董事進行證券交易

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「該標準守則」)，作為董事進行證券交易的操守守則。

本公司已向全體董事作出具體查詢，彼等於截至2010年3月31日止年度一直遵守該標準守則。

此外，董事局亦制定書面規條，規定本公司高級管理人員買賣本公司證券，其條款不寬鬆於該標準守則。

董事局委員會

為加強董事局職能及提升其專業知識，已於董事局轄下成立兩個董事局委員會，分別為審核委員會及薪酬委員會，各自履行不同職能。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE

The Audit Committee, which is chaired by Mr. Norman Ho Hau Chong, has been established with defined terms of reference in alignment with the recommendations set out in “A Guide for Effective Audit Committees” issued by the Hong Kong Institute of Certified Public Accountants and the code provisions set out in the Corporate Governance Code of the Listing Rules. Other members are Mr. Peter Hon Sheung Tin and Mr. Chan Chak Chung.

The Audit Committee meets no less than twice a year with the senior management and the external auditors. The role and function of the Audit Committee include: to review the accounting principles and practices adopted by the Group and other financial reporting matters, to assure the completeness, accuracy and fairness of the financial statement of the Group, discuss the effectiveness of the systems of internal control throughout the Group and most importantly, and to review all significant business affairs managed by the executive directors in particular on connected transactions. The Committee also provides advice and recommendations to the Board and oversees all matters relating to the external auditors, and it plays an important role in monitoring and safeguarding the independence of external auditors.

The Audit Committee met three (3) times during the financial year ended 31 March 2010. Work undertaken by the audit committee included:

- reviewing of the financial statements for the year ended 31 March 2009 and for the six months ended 30 September 2009; and
- reviewing of the auditors’ fees and its re-appointment.

The attendance record of each member is shown below. All business transacted at the above meetings are well-documented and maintained in accordance with applicable laws and regulations.

審核委員會

本公司已成立審核委員會，由何厚鏘先生擔任主席，並制定職權範圍，以遵照香港會計師公會所頒佈「有效運作審核委員會之準則」（「A Guide for Effective Audit Committees」）所載推薦建議以及上市規則之企業管治守則所載守則條文。其他成員為韓相田先生及陳澤仲先生。

審核委員會每年與高級管理人員及外聘核數師會面不少於兩次。審核委員會之角色及職能包括：審閱本集團所採納會計準則及慣例與其他財務申報事宜；確保本集團財務報告之完整性、準確性及公平性；討論本集團內部監控系統之成效；而最重要的，乃審閱執行董事處理之一切重大事務，特別是關連交易。委員會亦向董事局提供意見及推薦建議，並監管有關外聘核數師之一切事宜，於監察及保障外聘核數師獨立身分方面擔當重要角色。

審核委員會於截至2010年3月31日止財政年度會面三(3)次。審核委員會所進行之工作包括：

- 審閱截至2009年3月31日止年度及截至2009年9月30日止6個月之財務報告；及
- 審閱核數師酬金及續聘。

每名成員之出席記錄呈列如下。於上述會議處理之所有事務均按照適用法例及規例妥為記錄及存檔。

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| Name of audit committee member | 審核委員會會員姓名 | No. of audit committee meeting attended | 出席審核委員會會議次數 |
|--------------------------------|-----------|---|-------------|
| Norman Ho Hau Chong | 何厚鏘 | 1 | 1 |
| Peter Hon Sheung Tin | 韓相田 | 3 | 3 |
| Chan Chak Chung | 陳澤仲 | 3 | 3 |

REMUNERATION COMMITTEE

The Company which is chaired by Mr. Peter Hon Sheung Tin, has been established with defined terms of reference. Other members are Mr. Chan Chak Chung and Mr. Winston Calptor Chuck.

The Company aims to design remuneration policies that attract and retain executive needed to run the Group successfully and to motivate executives to pursue appropriate growth strategies whilst taking into account performance of the individual. The remuneration should reflect performance, complexity and responsibility of the individual; and the remuneration package will be structured to include salary, bonus and share options scheme to provide incentives to directors and senior management to improve their individual performances.

The role and function of the Remuneration Committee include formulation of the remuneration policy, review and recommending to the Board the annual remuneration policy, and determination of the remuneration of the executive directors.

Work undertaken by the Remuneration Committee during the year included:

- reviewing of the remuneration policy for 2009/2010; and
- reviewing of the remuneration of the executive directors and the independent non-executive directors.

The Remuneration Committee meets once during the financial year ended 31 March 2010 with the presence of Mr. Peter Hon Sheung Tin and Mr. Chan Chak Chung.

薪酬委員會

本公司已成立薪酬委員會，由韓相田先生擔任主席，並制定職權範圍。其他成員為陳澤仲先生及卓育賢先生。

本公司旨在制定適當薪酬政策，以吸引及留聘本集團成功營運所需之行政人員，並激勵行政人員推行適當發展策略，同時評核員工個別表現。薪酬應反映個別員工之表現、職務難度及職責；而薪酬組合之結構將涵蓋薪金、花紅及購股權計劃，為董事及高級管理人員提供獎勵，以提升彼等個別表現。

薪酬委員會之角色及職能包括制定薪酬政策、每年審閱薪酬政策及就此向董事局提供推薦建議，以及釐定執行董事薪酬。

薪酬委員會於年內所進行之工作包括：

- 審閱2009／2010年薪酬政策；及
- 審閱執行董事及獨立非執行董事之薪酬。

薪酬委員會於截至2010年3月31日止財政年度會面1次，韓相田先生及陳澤仲先生均出席會議。

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OTHER INFORMATION

The Board of Directors has not established a nomination committee. According to the Bye-laws of the Company, the Board has the power from time to time and at any time to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. In assessing nomination of new directors, the Board will take into consideration of the nominee's qualification, ability and potential contributions to the Company. There was no change of the composition of the Board during financial year ended 31 March 2010.

AUDITOR'S REMUNERATION

The remuneration in respect of services provided by Deloitte Touche Tohmatsu for the Group for the year ended 31 March 2010 are analysed as follows:

| | | 31 March 2010 |
|-------------------|-------|---------------|
| | | HK\$'000 |
| | | 2010年3月31日 |
| | | 港幣千元 |
| Audit service | 核數服務 | 2,500 |
| Non audit service | 非核數服務 | 600 |

In respect of non-audit services, the fees paid to the Company's auditors related to tax consulting services.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The management provides the explanation and information to the Board to facilitate an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibility to prepare the financial statements that give a true and fair view of the state of affairs of the Group. Meanwhile, the Directors are responsible for ensuring that appropriate accounting policies are selected and

其他資料

董事局並無成立提名委員會。根據本公司之該公司細則，董事局有權不時及隨時委任任何人士出任董事，以填補臨時空缺或成為董事局新增成員。於評核新董事提名時，董事局將考慮獲提名人士履歷、能力及向本公司作出之潛在貢獻。截至2010年3月31日止財政年度，董事局成員並無變動。

核數師酬金

德勤•關黃陳方會計師行於截至2010年3月31日止年度向本集團提供服務所涉及酬金分析如下：

就非核數服務而言，指就稅務諮詢服務應付本公司核數師之費用。

董事與核數師編製財務報告之責任

管理層提呈財務及其他資料予董事局審批時，會提供補充說明及資料讓董事局在知情之情況下評估財務及其他資料。

董事確認有責任編製一份能夠真實而公平地反映本集團事務狀況之財務報告。同時，董事亦負責確保須選擇及貫徹應用適當之會計政策，有關判斷及評估亦需審慎合理。於編製截至2010年3月31日止

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applied consistently; and that judgments and estimates made are prudent and reasonable. In preparing the financial statements for the year ended 31 March, 2010, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the applicable laws were complied with.

The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as going concern. The Board has prepared the financial statements on a going concern basis.

The reporting responsibilities of external auditors of the Company are disclosed in "Independent Auditor's Report".

INTERNAL CONTROL

The Board has overall responsibilities for maintaining a sound and effective internal control system of the Group. The system includes a defined management structure with limits of authority, safeguard its assets against unauthorized use of disposition, ensures the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensures compliances with relevant laws and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage the risks of failure in the Group's operational systems and in the achievement of the Group's objectives.

During the year, the Company has conducted review the effectiveness of system of internal control including risk management system and also the Company's accounting and financial reporting function. The report and findings has been submitted to the Board and follow-up plan has been adopted based on recommendations. The Board also reviewed adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

年度之財務報告時，採納了香港普遍採納之會計原則，並遵守香港會計師公會所頒佈之《香港財務報告準則》及適用法例之規定。

董事局並不知悉有任何事件或情況存有重大不明朗因素，會導致本集團持續經營能力出現重大問題。董事局已採用持續經營基準編製財務報告。

本公司外聘核數師之報告責任已於「獨立核數師報告」內披露。

內部監控

董事局須在整體上負責維持本集團健全及有效之內部監控制度，當中包括設有一個權限分明之清晰管理架構、保障集團資產不會遭挪用或竊取、確保會計記錄妥為存置以提供可靠財務資料作內部或公佈之用，並且確保遵守有關法例及規例。該制度旨在合理，但非絕對保證不會出現嚴重失誤，並管理本集團之營運系統以及本集團達致業務目標過程中之失誤風險。

年內，本公司已檢討內部監控制度之有效性，包括風險管理制度以及本公司之會計及財務匯報職能。董事局已獲提呈報告及結果，並根據推薦建議採納跟進計劃。董事會亦對本公司會計及財務匯報職能部門之資源充足性、員工資質及經驗以及培訓計劃及預算進行檢討。

CORPORATE GOVERNANCE REPORT

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SHAREHOLDER COMMUNICATION

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner.

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include annual general meeting, annual report, various notices, announcements and circulars. Procedure for voting by poll has been read out by the chairman at the general meeting.

At the 2009 annual general meeting, separate resolution was proposed by the Chairman in respect of each separate issue, including re-election of directors and was voted by way of poll. The Chairman of the Board of Directors and members of Audit Committee and Remuneration Committee attended the 2009 annual general meeting to answer questions from shareholders.

CONCLUSION

The Company strongly believes that the quality and standard of corporate governance reflects the quality of the management and the operations of the Group's business. Good corporate governance can safeguard the proper use of funds and effective allocation of resources and to protect shareholders' interests. The management wholeheartedly advocated of the good practice in corporate governance and will try our best to maintain, strengthen and improve the standard and quality of the Group's corporate governance.

股東通訊

股東通訊之目的乃為股東提供有關本公司之詳盡資料，致使彼等按知情方式行使作為股東之權利。

本公司利用一系列通訊工具，確保其股東緊貼主要業務發展，當中包括股東週年大會、年報、各種通告、公佈及通函。按股數投票表決之程序已於股東大會由主席宣讀。

於2009年股東週年大會上，主席就重選董事等每項獨立事宜分開提呈決議案，且該等決議案已按股數投票表決。董事局主席及審核委員會與薪酬委員會成員已出席2009年股東週年大會，解答股東提問。

總結

本公司深信，企業管治質素及水平反映本集團業務管理及營運質素。良好的企業管治可確保適當動用資金及有效分配資源，並保障股東利益。管理人員竭誠提倡良好的企業管治慣例，定當努力不懈，致力維持、加強及改善本集團企業管治水平及質素。

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The directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the design, manufacture and sale of a wide range of electronic products and securities trading.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2010 are set out in the consolidated statement of comprehensive income on page 37.

The directors do not recommend payment of a dividend for the year ended 31 March 2010.

INVESTMENT PROPERTIES

Details of the movements during the year in the investment properties of the Group are set out in note 13 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

董事局仝人謹呈覽本公司及其附屬公司(統稱「本集團」)截至2010年3月31日止年度之年報及經審核之綜合財務報告。

主要業務

本公司為一投資控股公司。本公司附屬公司之主要業務包括設計、製造及銷售範圍廣泛之電子產品及證券買賣。

業績及分配

截至2010年3月31日止年度之本集團業績載於第37頁之綜合全面收益表。

董事不建議派發截至2010年3月31日止年度之股息。

投資物業

本集團投資物業於年內之變動情況載於綜合財務報告附註13內。

物業、廠房及設備

有關本集團物業、廠房及設備於本年度內之變動詳情，已載於綜合財務報告附註14內。

DIRECTORS' REPORT

董事局報告書

SHARE CAPITAL

Details of the Company's share capital are set out in note 31 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

In addition to accumulated profits, under The Companies Act 1981 of Bermuda, contributed surplus is also available for distribution. However, a company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

In the opinion of the directors, the Company's reserves available for distribution at 31 March 2010 consisted of contributed surplus of HK\$75,263,000 net of accumulated losses of HK\$19,454,000.

DIRECTORS AND SERVICE CONTRACTS

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

Executive directors:

Lau Sak Hong, Philip

Lau Sak Kai, Anthony

Lau Sak Yuk, Andy

Lau Chu Lan, Carol (appointed on 23 July 2010)

Non-executive director:

Hon Sheung Tin, Peter

Independent non-executive directors:

Ho Hau Chong, Norman

Chan Chak Chung

Chuck Winston Calptor

股本

有關本公司股本之詳情載於綜合財務報告附註31內。

本公司之可供分派儲備

根據1981年百慕達公司法，除累計溢利外，公司之實繳盈餘亦可分派予股東。惟本公司不能在下列情況從實繳盈餘中宣派或支付股息或作出分派：

- (a) 作出分派後無法或將會無法償還到期之債務；或
- (b) 其資產之可變現價值較負債、已發行股本及股份溢價賬之總和為低。

董事認為在2010年3月31日本公司可供分派之儲備包括實繳盈餘75,263,000港元(扣除累計虧損19,454,000港元)。

董事及董事服務合約

於本年度及截至本報告日期為止之董事如下：

執行董事：

劉錫康

劉錫淇

劉錫澳

劉翠蓮(於2010年7月23日獲委任)

非執行董事：

韓相田

獨立非執行董事：

何厚鏘

陳澤仲

卓育賢

DIRECTORS' REPORT

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In accordance with the Company's Bye-Law 77, Ms. Carol Lau Chu Lan, being newly appointed director, shall retire and being eligible, offer herself for re-election at the forthcoming annual general meeting.

In accordance with the Company's Bye-law 77, Ms. Carol Lau Chu Lan, being newly appointed director, shall retire and being eligible, offer herself for re-election at the forthcoming annual general meeting.

In accordance with the Company's Bye-law 82, Messrs. Lau Sak Yuk, Andy, Hon Sheung Tin, Peter and Ho Hau Chong, Norman will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Independent non-executive directors have been appointed for a term of two years until 30 September 2011 and are subject to retirement by rotation as required by the Company's Bye-laws.

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

During the year, Mr. Lau Sak Hong, Philip, a substantial shareholder of the Company, has provided a personal guarantee to indemnify the Group for any impairment of an unlisted available-for-sale investment to the extent of HK\$15 million (2009: HK\$15 million).

Save as disclosed above, no contract of significance 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, subsisted at the end of the year or at any time during the year.

根據本公司章程細則第77條之規定，劉翠蓮女士為新委任董事，並須於即將舉行之股東週年大會告退，而彼合資格且願意膺選連任。

根據本公司章程細則第77條文之規定，劉翠蓮女士為新委任董事須於股東週年大會告退，而彼合資格且願意膺選連任。

劉錫澳先生、韓相田先生及何厚鏘先生將依照本公司之章程細則第82條於即將召開之股東週年大會輪值告退，及有資格並願意膺選連任。

擬於即將召開之股東週年大會被提名膺選連任之任何董事，概無與本公司或其附屬公司訂有本集團不可於一年內毋須補償(法定賠償除外)而終止之服務合約。

獨立非執行董事之委任期限為兩年直至2011年9月30日及依照本公司細則用輪值告退方法委任。

董事之合約利益及關連交易

於本年度內，劉錫康先生，本公司主要股東，為本集團之一項非上市可供出售投資之減值提供個人擔保額達15,000,000港元(2009年：15,000,000港元)。

除上述披露者外，於本年結日或本年度任何時間內，本公司或其附屬公司並未與任何董事訂立重要合約而使彼等直接或間接地獲得重大利益。

DIRECTORS' REPORT

董事局報告書

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2010, the interests and short positions of the directors or chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) to be notified to the Company and the Stock Exchange were as follows:

董事之證券權益

截至2010年3月31日，(a)根據證券及期貨條例(「證券及期貨條例」)第XV部第7及8分部之規定須知會本公司及香港聯合交易所有限公司(「聯交所」)(包括根據證券及期貨條例之定義，他們持有或被視為持有權益或淡倉)；或(b)根據證券及期貨條例第352條須記錄於本公司根據該條例而設之登記冊；或(c)根據聯交所證券上市規則(「上市規則」)之上市公司董事進行證券交易的標準守則(「標準守則」)另行通知本公司及聯交所，本公司各董事或主要行政人員於本公司及聯繫公司(定義見證券及期貨條例第XV部)之股份、相關股份及債券中之權益及淡倉如下：

| Name of directors 董事姓名 | Long position/ short position 長倉／淡倉 | Capacity 身份 | Number of shares held 持股數目 | Approximate percentage of shareholding 持股概約百分比 |
|--------------------------------------|---|--|----------------------------------|---|
| Executive directors: 執行董事： | | | | |
| Lau Sak Hong, Philip 劉錫康 | Long position 長倉 | Beneficial owner 實益擁有人 | 99,823,029 | 12.71% |
| | | Interest of controlled corporation (note a) 控股公司擁有之權益 (附註a) | 3,165,277 | 0.40% |
| | | Interest of controlled corporation (note b) 控股公司擁有之權益 (附註b) | 10,100,415 | 1.29% |
| | | Held by trust (note c) 信託基金持有(附註c) | 169,069,209 | 21.54% |
| | | | 282,157,930 | 35.94% |

DIRECTORS' REPORT

董事局報告書

DIRECTORS' INTERESTS IN SECURITIES (CONT'D)

董事之證券權益(續)

| Name of directors 董事姓名 | Long position/ short position 長倉/淡倉 | Capacity 身份 | Number of shares held 持股數目 | Approximate percentage of shareholding 持股概約百分比 |
|---|---|--|----------------------------------|---|
| Executive directors: – continued 執行董事：– 續 | | | | |
| Lau Sak Kai, Anthony 劉錫淇 | Long position 長倉 | Beneficial owner 實益擁有人 | 38,693,836 | 4.93% |
| | | Interest of controlled corporation (note a) 控股公司擁有之權益 (附註a) | 3,165,277 | 0.40% |
| | | Interest of controlled corporation (note b) 控股公司擁有之權益 (附註b) | 10,100,415 | 1.29% |
| | | | 51,959,528 | 6.62% |
| Lau Sak Yuk, Andy 劉錫澳 | Long position 長倉 | Beneficial owner 實益擁有人 | 37,507,445 | 4.78% |
| | | Interest of controlled corporation (note a) 控股公司擁有之權益 (附註a) | 3,165,277 | 0.40% |
| | | Interest of controlled corporation (note b) 控股公司擁有之權益 (附註b) | 10,100,415 | 1.29% |
| | | | 50,773,137 | 6.47% |

DIRECTORS' REPORT

董事局報告書

DIRECTORS' INTERESTS IN SECURITIES (CONT'D)

董事之證券權益(續)

| Name of directors 董事姓名 | Long position/ short position 長倉／淡倉 | Capacity 身份 | Number of shares held 持股數目 | Approximate percentage of shareholding 持股概約百分比 |
|--|---|---------------------------|----------------------------------|---|
| Non-executive director: 非執行董事： | | | | |
| Hon Sheung Tin, Peter 韓相田 | Long position 長倉 | Beneficial owner 實益擁有人 | 206,769 | 0.03% |
| Independent non-executive director: 獨立非執行董事： | | | | |
| Chuck Winston Calptor 卓育賢 | Long position 長倉 | Beneficial owner 實益擁有人 | 770,000 | 0.10% |

Notes:

附註：

- (a) These shares are held by K.K. Nominees Limited, a company which is wholly and beneficially owned by Lau Sak Hong, Philip, Lau Sak Kai, Anthony and Lau Sak Yuk, Andy (hereinafter collectively with other family members referred to as the "Lau's family").
- (a) 該等股份乃透過由劉錫康、劉錫淇及劉錫澳(連同其他家族成員簡稱「劉氏家族」)全資實益擁有之公司K.K. Nominees Limited持有。
- (b) These shares are held by Wincard Management Services Limited, a company which is wholly and beneficially owned by the Lau's family.
- (b) 該等股份乃透過由劉氏家族全資實益擁有之公司Wincard Management Services Limited持有。
- (c) These shares are wholly and beneficially owned by Philip Lau Holding Corporation, a company beneficially owned by a discretionary trust, the discretionary objects of which include Lau Sak Hong, Philip and his associates.
- (c) 該等股份由一全權信託基金實益擁有之公司Philip Lau Holding Corporation全資實益擁有，該全權信託基金之受益人包括劉錫康及其聯繫人士。

DIRECTORS' REPORT

董事局報告書

DIRECTORS' INTERESTS IN SECURITIES

(CONT'D)

Save as disclosed above and other than certain nominee shares in subsidiaries held by directors in trust for the Company or its subsidiaries, as at 31 March 2010, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register 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.

SHARE OPTIONS

Share options of the Company

The Company had a share option scheme which was approved and adopted at the special general meeting of the Company held on 12 September 2002 (the "Old Scheme") for a period of 5 years. The primary purpose was to provide incentives or rewards to participants for their contribution to the Group. Eligible participants of the Old Scheme included any employees, non-executive directors, suppliers of goods or services, customers, advisors or consultants and shareholders of any member of the Group.

The maximum number of share options which might be issued upon exercise of all options to be granted under the Old Scheme must not, in aggregate, exceed 10% of the shares in issue while overall limit for all outstanding options granted and yet to be exercised must not exceed 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the option granted to each participant (except substantial shareholder, independent non-executive director, or their respective associates) in any 12 months period up to the date of the grant should not exceed 1% of the shares in issue.

The period within which the shares should be taken up under an option was any period as determined by the Board, which should not be more than 5 years from the date on which the option was granted. The option might be exercised by the grantee at any time during the option period.

董事之證券權益 (續)

除上文所披露者及某些董事以本公司或其附屬公司受託人身份持有附屬公司之若干代理人股份外，於2010年3月31日並未有任何董事或主要行政人員於本公司或其聯繫公司(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有依據證券及期貨條例第XV部7及8分部規定須知會本公司及聯交所；或須記錄於本公司根據證券及期貨條例第352條須予存置之登記冊或根據標準守則須知會本公司及聯交所之權益。

購股權

本公司之購股權

本公司於2002年9月12日舉行之股東特別大會上通過採用為期五年之購股權計劃(「舊計劃」)。主要目的在於鼓勵及獎勵參與者對本集團作出之貢獻。可參與該舊計劃人士包括員工、非執行董事、商品或服務供應商、顧客、諮詢人或顧問以及集團公司股東。

根據舊計劃所授出之購股權獲行使而可能發行之最高股份總數，不得超過已發行股份之10%，而整體已授出及可行使購股權股份數目不得超過不時已發行股份之30%。

於購股權授出之日的12個月內，各參與者(主要股東、獨立非執行董事及彼等各自之聯繫人士除外)行使購股權而發行及將予發行之股份總數不可超逾當時已發行股本之1%。

購股權可行使期限由董事局決定，惟不可於授出日起計超過五年。承授人可於購股權期限內任何時間行使購股權。

DIRECTORS' REPORT

董事局報告書

SHARE OPTIONS (CONT'D)

Share options of the Company (CONT'D)

The subscription price of the share options was determined by the Board, but would be no less than the highest of (i) the closing price of the shares on the offer date; (ii) the average of the closing price of the shares of the 5 trading days immediately preceding the offer date; or (iii) the nominal value of the shares on the offer date.

The consideration for the grant was HK\$1 and it would in no circumstance be refundable.

The Old Scheme expired on 11 September 2007 and thereafter, no more option could be granted pursuant to the Old Scheme. In respect of the options already granted under the Old Scheme, the provisions shall remain in force. The movements of the share options granted to certain employees of the Group pursuant to the Old Scheme were as follows:

| Date of grant | Exercise price | Number of share options | | |
|---------------|-------------------|--|----------------------------------|--|
| | | Outstanding as at 1.4.2009 於2009年4月1日 | Lapsed during the year 本年度內失效 | Outstanding as at 31.3.2010 於2010年3月31日 |
| 授出日期 | 行使價 HK\$ 港元 | 尚未行使 | 尚未行使 | 尚未行使 |
| 2.11.2004 | 0.814 | 500,000 | (500,000) | — |
| 5.1.2006 | 0.89 | 12,000,000 | — | 12,000,000 |
| 13.11.2006 | 1.45 | 2,000,000 | — | 2,000,000 |
| 4.1.2007 | 1.66 | 220,000 | — | 220,000 |
| 1.2.2007 | 1.72 | 40,000 | — | 40,000 |
| 7.3.2007 | 1.93 | 3,000,000 | — | 3,000,000 |
| | | 17,760,000 | (500,000) | 17,260,000 |

No share options were granted to the directors of the Company pursuant to the Old Scheme.

購股權(續)

本公司之購股權(續)

購股權之認購價由董事局決定，惟有關價格不得低過(i)於授予購股權當日，股份之收市價；(ii)授出日期前連續五個交易日股份平均收市價；或(iii)股份於授出日期之面值以最高者計算。

授出購股權之代價為1港元，該金額在任何情況下將不可退還。

舊計劃已於2007年9月11日屆滿，其後，再不可根據舊計劃授出購股權。就根據舊計劃已授出之購股權而言，有關條文將仍然有效。根據舊計劃已授予本集團若干僱員之購股權之變動情況如下：

並無根據舊計劃向本公司董事授出購股權。

DIRECTORS' REPORT

董事局報告書

SHARE OPTIONS (CONT'D)

Share options of the Company (CONT'D)

Notes:

- (a) The above options were granted for an exercise period of five years from the date of grant of the options.
- (b) No option was granted, exercised or cancelled during the year.

A new share option scheme (the "New Scheme") was approved and adopted at the special general meeting of the Company held on 15 January 2008 for a period of 10 years. The primary purpose is to recognise the contribution of participants and to recruit and retain high calibre employees and attract human resources that are valuable to the Group. Eligible participants of the New Scheme included any full time employees (including directors, whether executive or non-executive and whether independent or not), suppliers, consultants, agents and advisors of the Group.

The maximum number of share options which may be issued upon exercise of all options to be granted under the New Scheme must not, in aggregate, exceed 10% of the shares in issue at the adoption date of the New Scheme on 15 January 2008 while overall limit for all outstanding options granted and yet to be exercised must not exceed 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the option granted to each participant in any 12 months period up to the date of the grant shall not exceed 1% of the shares in issue unless certain conditions are fulfilled.

The period within which the shares must be taken up under an option is any period as determined by the Board, which shall not be more than 10 years from the date on which the option is granted. The option may be exercised by the grantee at any time during the option period.

The subscription price of the share options is determined by the Board, but will be no less than the highest of (i) the closing price of the shares on the offer date; (ii) the average of the closing price of shares on the 5 trading days immediately preceding the offer date; or (iii) the nominal value of the shares on the offer date.

購股權(續)

本公司之購股權(續)

附註：

- (a) 以上購股權由授出日起五年內行使。
- (b) 本年度並無購股權獲授出、行使或被註銷。

本公司於2008年1月15日舉行之股東特別大會上通過採用為期10年之新購股權計劃(「新計劃」)。主要目的在於表揚參與者之貢獻、招攬及挽留優秀僱員及吸引對本集團具有重要價值之人力資源。新計劃之合資格參與者包括本集團之全職僱員(包括董事，不論執行或非執行及不論獨立或非獨立)、供應商、諮詢人、代理及顧問。

根據新計劃所授出之購股權獲行使而可能發行之最高股份總數，不得超過新計劃採納於2008年1月15日採納日期之已發行股份之10%，而整體已授出及可行使購股權股份數目不可超過不時已發行股份之30%。

於購股權授出之日的12個月內，各參與者行使購股權而發行及將予發行之股份總數不可超逾當時已發行股本之1%，除非若干條件獲達成。

購股權可行使期限由董事局決定，惟不可於授出日起計超過10年。承授人可於購股權期限內任何時間行使購股權。

購股權之認購價由董事局決定，惟有關價格不得低過(i)於授予購股權當日，股份之收市價；(ii)授出日期前連續五個交易日股份平均收市價；或(iii)股份於授出日期之面值以最高者計算。

DIRECTORS' REPORT

董事局報告書

SHARE OPTIONS (CONT'D)

Share options of the Company (CONT'D)

The consideration for the grant is HK\$1 and it will in no circumstance be refundable.

The movements of the share options granted to certain employees of the Group pursuant to the New Scheme were as follows:

| Date of grant | Exercise price | Number of share options outstanding as at 1.4.2009 and 31.3.2010 於2009年4月1日及2010年3月31日尚未行使之購股權數目 |
|---------------|-------------------|---|
| 授出日期 | 行使價 HK\$ 港元 | |
| 23.1.2008 | 1.042 | 150,000 |
| 28.1.2008 | 0.96 | 346,000 |
| 15.10.2008 | 0.40 | 500,000 |
| | | 996,000 |

No share options were granted to the directors of the Company pursuant to the New Scheme during the year.

Notes:

- (a) The above options were granted for an exercise period of ten years from the date of grant of the options.
- (b) No option was granted, exercised, lapsed or cancelled during the year.

購股權(續)

本公司之購股權(續)

授出購股權之代價為1港元，該金額在任何情況下將不可退還。

根據新計劃已授予本集團若干僱員之購股權變動情況如下：

本年度內並無根據新計劃向本公司董事授出購股權。

附註：

- (a) 以上購股權由授出日起十年內行使。
- (b) 本年度並無購股權獲授出、行使、失效或被註銷。

Share options of The Singing Machine Company, Inc. ("SMC"), a 52.21% owned subsidiary of the Company

Particulars of the share option scheme of SMC (the "SMC Scheme") are set out in note 32 to the consolidated financial statements.

本公司持有52.21%權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權

SMC購股權計劃(「SMC計劃」)之詳情載於綜合財務報告附註32。

DIRECTORS' REPORT

董事局報告書

SHARE OPTIONS (CONT'D)

Share options of The Singing Machine Company, Inc. ("SMC"), a 52.21% owned subsidiary of the Company (CONT'D)

The movements of the share options granted to certain employees of the Group pursuant to the SMC Scheme were as follows:

購股權(續)

本公司持有52.21%權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權(續)

根據SMC計劃已授予本集團若干僱員之購股權之變動載列如下：

| Date of grant | Exercise price | Number of share options | | | | |
|------------------|----------------|--|----------------------------------|------------------------------------|--|---------|
| | | Outstanding as at 1.4.2009 於2009年4月1日 尚未行使 | Granted during the year 年內已授出 | Forfeited during the year 年內已沒收 | Outstanding as at 31.3.2010 於2010年3月31日 尚未行使 | |
| 5 September 2000 | 2000年9月5日 | 2.04 | 5,550 | – | (5,550) | – |
| 31 December 2002 | 2002年12月31日 | 9.00 | 19,000 | – | (13,500) | 5,500 |
| 19 December 2003 | 2003年12月19日 | 1.97 | 13,680 | – | (7,970) | 5,710 |
| 6 February 2004 | 2004年2月6日 | 1.54 | 6,500 | – | – | 6,500 |
| 26 February 2004 | 2004年2月26日 | 1.36 | 20,000 | – | – | 20,000 |
| 29 March 2004 | 2004年3月29日 | 1.20 | 20,000 | – | – | 20,000 |
| 29 November 2004 | 2004年11月29日 | 0.75 | 40,000 | – | – | 40,000 |
| 1 December 2004 | 2004年12月1日 | 0.77 | 20,000 | – | – | 20,000 |
| 9 May 2005 | 2005年5月9日 | 0.60 | 112,000 | – | (55,000) | 57,000 |
| 6 June 2005 | 2005年6月6日 | 0.76 | 30,000 | – | (30,000) | – |
| 31 March 2006 | 2006年3月31日 | 0.32 | 60,000 | – | – | 60,000 |
| 10 April 2006 | 2006年4月10日 | 0.33 | 186,485 | – | (134,485) | 52,000 |
| 31 March 2007 | 2007年3月31日 | 0.93 | 60,000 | – | – | 60,000 |
| 31 March 2008 | 2008年3月31日 | 0.45 | 120,000 | – | – | 120,000 |
| 3 October 2008 | 2008年10月3日 | 0.14 | 300,000 | – | (300,000) | – |
| 31 March 2009 | 2009年3月31日 | 0.11 | 120,000 | – | – | 120,000 |
| 31 March 2010 | 2010年3月31日 | 0.03 | – | 60,000 | – | 60,000 |
| | | | 1,133,215 | 60,000 | (546,505) | 646,710 |

DIRECTORS' REPORT

董事局報告書

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than share option as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2010, the following persons, other than the interest disclosed above in respect of the directors, had interest in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interests in shares and short positions required to be kept under Section 336 of Part XV of the SFO:

| Name | Capacity | Number of ordinary shares in which interested | % of total issued shares |
|----------------------|---------------------------|---|--------------------------|
| 姓名 | 身份 | 持有普通股份數目 | 佔已發行股份總數之百分比 |
| Lee Yu Chiang 李裕章 | Beneficial owner 實益擁有人 | 42,140,878 | 5.56% |

Save as mentioned above and in the section headed "Directors' Interests in Securities", as at 31 March 2010, the register maintained by the Company pursuant to Section 336 of the SFO recorded no other interests or short positions in shares of the Company.

購買股份或債券之安排

除上文披露之購股權外，本公司或其任何附屬公司於本年度內概無參與任何安排，使本公司董事能藉此認購本公司或其他任何法人團體之股份或債券而獲得利益。

主要股東

於2010年3月31日，以下人士(除上述披露有關董事所持之權益外)持有本公司股份及相關股份百分之五或以上之股份權益，並已知會本公司及記錄於本公司按證券及期貨條例第XV部第336條規定而設置之主要股東權益及淡倉登記冊內：

除上述及「董事之證券權益」所述者外，於2010年3月31日，本公司根據《證券及期貨條例》第336條須予備存之登記冊中，並無記錄其他人士在本公司之股份中擁有任何權益或淡倉。

DIRECTORS' REPORT

董事局報告書

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws in Bermuda.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's largest customer and five largest customers accounted for 17.81% and 64.74% respectively of the Group's total turnover for the year.

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers accounted for 9.06% and 30.69% respectively of the Group's total purchases for the year.

None of the directors, their associates, or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) has any interest in the Group's five largest customers and suppliers.

EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is based on their merit, qualifications and competence. The emoluments of the directors are reviewed by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. No director or any of his associates, and executive is involved in dealing with his own remuneration.

The Company has adopted share option schemes as an incentive to directors and eligible employees. Details of the schemes are set out in note 32 to the consolidated financial statements.

購買、出售或贖回上市證券

本年度內，本公司或其任何附屬公司概無購買、出售或購回任何本公司上市證券。

股份優先購買權

儘管百慕達法例並無對優先購買權作出任何限制，本公司之公司細則亦無有關優先購買權之條文。

主要客戶與供應商

本集團最大及首五間最大之客戶之銷售總額分別佔本集團年內營業總額17.81%及64.74%。

本集團最大及首五大供應商之購貨總額分別佔本集團年內購貨總額9.06%及30.69%。

董事或其聯繫人士或任何股東(據董事所知持有本公司股本多於5%)在五大客戶及供應商中並無持有任何權益。

薪酬政策

本集團僱員之薪酬政策乃基於僱員之表現、資歷及能力。董事之酬金由薪酬委員會參照本公司之營運業績、個別僱員表現及可比市場數據而釐定。概無任何董事或其任何聯繫人士以及高層僱員參與釐定本身薪酬。

本公司已採納一項購股權計劃作為對董事及合資格員工之獎勵。該計劃詳情列於綜合財務報告附註32。

DIRECTORS' REPORT

董事局報告書

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received the annual confirmation of independence from each of the independent non-executive directors as required under Rule 3.13 of the Listing Rules. The Company considered all independent non-executive directors to be independent.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company, and within the knowledge of the directors, the Company has maintained a sufficient public float not less than 25% of Company's issued shares as required under the Listing Rules throughout the year ended 31 March 2010.

DONATIONS

During the year, the Group made donations amounting to HK\$289,000.

EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period are set out in note 41 to the consolidated financial statements.

AUDITOR

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

On behalf of the Board

Lau Sak Hong, Philip
CHAIRMAN

Hong Kong
23 July 2010

年度之獨立確認書

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

充足公眾持股量

根據本公司所取得之公開資料及據董事所知悉，本公司於截至2010年3月31日止年度內一直維持上市規則規定不少於本公司已發行股份25%之充足公眾持股量。

捐款

本年度內，本集團共捐款289,000港元。

報告期間後事項

報告期間後事項之詳情載於綜合財務報告附註41。

核數師

有關重選德勤•關黃陳方會計師行為本公司核數師之決議案將於即將召開之股東週年大會上提呈。

代表董事局

主席
劉錫康

香港
2010年7月23日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Deloitte.

德勤

TO THE SHAREHOLDERS OF
STARLIGHT INTERNATIONAL HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Starlight International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 37 to 146, which comprise the consolidated statement of financial position as at 31 March 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE 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.

致Starlight International Holdings Limited
(升岡國際有限公司)
(於百慕達註冊成立之有限公司)
全體股東

本核數師行已完成審核列載於第37頁至第146頁升岡國際有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報告，此綜合財務報告包括於2010年3月31日之綜合財務狀況報表，及截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報告須承擔的責任

貴公司之董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製及真實而公平地列報該等綜合財務報告。這責任包括：設計、實施及維護與編製及真實與公平地列報綜合財務報告相關的內部控制，以使綜合財務報告不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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.

核數師的責任

本行的責任是根據本行的審核對綜合財務報告作出意見，並按照百慕達《公司法》第90條僅向整體股東報告。除此以外，本行的報告書不可作其他用途。本行概不會就本報告書的內容，對任何其他人士負責或承擔法律責任。本行已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求本行遵守道德規範，並規劃及執行審核，以合理確定此等綜合財務報告是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關綜合財務報告所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報告存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實與公平地列報綜合財務報告相關的內部控制，以設計適當的審核程序，但並非為對公司的內部監控的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報告的整體列報方式。

本行相信，本行所獲得的審核憑證是充足和適當地為本行的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2010 and of the Group's loss 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
23 July 2010

意見

本行認為，綜合財務報告均真實而公平地反映 貴公司與 貴集團於2010年3月31日的財務狀況及 貴集團截至該日止年度的虧損及現金流量，並已按照香港財務報告準則及香港《公司條例》的披露要求妥善編製。

德勤•關黃陳方會計師行
執業會計師

香港
2010年7月23日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 March 2010
截至2010年3月31日止年度

| | | Notes 附註 | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|------------------------------|-------------|-------------------------|-------------------------|
| Turnover | 營業額 | 5 | 738,262 | 1,281,062 |
| Cost of sales | 銷售成本 | | (610,322) | (1,024,197) |
| Gross profit | 毛利 | | 127,940 | 256,865 |
| Other income | 其他收入 | 6 | 16,796 | 30,357 |
| Distribution costs | 分銷成本 | | (124,860) | (186,529) |
| Administrative expenses | 行政費用 | | (130,493) | (167,473) |
| Increase (decrease) in fair value of investment properties | 投資物業之公平價值增加(減少) | 13 | 37,134 | (16,736) |
| Increase in fair value of derivative financial instruments | 衍生金融工具之公平價值增加 | | 2,451 | 1,667 |
| Increase (decrease) in fair value of financial assets designated at fair value through profit or loss | 指定為按公平價值計入損益之金融資產之公平價值增加(減少) | | 71 | (1,591) |
| Increase (decrease) in fair value of investments held for trading | 持作買賣之投資之公平價值增加(減少) | | 5,476 | (12,868) |
| Loss on deemed partial disposal of a subsidiary | 被視為出售附屬公司部份權益之虧損 | 35 | (7) | (150) |
| Finance costs | 融資成本 | 7 | (10,692) | (22,528) |
| Share of profits of associates | 應佔聯營公司溢利 | | 472 | 578 |
| Loss before taxation | 除稅前虧損 | 8 | (75,712) | (118,408) |
| Taxation | 稅項 | 10 | (1,468) | (1,280) |
| Loss for the year | 本年度虧損 | | (77,180) | (119,688) |
| Other comprehensive income (expense) | 其他全面收益(開支) | | | |
| Exchange difference arising on translation of foreign operations | 換算海外業務產生之匯兌差額 | | 5,422 | (5,744) |
| Revaluation of leasehold properties for own use upon transfer to investment properties | 轉撥至投資物業時重估自用之租賃物業 | | 10,628 | - |
| Deferred taxation in respect of revaluation of the above properties | 重估上述物業之遞延稅項 | | (590) | - |
| Other comprehensive income (expense) for the year | 本年度其他全面收益(開支) | | 15,460 | (5,744) |
| Total comprehensive expense for the year | 本年度全面開支總額 | | (61,720) | (125,432) |
| Loss for the year Attributable to: | 本年度虧損下列人士應佔： | | | |
| Owners of the Company | 本公司擁有人 | | (67,490) | (110,186) |
| Minority interests | 少數股東權益 | | (9,690) | (9,502) |
| | | | (77,180) | (119,688) |
| Total comprehensive expense for the year Attributable to: | 本年度全面開支總額下列人士應佔： | | | |
| Owners of the Company | 本公司擁有人 | | (52,366) | (115,438) |
| Minority interests | 少數股東權益 | | (9,354) | (9,994) |
| | | | (61,720) | (125,432) |
| | | | HK cents | HK cents |
| | | | 港仙 | 港仙 |
| | | | | (restated) |
| | | | | (經重列) |
| Loss per share – Basic and diluted | 每股虧損 – 基本及攤薄 | 12 | (7.35) | (11.99) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

At 31 March 2010
於2010年3月31日

| | | Notes 附註 | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|-------------------|-------------|-------------------------|-------------------------|
| Non-current assets | 非流動資產 | | | |
| Investment properties | 投資物業 | 13 | 145,350 | 91,916 |
| Property, plant and equipment | 物業、廠房及設備 | 14 | 237,652 | 272,565 |
| Prepaid lease payments | 預付租賃款項 | 15 | 3,774 | 63,676 |
| Product development costs | 產品發展成本 | 16 | – | 260 |
| Goodwill | 商譽 | 17 | 26,484 | 26,541 |
| Interest in associates | 應佔聯營公司權益 | 19 | 8,174 | 8,071 |
| Available-for-sale investments | 可供出售之投資 | 20 | 24,046 | 24,048 |
| Deferred tax assets | 遞延稅項資產 | 30 | 3,245 | 5,918 |
| | | | 448,725 | 492,995 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 22 | 325,718 | 402,471 |
| Debtors, deposits and prepayments | 應收賬項、按金及預付款項 | 23 | 115,247 | 181,451 |
| Prepaid lease payments | 預付租賃款項 | 15 | 121 | 1,386 |
| Amounts due from associates | 應收聯營公司賬項 | 24 | 3,010 | 2,945 |
| Taxation recoverable | 可收回稅項 | | 584 | 4,919 |
| Investments held for trading | 持作買賣之投資 | 25 | 13,877 | 6,955 |
| Financial assets designated at fair value through profit or loss | 指定為按公平價值計入損益之金融資產 | 21 | 3 | 798 |
| Bank balances and cash | 銀行結存及現金 | 26 | 80,440 | 103,572 |
| | | | 539,000 | 704,497 |
| Current liabilities | 流動負債 | | | |
| Creditors and accrued charges | 應付賬項及應計費用 | 27 | 144,779 | 185,227 |
| Amounts due to associates | 應付聯營公司賬項 | 24 | 2,809 | 2,809 |
| Derivative financial instruments | 衍生金融工具 | 21 | 275 | 50 |
| Taxation payable | 應付稅項 | | 1,671 | 1,797 |
| Borrowings – due within one year | 於一年內到期之貸款 | 28 | 219,389 | 302,309 |
| Bank overdrafts | 銀行透支 | 29 | 218 | – |
| | | | 369,141 | 492,192 |
| Net current assets | 流動資產淨值 | | 169,859 | 212,305 |
| Total assets less current liabilities | 總資產減流動負債 | | 618,584 | 705,300 |
| Non-current liabilities | 非流動負債 | | | |
| Deferred tax liabilities | 遞延稅項負債 | 30 | 4,467 | 5,821 |
| Borrowings – due after one year | 於一年後到期之貸款 | 28 | – | 23,782 |
| | | | 4,467 | 29,603 |
| Net assets | 資產淨值 | | 614,117 | 675,697 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

At 31 March 2010
於2010年3月31日

| | | Notes 附註 | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|--------------|-------------|-------------------------|-------------------------|
| Capital and reserves | 股本及儲備 | | | |
| Share capital | 股本 | 31 | 314,035 | 314,035 |
| Reserves | 儲備 | | 298,699 | 351,065 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 612,734 | 665,100 |
| Share option reserve of a listed subsidiary | 上市附屬公司之購股權儲備 | | 465 | 392 |
| Minority interests | 少數股東權益 | | 918 | 10,205 |
| Total equity | 總權益 | | 614,117 | 675,697 |

The consolidated financial statements on pages 37 to 146 were approved and authorised for issue by the Board of Directors on 23 July 2010 and are signed on its behalf by:

第37頁至第146頁所載之綜合財務報告，經於2010年7月23日由董事局核准及授權刊發，並由下列董事代表簽署：

劉錫康
Lau Sak Hong, Philip
CHAIRMAN AND MANAGING DIRECTOR
主席兼董事總經理

劉錫淇
Lau Sak Kai, Anthony
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2010
截至2010年3月31日止年度

| | | Share capital | Share premium | Merger reserve | Goodwill reserve | Investment revaluation reserve | Other property revaluation reserve | Translation reserve | Share option reserve | Capital redemption reserve | Accumulated profits | Equity attributable to owners of the Company | Share option reserve of a listed subsidiary | Minority interests | Total |
|--|-------------------|---------------|---------------|----------------|------------------|--------------------------------|------------------------------------|---------------------|----------------------|----------------------------|---------------------|--|---|--------------------|-----------|
| | | 股本 | 股份溢價 | 合併儲備 | 商譽儲備 | 重估儲備 | 其他物業重估儲備 | 換算儲備 | 購股權儲備 | 贖回儲備 | 累計溢利 | 本公司擁有人應佔權益 | 上市附屬公司之購股權儲備 | 股東權益少數 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 April 2008 | 於2008年4月1日 | 316,151 | 109,628 | 37,138 | (3,688) | (82) | 2,007 | 9,579 | 3,553 | 53,852 | 253,601 | 781,739 | 253 | 17,784 | 799,776 |
| Exchange difference arising on translation of foreign operations | 換算海外業務產生之匯兌差額 | - | - | - | - | - | - | (5,252) | - | - | - | (5,252) | - | (492) | (5,744) |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | - | - | - | (110,186) | (110,186) | - | (9,502) | (119,688) |
| Total comprehensive expense for the year | 本年度全面開支總額 | - | - | - | - | - | - | (5,252) | - | - | (110,186) | (115,438) | - | (9,994) | (125,432) |
| | | 316,151 | 109,628 | 37,138 | (3,688) | (82) | 2,007 | 4,327 | 3,553 | 53,852 | 143,415 | 666,301 | 253 | 7,790 | 674,344 |
| Acquisition/deemed acquisition of additional interests in subsidiaries | 收購/視作收購附屬公司額外權益 | - | - | - | - | - | - | - | - | - | - | - | - | (656) | (656) |
| Capital contribution from minority shareholders of a subsidiary | 附屬公司少數股東注資 | - | - | - | - | - | - | - | - | - | - | - | - | 3,426 | 3,426 |
| Deemed partial disposal of a subsidiary | 被視為出售附屬公司部份權益 | - | - | - | - | - | - | - | - | - | - | - | - | (355) | (355) |
| Recognition of equity-settled share-based payments | 確認以權益結算以股份支付之付款 | - | - | - | - | - | - | - | 3 | - | - | 3 | 139 | - | 142 |
| Repurchase of shares | 購回股份 | (2,116) | - | - | - | - | - | - | - | 2,116 | (1,204) | (1,204) | - | - | (1,204) |
| At 31 March 2009 | 於2009年3月31日 | 314,035 | 109,628 | 37,138 | (3,688) | (82) | 2,007 | 4,327 | 3,556 | 55,968 | 142,211 | 665,100 | 392 | 10,205 | 675,697 |
| Exchange difference arising on translation of foreign operations | 換算海外業務產生之匯兌差額 | - | - | - | - | - | - | 5,086 | - | - | - | 5,086 | - | 336 | 5,422 |
| Revaluation of leasehold properties for own use upon transfer to investment properties | 轉撥至投資物業時重估自用之租賃物業 | - | - | - | - | - | 10,628 | - | - | - | - | 10,628 | - | - | 10,628 |
| Deferred taxation in respect of revaluation of the above properties | 重估上述物業之遞延稅項 | - | - | - | - | - | (590) | - | - | - | - | (590) | - | - | (590) |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | - | - | - | (67,490) | (67,490) | - | (9,690) | (77,180) |
| Total comprehensive income (expense) for the year | 本年度全面收益(開支)總額 | - | - | - | - | - | 10,038 | 5,086 | - | - | (67,490) | (52,366) | - | (9,354) | (61,720) |
| | | 314,035 | 109,628 | 37,138 | (3,688) | (82) | 12,045 | 9,413 | 3,556 | 55,968 | 74,721 | 612,734 | 392 | 851 | 613,977 |
| Capital contribution from minority shareholders of a subsidiary | 附屬公司少數股東注資 | - | - | - | - | - | - | - | - | - | - | - | - | 117 | 117 |
| Deemed partial disposal of a subsidiary | 被視為出售附屬公司部份權益 | - | - | - | - | - | - | - | - | - | - | - | - | (50) | (50) |
| Recognition of equity-settled share-based payments | 確認以權益結算以股份支付之付款 | - | - | - | - | - | - | - | - | - | - | - | 73 | - | 73 |
| At 31 March 2010 | 於2010年3月31日 | 314,035 | 109,628 | 37,138 | (3,688) | (82) | 12,045 | 9,413 | 3,556 | 55,968 | 74,721 | 612,734 | 465 | 918 | 614,117 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2010
截至2010年3月31日止年度

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|------------------------------|-------------------------|-------------------------|
| Cash flows from operating activities | 營運產生之現金流 | | |
| Loss before taxation | 除稅前虧損 | (75,712) | (118,408) |
| Adjustments for: | 調整： | | |
| Share of profits of associates | 應佔聯營公司溢利 | (472) | (578) |
| Amortisation of product development costs | 產品發展成本攤銷 | 260 | 347 |
| Release of prepaid lease payments | 撥回預付租賃款項 | 121 | 1,386 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 47,380 | 53,514 |
| (Increase) decrease in fair value of investment properties | 投資物業之公平價值(增加)減少 | (37,134) | 16,736 |
| (Increase) decrease in fair value of investments held for trading | 持作買賣之投資之公平價值(增加)減少 | (5,476) | 12,868 |
| Increase in fair value of derivative financial instruments | 衍生金融工具之公平價值增加 | (2,451) | (1,667) |
| (Increase) decrease in fair value of financial assets designated at fair value through profit or loss | 指定為按公平價值計入損益之金融資產之公平價值(增加)減少 | (71) | 1,591 |
| Impairment loss recognised in respect of available-for-sale investments | 已確認可供出售投資之減值虧損 | 2 | 4 |
| Impairment loss recognised in respect of goodwill | 已確認商譽之減值虧損 | - | 1,569 |
| Dividend income from available-for-sale investments | 可供出售之投資之股息收益 | (255) | (356) |
| Dividend income from investments held for trading | 持作買賣之投資之股息收益 | (161) | (3) |
| Brokerage expense on redemption of shares | 購回股份之經紀佣金 | - | 14 |
| Share-based payments | 股本結算之股份付款 | 73 | 142 |
| Interest expense | 利息開支 | 10,692 | 22,528 |
| Interest income | 利息收益 | (162) | (525) |
| Loss (gain) on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損(收益) | 168 | (15,268) |
| Gain on disposal of prepaid lease payments | 出售預付租賃款項之溢利 | (2,661) | - |
| Allowance for obsolete and slow-moving inventories | 陳舊及滯銷之存貨撥備 | 11,291 | 10,451 |
| Allowance for doubtful debts | 呆賬撥備 | 2,005 | 14,436 |
| Impairment loss recognised in respect of other receivables | 其他應收款項確認之減值虧損 | 7,767 | - |
| Loss on deemed partial disposal of a subsidiary | 被視為出售附屬公司部份權益之虧損 | 7 | 150 |
| Effect of foreign exchange rate change on inter-company balances | 集團公司往來賬匯率變動之影響 | 134 | (319) |
| Operating cash flows before movements in working capital | 營運資金變動前之營運產生現金流 | (44,655) | (1,388) |
| Decrease in inventories | 存貨減少 | 65,462 | 130,684 |
| Decrease in debtors, deposits and prepayments | 應收賬項、按金及預付款項減少 | 35,092 | 94,478 |
| (Increase) decrease in investments held for trading | 持作買賣之投資(增加)減少 | (1,446) | 558 |
| Decrease in derivative financial instruments | 衍生金融工具減少 | 2,676 | 1,319 |
| Decrease in financial assets designated at fair value through profit or loss | 指定為按公平價值計入損益之金融資產減少 | 866 | 5,760 |
| (Decrease) increase in creditors and accrued charges | 應付賬項及應計費用(減少)增加 | (40,448) | 9,015 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2010
截至2010年3月31日止年度

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|-----------------------------|-------------------------|-------------------------|
| Cash generated from operations | 營運產生之現金 | 17,547 | 240,426 |
| Dividend received from investments held for trading | 持作買賣投資之股息收益 | 161 | 3 |
| Hong Kong Profits Tax refunded (paid) | 香港利得稅退回(支付) | 3,674 | (10,509) |
| Taxation in other jurisdictions paid | 其他司法區稅項支出 | (518) | (2,627) |
| Taxation in other jurisdictions refunded | 其他司法權益稅項退回 | 314 | 4,257 |
| Net cash from operating activities | 經營業務所得之現金淨額 | 21,178 | 231,550 |
| Cash flows from investing activities | 投資活動之現金流 | | |
| Proceeds from disposal of prepaid lease payments | 出售預付租賃款項所得款項 | 63,707 | - |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | 21,873 | 1,000 |
| Dividend received from an associate | 已收聯營公司股息 | 369 | 1,080 |
| Dividend received from available-for-sale investments | 可供出售之投資之股息收益 | 255 | 356 |
| Interest received | 已收利息 | 162 | 525 |
| Purchase of property, plant and equipment | 購買物業、廠房及設備 | (18,840) | (34,576) |
| (Increase) decrease in amounts due from associates | 應收聯營公司賬項(增加)減少 | (65) | 1,049 |
| Acquisition of additional interest of a subsidiary | 收購附屬公司額外權益 | - | (1,600) |
| Advance to an associate | 墊款予聯營公司 | - | (5) |
| Net cash from (used in) investing activities | 投資業務所得(所用)之現金淨額 | 67,461 | (32,171) |
| Cash flows from financing activities | 融資活動之現金流 | | |
| Capital contribution from minority shareholders of a subsidiary | 附屬公司少數股東注資 | 117 | 3,426 |
| Net repayment of short term loans | 短期貸款還款淨額 | (47,324) | (15,468) |
| Net (payment of) proceeds from debt factoring loans | 債權貼現貸款之(支付)所得款項淨額 | (28,323) | 16,349 |
| Net repayment of trust receipts and import loans and loans related to bills discounted with recourse | 信託收據及入口貸款及有關具追索權貼現票據之貸款還款淨額 | (19,946) | (129,452) |
| Repayment of bank loan | 償還銀行貸款 | (11,109) | (10,388) |
| Interest on bank and other borrowings paid | 已付銀行及其他貸款利息 | (10,692) | (22,528) |
| Repurchase of shares including brokerage expense | 購回股份(包括經紀佣金) | - | (1,218) |
| Net cash used in financing activities | 融資活動所用之現金淨額 | (117,277) | (159,279) |
| Net (decrease) increase in cash and cash equivalents | 現金及現金等值項目之(減少)增加淨額 | (28,638) | 40,100 |
| Cash and cash equivalents at beginning of the year | 年初現金及現金等值項目 | 103,572 | 68,897 |
| Effect of exchange difference | 匯兌差額之影響 | 5,288 | (5,425) |
| Cash and cash equivalents at end of the year | 年終現金及現金等值項目 | 80,222 | 103,572 |
| Represented by: | 代表: | | |
| Bank balances and cash | 銀行結存及現金 | 80,440 | 103,572 |
| Bank overdrafts | 銀行透支 | (218) | - |
| | | 80,222 | 103,572 |

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1. GENERAL

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

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

The Company is an investment holding company. Its principal subsidiaries are engaged in the design, manufacture and sale of a wide range of electronic products and securities trading.

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

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are or have become effective.

| | |
|--------------------------|---|
| HKAS 1 (Revised 2007) | Presentation of financial statements |
| HKAS 23 (Revised 2007) | Borrowing costs |
| HKAS 32 & 1 (Amendments) | Puttable financial instruments and obligations arising on liquidation |

1. 概述

本公司為於百慕達註冊成立之獲豁免有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處地址及主要營業地點於本年報公司資料內披露。

綜合財務報告乃按本公司之功能貨幣港元呈列。

本公司為投資控股公司，其主要附屬公司從事設計、製造及銷售範圍廣泛之電子產品及證券買賣之業務。

2. 應用新增及經修訂之香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已應用下列由香港會計師公會（「香港會計師公會」，頒佈現在或已經生效之新增及經修訂準則、修訂及詮釋（「新增及經修訂香港財務報告準則」）。

| | |
|--------------------------|---------------------|
| 香港會計準則第1號 (2007年經修訂) | 財務報告之呈列 |
| 香港會計準則第23號 (2007年經修訂) | 借貸成本 |
| 香港會計準則第32號及 第1號(修訂本) | 清盤產生之可沽售金融 工具及責任 |

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT'D)

| | |
|---|---|
| HKFRS 1 & HKAS 27 (Amendments) | Cost of an investment in a subsidiary, jointly controlled entity or associate |
| HKFRS 2 (Amendment) | Vesting conditions and cancellations |
| HKFRS 7 (Amendment) | Improving disclosures about financial instruments |
| HKFRS 8 | Operating segments |
| HK(IFRIC)* – INT 9 & HKAS 39 (Amendments) | Embedded derivatives |
| HK(IFRIC) – INT 13 | Customer loyalty programmes |
| HK(IFRIC) – INT 15 | Agreements for the construction of real estate |
| HK(IFRIC) – INT 16 | Hedges of a net investment in a foreign operation |
| HK(IFRIC) – INT 18 | Transfers of assets from customers |
| HKFRSs (Amendments) | Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009 |
| HKFRSs (Amendments) | Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39 |

* IFRIC represents the International Financial Reporting Interpretations Committee.

2. 應用新增及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

| | |
|---------------------------------------|--|
| 香港財務報告準則第1號及香港會計準則第27號(修訂本) | 投資一家附屬公司、共同控制實體或聯營公司之成本 |
| 香港財務報告準則第2號(修訂本) | 歸屬條件及取消 |
| 香港財務報告準則第7號(修訂本) | 改善有關金融工具之披露資料 |
| 香港財務報告準則第8號 | 經營分類 |
| 香港(國際財務報告詮釋委員會)–詮釋第9號及香港會計準則第39號(修訂本) | 內含衍生工具 |
| 香港(國際財務報告詮釋委員會)–詮釋第13號 | 客戶忠誠計劃 |
| 香港(國際財務報告詮釋委員會)–詮釋第15號 | 房地產建造協議 |
| 香港(國際財務報告詮釋委員會)–詮釋第16號 | 海外業務淨投資對沖 |
| 香港(國際財務報告詮釋委員會)–詮釋第18號 | 轉讓客戶資產 |
| 香港財務報告準則(修訂本) | 於2008年頒佈之香港財務報告準則之改進(惟於2009年7月1日或之後開始之年度期間生效之香港財務報告準則第5號之修訂除外) |
| 香港財務報告準則(修訂本) | 就香港會計準則第39號第80段之修訂於2009年頒佈之香港財務報告準則之改進 |

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT'D)

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the consolidated financial statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has resulted in a change in the basis of measurement of segment result, segment assets and segment liabilities.

Improving Disclosures about Financial Instruments

(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

2. 應用新增及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

除下文所述者外，採納新增及經修訂香港財務報告準則並無對本集團當前或過往會計期間之綜合財務報告造成重大影響。

僅影響呈列及披露方式之新增及經修訂香港財務報告準則

香港會計準則第1號(2007年經修訂)財務報告之呈列

香港會計準則第1號(2007年經修訂)引入術語變動(包括經修訂之財務報告標題)及綜合財務報告格式及內容變動。

香港財務報告準則第8號經營分類

香港財務報告準則第8號為一項披露準則，改變了分部業績、分部資產及分部負債之計量基準。

改善有關金融工具之披露資料

(香港財務報告準則第7號金融工具：披露之修訂)

香港財務報告準則第7號之修訂擴大對按公平價值計量之金融工具相關公平價值計量之披露規定。根據該等修訂所載之過渡條文，本集團並無就擴大披露規定提供比較資料。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT'D)

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

| | |
|--------------------------------|---|
| HKFRSs (Amendments) | Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008 ¹ |
| HKFRSs (Amendments) | Improvements to HKFRSs 2009 ² |
| HKFRSs (Amendments) | Improvements to HKFRSs 2010 ³ |
| HKAS 24 (Revised) | Related party disclosures ⁷ |
| HKAS 27 (Revised) | Consolidated and separate financial statements ¹ |
| HKAS 32 (Amendment) | Classification of rights issues ⁵ |
| HKAS 39 (Amendment) | Eligible hedged items ¹ |
| HKFRS 1 (Amendment) | Additional exemption for first-time adopters ⁶ |
| HKFRS 1 (Amendment) | Limited exemptions from comparative HKFRS 7 disclosure for first-time adopters ⁴ |
| HKFRS 2 (Amendment) | Group cash-settled share-based payment transactions ⁴ |
| HKFRS 3 (Revised) | Business combinations ¹ |
| HKFRS 9 | Financial instruments ⁸ |
| HK(IFRIC) – INT 14 (Amendment) | Prepayments of a minimum funding requirement ⁷ |
| HK(IFRIC) – INT 17 | Distributions of non-cash assets to owners ¹ |
| HK(IFRIC) – INT 19 | Extinguishing financial liabilities with equity instruments ⁶ |

2. 應用新增及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

本集團並無提前應用下列已頒佈但尚未生效之新增及經修訂準則、修訂或詮釋。

| | |
|------------------------------|--|
| 香港財務報告準則 (修訂本) | 香港財務報告準則第5號之修訂本(作為2008年香港財務報告準則之改進之一部份) ¹ |
| 香港財務報告準則 (修訂本) | 2009年香港財務報告準則之改進 ² |
| 香港財務報告準則 (修訂本) | 2010年香港財務報告準則之改進 ³ |
| 香港會計準則第24號 (經修訂) | 關連人士披露 ⁷ |
| 香港會計準則第27號 (經修訂) | 綜合及獨立財務報告 ¹ |
| 香港會計準則第32號 (修訂本) | 供股分類 ⁵ |
| 香港會計準則第39號 (修訂本) | 合資格對沖項目 ¹ |
| 香港財務報告準則第1號 (修訂本) | 首次採納者之額外豁免 ⁶ |
| 香港財務報告準則第1號 (修訂本) | 首次採納者毋須按照香港財務報告準則第7號披露比較資料之有限豁免 ⁴ |
| 香港財務報告準則第2號 (修訂本) | 集團以現金結算之股份付款交易 ⁴ |
| 香港財務報告準則第3號 (經修訂) | 業務合併 ¹ |
| 香港財務報告準則第9號 | 金融工具 ⁸ |
| 香港(國際財務報告詮釋委員會)–詮釋第14號 (修訂本) | 最低資金要求之預付款 ⁷ |
| 香港(國際財務報告詮釋委員會)–詮釋第17號 | 向擁有人分派非現金資產 ¹ |
| 香港(國際財務報告詮釋委員會)–詮釋第19號 | 以股本工具抵銷金融負債 ⁶ |

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

- 1 Effective for annual periods beginning on or after 1 July 2009.
- 2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
- 3 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.
- 4 Effective for annual periods beginning on or after 1 January 2010.
- 5 Effective for annual periods beginning on or after 1 February 2010.
- 6 Effective for annual periods beginning on or after 1 July 2010.
- 7 Effective for annual periods beginning on or after 1 January 2011.
- 8 Effective for annual periods beginning on or after 1 January 2013.

The adoption of HKFRS 3 (Revised) may affect the Group's accounting treatment for business combination for which the acquisition date is on or after 1 April 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 April 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. In addition, under HKFRS 9, changes in fair value of equity investments are generally recognised in other comprehensive income, with only dividend income recognised in profit or loss. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

2. 應用新增及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

- 1 於2009年7月1日或之後開始之年度期間生效。
- 2 於2009年7月1日及2010年1月1日(按適用)或之後開始之年度期間生效之修訂本。
- 3 於2010年7月1日及2011年1月1日(按適用)或之後開始之年度期間生效。
- 4 於2010年1月1日或之後開始之年度期間生效。
- 5 於2010年2月1日或之後開始之年度期間生效。
- 6 於2010年7月1日或之後開始之年度期間生效。
- 7 於2011年1月1日或之後開始之年度期間生效。
- 8 於2013年1月1日或之後開始之年度期間生效。

採用香港財務報告準則第3號(經修訂)可能影響收購日期為2010年4月1日或以後本集團之業務合併之會計方法。香港會計準則第27號(經修訂)將影響本集團於附屬公司所有權權益變動之會計處理。

香港財務報告準則第9號「金融工具」引進有關金融工具分類及計量之新規定，並將由2013年4月1日起生效(可提前應用)。該準則規定，屬香港會計準則第39號「金融工具：確認及計量」範圍內之所有已確認金融資產均須按攤銷成本或公平價值計量。特別是，(i)目的為收取合約現金流量之業務模式內所持有及(ii)合約現金流量僅為本金及尚未償還本金之利息付款之債項投資一般按攤銷成本計量。所有其他債項投資及權益性投資均按公平價值計量。此外，根據香港財務報告準則第9號，權益性投資之公平價值變動一般於其他全面收益內確認，惟股息收益於損益內確認。應用香港財務報告準則第9號可能影響本集團金融工具之分類及計量。

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

In addition, as part of "Improvements to HKFRSs" issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 April 2010, with earlier application permitted. Before the amendments to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land at revalued amount.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements of the Group.

2. 應用新增及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

此外，作為2009年頒佈之「香港財務報告準則之改進」之一部份，香港會計準則第17號「租約」中有關租賃土地分類之規定已作出修訂。有關修訂將於2010年4月1日起生效，並可提前應用。於香港會計準則第17號修訂之前，承租人須將租賃土地分類為經營租約，並於綜合財務狀況報表內呈列為預付租賃款項。有關修訂已刪除此規定。反之，有關修訂規定租賃土地須按照香港會計準則第17號所載之一般原則分類，即根據出租人或承租人所涉及租賃資產所有權附帶之風險及回報程度釐定。應用香港會計準則第17號之修訂可能影響本集團租賃土地(按重估金額)之分類及計量。

本公司董事預期，應用其他新訂及經修訂準則、修訂本或詮釋對本集團之綜合財務報告並無重大影響。

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3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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 statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

Acquisition of additional interests of subsidiaries does not fall within the definition of business combination under HKFRS 3 "Business combinations" as the acquisition does not result in a change in control. The excess of the cost of acquisition over the carrying amount of assets and liabilities of the subsidiary attributable to the additional interest acquired is recognised as goodwill.

3. 主要會計政策

除若干物業及金融工具按重估金額或公平價值計量(詳情見下文所載會計政策)外,綜合財務報告乃以歷史成本法編製。

綜合財務報告乃根據香港會計師公會頒佈之香港財務報告準則編製。此外,綜合財務報告包括聯交所證券上市規則及香港公司條例規定之適用披露。

綜合賬目基準

綜合財務報告包括本公司及受其控制之實體(其附屬公司)之財務報告。倘本公司有權控制該實體之財務及經營政策,以從其活動中獲取利益,則視為擁有控制權。

於本年度內所收購或出售之附屬公司業績乃自收購生效日期起或截至出售生效日期止(按適用情況而定)計入綜合全面收益表。

所有集團內公司間交易、結餘、收入及開支已於綜合賬目時抵銷。

收購附屬公司額外權益不會導致控制權變動,因此不屬於香港財務報告準則第3號「業務合併」所界定之業務合併。收購成本超出所收購額外權益應佔附屬公司資產及負債賬面值之款項則確認為商譽。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of consolidation (CONT'D)

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

Business combinations

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 combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 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.

3. 主要會計政策 (續)

綜合賬目基準 (續)

於綜合附屬公司資產淨值之少數股東權益與本集團之應佔綜合附屬公司權益分開呈列。資產淨值之少數股東權益包括於原有業務合併日期有關權益金額，以及自合併日期以來少數股東應佔權益變動。少數股東應佔虧損超過少數股東應佔附屬公司權益之差額分配予本集團權益，惟少數股東有具約束力之責任並有能力作出額外投資以彌補該等虧損則除外。

業務合併

收購附屬公司以購買法入賬。收購成本按於交換日期給予資產之公平價值、所產生或承擔之負債及本集團為換取所收購公司之控制權而發行之股本票據之總和計量，另加業務合併直接應佔之任何成本。根據香港財務報告準則第3號，符合確認條件之所收購公司之可識別資產、負債及或然負債，於收購日期按公平價值確認。

收購產生之商譽乃確認為資產，初步按成本計量，即業務合併成本超過本集團於已確認之可識別資產、負債及或然負債公平淨值之權益的數額。於重估後，倘本集團於所收購公司之可識別資產、負債及或然負債之公平淨值之權益超過業務合併成本，則超出之數額即時於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business combinations (CONT'D)

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 acquisition prior to 1 April 2001 continues to be held in reserves, and will be transferred to the accumulated profits at the time when the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses and is presented separately in the consolidated statement of financial position.

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 profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

3. 主要會計政策(續)

業務合併(續)

所收購公司之少數股東權益初步按少數股東所佔已確認資產、負債及或然負債之公平淨值比例計量。

商譽

於2001年4月1日前因收購產生之商譽繼續撥入儲備，並將於出售與該商譽有關之業務或與該商譽有關之現金產生單位出現減值時，轉撥至累計溢利。

收購業務所產生之商譽乃按成本值減任何累計減值虧損列賬，並於綜合財務狀況報表分開呈列。

就檢測減值而言，收購所產生商譽分配予預期會受惠於收購協同效益之各相關現金產生單位或現金產生單位組別。獲分配商譽之現金產生單位會每年及於有跡象顯示有關單位可能出現減值時檢測減值。就於財政年度內進行收購所產生商譽而言，獲分配商譽之現金產生單位會於該財政年度結束前檢測減值。當現金產生單位之可收回金額少於該單位賬面值時，減值虧損會首先分配至減少該單位獲分配之任何商譽賬面值，繼而以該單位內各資產之賬面值為基準按比例分配至該單位內其他資產。任何商譽減值虧損於損益內直接確認。商譽減值虧損不會於往後期間撥回。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goodwill (CONT'D)

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.

Investment in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of investee but is not control or joint control over those policies.

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

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

3. 主要會計政策 (續)

商譽 (續)

其後出售有關現金產生單位時，在釐定其出售溢利或虧損時須計入應佔已撥充資本商譽。

於聯營公司之投資

聯營公司指投資者對其擁有重大影響力之實體，且不屬於附屬公司或於合營公司之權益。重大影響力乃有權參與被投資公司之財務及經營政策決定，而非控制或共同控制該等政策。

聯營公司之業績及資產與負債按權益法列入此綜合財務報告。根據權益法，於聯營公司之投資於綜合財務狀況報表按成本列賬，並就本集團應佔聯營公司資產淨值之收購後變動調整，減除任何已確定減值虧損。當本集團應佔聯營公司之虧損相等於或超出其於該聯營公司之權益，本集團則不再確認其應佔虧損。本集團只在已引致法定或推定責任或已代表該聯營公司支付款項之情況下，方撥備額外之應佔虧損及確認負債。

收購成本超出於收購日期本集團應佔聯營公司已確認之可識別資產、負債及或然負債公平淨值之任何差額，乃確認作商譽。商譽會計入該項投資之賬面值並作為投資項目一部份評估有否減值。

倘集團實體與本集團聯營公司進行交易，溢利與虧損將相互撇銷，惟以本集團於有關聯營公司之權益為限。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition

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

Revenue from sales of goods is recognised when goods are delivered and title has been passed.

Commission income is recognised when services are rendered.

Interest income from a financial asset excluding financial assets at fair value through profit or loss 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 on initial recognition.

Dividend income from investments excluding financial assets at fair value through profit or loss is recognised when the Group's right to receive payment has been established.

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, other than construction in progress, are stated at cost or revalued amounts less subsequent accumulated depreciation and accumulated impairment losses.

3. 主要會計政策(續)

收入確認

收入按已經或應可收取之代價公平價值計算，指於日常業務中出售貨品之應收金額，並扣除折扣及銷售相關稅項。

貨品銷售收入於貨品已付運及擁有權已轉移時確認。

佣金收益於提供服務時確認。

金融資產(不包括按公平價值計入損益之金融資產)之利息收益於參考未償還本金額後按適用實際利率以時間基準累計。適用實際利率乃於初步確認時透過金融資產預計年期將估計日後收取之現金準確貼現至該項資產賬面淨值之利率。

投資(不包括按公平價值計入損益之金融資產)產生之股息收益於本集團收取該款項之權利確立時確認。

物業、廠房及設備

除在建工程除外，物業、廠房及設備(包括用作生產或供應貨品或服務或作行政用途所持有之土地及樓宇)，乃按成本值或重估款項減其後累計折舊及累計減值虧損入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment (CONT'D)

Advantage has been taken of the transitional relief provided by paragraph 80A of HKAS 16 "Property, plant and equipment" from the requirement to make regular revaluation of the Group's land and buildings which had been carried at revalued amounts prior to 30 September 1995, and accordingly no further revaluation of land and buildings is carried out. Prior to 30 September 1995, the revaluation increase arising on the revaluation of these assets was credited to the other property revaluation reserve. Any future decreases in value of these assets will be dealt with as an expense to the extent that they exceed the balance, if any, on the other property revaluation reserve relating to a previous revaluation of the same asset. On the subsequent sale or retirement of a revalued asset, the corresponding revaluation surplus is transferred to accumulated profits.

Construction in progress is stated at cost less accumulated impairment losses. Cost includes all development expenditure and other direct costs attributable to such project. Construction in progress is not depreciated until completion of construction. On completion of construction, the assets are transferred to appropriate categories of property, plant and equipment.

The cost or valuation of leasehold properties in Hong Kong is depreciated over forty years on a straight line basis after taking into account of the estimated residual value. The cost of leasehold properties outside Hong Kong is amortised over a period of fifty years or, where shorter, the remaining term of the leases on a straight line basis.

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress and leasehold properties over their estimated useful lives using the reducing balance method.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

本集團應用香港會計準則第16號「物業、廠房及設備」第80A段之過渡豁免，故毋須按規定定期重估本集團按1995年9月30日前重估金額列賬之土地及樓宇，因而並無進一步重估此等土地及樓宇。於1995年9月30日前，重估此等資產所產生重估增加計入其他物業重估儲備。此等資產價值任何日後減少將列作開支處理，惟以超逾早前重估相同資產有關之其他物業重估儲備結餘(如有)為限。倘其後出售或廢棄重估資產，相關重估盈餘轉撥至累計溢利。

在建工程乃按成本減累計減值虧損列賬。成本包括該項工程之發展成本及其他直接成本。在建工程於工程完成前不會折舊。於工程完成時，該等資產會撥入物業、廠房及設備之適當類別。

香港租賃物業之成本值或估值經計及估計剩餘價值後以直線基準按40年計算折舊。香港以外地區租賃物業以直線基準按50年或(如屬較短年期)租約所餘年期計算攤銷。

除在建工程及租賃物業外，物業、廠房及設備項目之折舊均按其估計可用年期，以餘額遞減法撇銷其成本計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment (CONT'D)

The land and building elements of a lease of land and buildings are considered separately for the purposes 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 except for those that are classified and accounted for as investment properties under the fair value model.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period 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. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

3. 主要會計政策(續)

物業、廠房及設備(續)

就租賃分類而言，土地及樓宇租賃之土地及樓宇部分須獨立考慮，除非租賃付款不能於土地及樓宇部分間可靠分配則作別論，於此情況下整項租賃一般被視作融資租約，並以物業、廠房及設備列賬。若能就租賃款項可靠地分配，於土地之租賃權益應作為經營租賃，惟使用公平價值模式分類且列作投資物業者除外。

物業、廠房及設備項目於出售或當預期不會藉持續使用該項資產而產生未來經濟利益時剔除確認。剔除確認資產所產生任何收益或虧損乃按該項資產出售所得款項淨額與賬面值間之差額，於剔除確認該資產之期間計入損益內。

投資物業

投資物業乃持作賺取租金及／或資本增值之物業。

於初步確認時，投資物業按包括任何直接應計開支之成本計量。初步確認後，投資物業按公平價值模式以其公平價值計量。投資物業公平價值變動產生之損益於產生期間計入損益內。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment properties (CONT'D)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposal. 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 profit or loss in the period in which the item is derecognised.

Transfer to investment property will be made only when there is a change in use, evidenced by an end of owner-occupation for a transfer from owner-occupied property to investment property. For a transfer from owner-occupied property to investment property that will be carried at fair value, the difference at that date between the carrying amount of the property and its fair value is credited to the other property revaluation reserve.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position 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.

3. 主要會計政策 (續)

投資物業(續)

投資物業於出售或當投資物業永久棄置或預期不會自出售獲取任何日後經濟利益時剔除確認。剔除確認有關資產產生之任何收益或虧損按該資產出售所得款項淨額與賬面值間之差額，於剔除確認有關項目之期間計入損益內。

物業僅於轉變用途、並於業主證明將自用物業轉為投資物業時撥至投資物業。對於由自用物業轉撥至按公平價值列賬之投資物業而言，物業之賬面值與公平價值於該日之差額將計入其他物業重估儲備內。

金融工具

當集團實體成為工具合約條文之訂約方，即於綜合財務狀況報表確認金融資產及金融負債。金融資產及金融負債初步按公平價值計量。收購或發行金融資產及金融負債(除按公平價值計入損益之金融資產及金融負債外)之直接應計交易成本，於初步確認時會計入或扣自金融資產或金融負債之公平價值(按適用情況而定)。收購按公平價值計入損益之金融資產或金融負債之直接應計交易成本，即時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (CONT'D)

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss, 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 on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss, of which interest income is included in net gains or losses.

3. 主要會計政策(續)

金融工具(續)

金融資產

本集團之金融資產分為三個類別，包括按公平價值計入損益之金融資產、貸款及應收款項以及可供出售金融資產。所有以一般方式購入或出售之金融資產均按買賣日期確認及剔除確認。以一般方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。

實際利率法

實際利率法乃計算金融資產之攤銷成本及按相關期間攤分利息收益之方法。實際利率為於初步確認時透過金融資產的估計可使用年期(或適當時按較短期間)將估計未來現金收入(包括所有支付或收取構成整體實際利率之費用、交易成本及其他溢價或折讓)準確貼現至賬面淨值之利率。

債務工具之收入乃按實際利率基準確認，惟該等分類為按公平價值計入損益之金融資產除外，其利息收益於淨損益列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (CONT'D)

Financial assets (CONT'D)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories including financial assets held for trading and those designated at fair value through profit or loss on initial recognition.

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.

3. 主要會計政策 (續)

金融工具(續)

金融資產(續)

按公平價值計入損益之金融資產

按公平價值計入損益之金融資產分兩類，包括持作買賣之金融資產及於初步確認時指定按公平價值計入損益列賬者。

以下金融資產分類為持作買賣：

- 其主要是為於短期內出售而購入；或
- 其屬於本集團一併管理的可確認財務工具組合的一部份，以及有近期短期獲利之實際模式；或
- 其為衍生工具但並非指定或有效之對沖工具。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (CONT'D)

Financial assets (CONT'D)

Financial assets at fair value through profit or loss (CONT'D)

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 "Financial instruments: Recognition and measurement" permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value, with changes in fair value arising from remeasurement 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 earned on the financial assets.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

按公平價值計入損益之金融資產(續)

金融資產(持作買賣之金融資產除外)可於初始確認後指定按公平價值計入損益, 惟:

- 所指定必須用以消除或大幅減少可能出現不一致之計量或確認歧異; 或
- 根據本集團之既定風險管理或投資策略及有關內部提供基準之分組資料, 管理其金融資產(金融資產構成一組金融資產或金融負債或兩者), 且其表現按公平價值評估; 或
- 其構成包含一個或多個內含衍生工具之合約之一部份, 且香港會計準則第39號「金融工具: 確認及計量」准許全部合併之合約(資產或負債)按公平價值計入損益列值。

按公平價值計入損益之金融資產按公平價值計量, 而因重新計量而產生之公平價值變動則於產生期間直接在損益確認。除金融資產所賺取之股息外, 收益或虧損淨額乃於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (CONT'D)

Financial assets (CONT'D)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including debtors, deposits, amounts due from associates and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in investment revaluation reserve is reclassified to profit or loss (see accounting policy on impairment loss on financial assets below).

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, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項為並無於活躍市場報價具有固定或待付款之非衍生金融資產。於初步確認後，貸款及應收款項(包括應收賬款、按金、應收聯營公司款項及銀行結存及現金)以實際利率法按攤銷成本減任何已識別減值虧損入賬(見下文有關金融資產減值虧損之會計政策)。

可供出售金融資產

可供出售金融資產為指定為此類別或並無分類為按公平價值計入損益之金融資產、貸款及應收款項或持至到期日之投資之非衍生工具。於報告期間末，可供出售金融資產按公平價值計量。公平價值變動於其他全面收益確認，並於投資重估儲備累計，直至金融資產出售或釐定出現減值為止，屆時之前於投資重估儲備確認之累計收益或虧損會重新分類至損益(見下文有關金融資產減值虧損之會計政策)。

並無於活躍市場報價及其公平價值無法可靠計量之可供出售股本投資，乃於報告期間末按成本減任何已識別減值虧損計量(見下文有關金融資產減值虧損之會計政策)。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (CONT'D)

Financial assets (CONT'D)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. 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 affected.

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.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty; default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade debtors, 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 ranging from 30 days to 90 days and observable changes in national or local economic conditions that correlate with default on receivables.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值

金融資產(除按公平價值計入損益之金融資產外)於報告期間末被評估是否有減值跡象。倘有客觀證據顯示，金融資產之估計未來現金流量因於初步確認該金融資產後發生的一項或多項事件而受到影響時，則金融資產會作出減值。

就可供出售之股本投資而言，該投資之公平價值嚴重或持續低於其成本則被視為有客觀證據證明出現減值。

就所有其他金融資產而言，減值的客觀證據可包括發行人或對手方出現重大財務困難；或欠繳或拖欠利息或本金付款；或借款人很可能宣告破產或財務重組。

就若干類別的金融資產(如貿易應收賬款)而言，資產不會被單獨作出減值評估後再匯集一併作減值評估。應收賬款組合減值之客觀證據包括本集團之過往收款經驗，組合內延遲還款至超逾平均信貸期(介乎30日至90日)之次數增加，以及與應收賬款逾期有關之全國或地方經濟狀況明顯改變。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (CONT'D)

Financial assets (CONT'D)

Impairment of financial assets (CONT'D)

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 debtors, 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 debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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 loss 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.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就按攤銷成本列賬之金融資產而言，當有客觀證據顯示資產已減值，則於損益中確認減值虧損，並以其資產賬面值與按原實際利率貼現計算其估計未來現金流量現值之間的差額計量。

就按成本入賬之金融資產而言，減值虧損金額按資產賬面值與估計未來現金流量現值（按同類金融資產目前之市場回報率貼現）兩者之差額計量。該等減值虧損其後將不會撥回。

與所有金融資產有關的減值虧損會直接於金融資產賬面值中作出扣減，惟貿易應收賬款之賬面值會透過撥備賬作出扣減。撥備賬之賬面值變動於損益內確認。當貿易應收賬款被視為不可收回時，將於撥備賬內撇銷。過往已撇銷的款項如其後收回，將計入損益內。

就按攤銷成本計量的金融資產而言，如在其後期間減值虧損金額減少，而有關減少在客觀上與確認減值虧損後發生的事件有關，則先前已確認的減值虧損將透過損益予以撥回，惟該資產在撥回減值當日的賬面值不得超過如無確認減值的攤銷成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (CONT'D)

Financial assets (CONT'D)

Impairment of financial assets (CONT'D)

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 other comprehensive income and accumulated in investment revaluation reserve.

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 generally include other financial liabilities and derivative financial instruments that do not qualify for hedge accounting.

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.

Interest expense is recognised on an effective interest basis.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

可供出售股本投資之減值虧損其後將不會於損益中撥回。於減值虧損後錄得之任何公平價值增加乃直接於其他全面收益確認，並於投資重估儲備累計。

金融負債及權益

由集團實體發行之金融負債及股本工具，按所訂立合約安排性質及金融負債與股本工具之定義分類。

股本工具為有證據顯示扣除其所有負債後本集團資產剩餘權益之任何合約。本集團金融負債一般包括不合資格按對沖會計處理之其他金融負債及衍生金融工具。

實際利率法

實際利率法乃計算金融負債之攤銷成本及於相關期間分攤利息成本之方法。實際利率指按金融負債之預期可使用年期或較短期間內(如適用)準確貼現估計未來現金付款之利率。

利息開支按實際利率基準確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (CONT'D)

Financial liabilities and equity (CONT'D)

Financial liabilities

Financial liabilities including creditors, amounts due to associates, bank overdrafts and 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.

Repurchase of the Company's own equity instruments is recognised and deducted directly from equity. No gains or loss is recognised in profit or loss on the purchase or cancellation of the Company's own equity instruments. Consideration paid is recognised directly in equity.

Derivative financial instruments that do not qualify for hedge accounting

Derivatives that do not qualify for hedge accounting are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3. 主要會計政策 (續)

金融工具(續)

金融負債及權益(續)

金融負債

金融負債包括應付賬款、應付聯營公司賬項、銀行透支及借款，其後採用實際利率法按攤銷成本計量。

股本工具

由本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

贖回本公司本身之股本工具於權益中直接確認及扣除。於購買或註銷本公司本身之股本工具時，並不會在損益確認溢利或虧損。已付代價直接於權益確認。

不合資格按對沖會計處理之衍生金融工具

不合資格按對沖會計法處理之衍生工具於訂立衍生工具合約之日按公平價值初步確認，其後於報告期間末按公平價值重新計量。有關損益即時於損益表確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (CONT'D)

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 other comprehensive income is recognised in profit or loss. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial asset and recognise a collateralised borrowing for proceeds received.

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

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

3. 主要會計政策(續)

金融工具(續)

剔除確認

當自資產收取現金流量之權利已屆滿，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移，則金融資產將剔除確認。剔除確認金融資產時，資產賬面值與已收及應收代價及已直接於其他全面收益確認之累計損益總和間之差額，於損益確認。倘本集團保留所轉讓資產擁有權之幾乎所有風險及回報，本集團則繼續確認金融資產，並就已收取所得款項確認抵押借貸。

當於有關合約訂明之責任獲履行、取消或屆滿時則剔除確認金融負債。剔除確認之金融負債賬面值與已付及應付代價間之差額，於損益確認。

股份付款交易

以權益結算之股份付款交易

授予僱員之購股權

所獲服務公平價值乃參考購股權於授出當日之公平價值釐定，當所授出購股權獲即時歸屬時，即於授出當日全數支銷，並於權益(購股權儲備)作出相應增加。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Share-based payment transactions (CONT'D)

Equity-settled share-based payment transactions (CONT'D)

Share options granted to employees (CONT'D)

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

For share options granted to employees on or before 7 November 2002, or granted after 7 November 2002 and vested before 1 April 2005, the financial impact of share options granted is not recorded in the consolidated financial statements until such time as the options are exercised, and no charge is recognised in profit or loss in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

Research and development expenditure

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

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;

3. 主要會計政策 (續)

股份付款交易 (續)

以權益結算之股份付款交易 (續)

授予僱員之購股權 (續)

購股權獲行使時，先前於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日仍未獲行使，則先前於購股權儲備確認之金額將轉撥往累計溢利。

就於2002年11月7日或之前已向僱員授出，或於2002年11月7日後已授出及於2005年4月1日前歸屬之購股權而言，授出購股權之財政影響直至購股權獲行使時方會在綜合財務報告中記錄，而且不會就授出之購股權價值在損益內確認支出。在行使購股權時，由此而發行之股份乃按股份之面值記錄為額外股本，而每股股份行使價超逾股份面值之金額乃列為股份溢價。在行使日期前失效或註銷之購股權會自尚未行使購股權之登記冊剔除。

研究及開發支出

研究活動之支出於產生期間確認為支出。

倘及僅倘以下所有事項均獲證實，則會確認開發(或自內部項目開發階段)所產生之內部產生無形資產：

- 完成該無形資產以使其能夠使用或出售在技術上具有可行性；
- 具有完成該無形資產並使用或出售之意圖；

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Research and development expenditure (CONT'D)

- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

The resultant asset is amortised on a straight line basis over its useful life on the same basis as intangible assets acquired separately, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted-average method. Net realisable value represents the estimated selling price less all further costs to completion and costs to be incurred in selling and distribution.

3. 主要會計政策(續)

研究及開發支出(續)

- 有能力使用或出售該無形資產；
- 該無形資產將如何產生潛在未來經濟利益；
- 有足夠的技術、財務和其他資源支持，以完成該無形資產的開發，並使用或出售該無形資產；及
- 開發階段歸屬該無形資產之支出能夠可靠計量。

就源自內部產生之無形資產初步確認之金額指由該無形資產首次符合上述確認條件當日起出現之開支總額。當內部產生之無形資產未能確認，則開發支出會於產生期間從損益賬中扣除。

最終之資產乃按可使用年期以直線法攤銷，與獨立收購之無形資產之基準相同，並按成本值減其後累計攤銷及累計減值虧損列賬。

存貨

存貨乃按成本值或可變現淨值兩者之較低值入賬。成本值以加權平均法計算。可變現淨值乃預計售價扣除一切所需之完成成本及銷售與分銷所涉及之費用後所得淨額。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment (other than goodwill)

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

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 statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策 (續)

商譽以外之減值

於報告期間末，本集團會審閱資產賬面值，以釐定有否任何跡象顯示該等資產出現減值虧損。倘資產可收回金額估計低於其賬面值，該項資產之賬面值會減至其可收回金額。減值虧損會即時確認為開支，除非相關資產根據另一項準則按重估金額列賬，於此情況下，減值虧損按照該項準則當作重估減少。

倘減值虧損其後撥回，資產賬面值會增至經修訂估計可收回金額，惟所增加賬面值不得超逾假設過往年度並無就資產確認減值虧損原應釐定之賬面值。減值虧損撥回會即時確認為收入，除非相關資產根據另一項準則按重估金額列賬，於此情況下，減值虧損撥回按照該項準則當作重估增加。

稅項

所得稅開支指當期應付稅項及遞延稅項之總和。

當期應付稅項按年內應課稅溢利計算。由於應課稅溢利並不包括其他年度之應課稅溢利或可扣減開支，亦不包括毋須課稅或不得扣減之項目，故此應課稅溢利有別於綜合全面收益表所呈報溢利。本集團即期稅項負債按報告期間末已經或大致上頒佈之稅率計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation (CONT'D)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

3. 主要會計政策(續)

稅項(續)

遞延稅項按綜合財務報告所列資產及負債賬面值與計算應課稅溢利時所用相關稅基兩者之暫時差額確認。遞延稅項負債一般就一切應課稅暫時差額確認入賬，而遞延稅項資產則一般就一切可扣減暫時差額於可能有應課稅溢利對銷可用之可扣減暫時差額時確認入賬。倘暫時差額因商譽或初步確認並不影響應課稅溢利或會計溢利之交易(業務合併除外)之其他資產及負債而產生，則不會確認該等資產及負債。

遞延稅項負債就與於附屬公司及聯營公司之投資相關之應課稅暫時差額而予以確認，惟集團在可控制暫時差額之撥回以及暫時差額於可預見將來不可能撥回時的情況下則除外。與該等投資相關之可扣減暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利動用暫時差額之得益及預計於可見未來撥回時確認。

遞延稅項資產之賬面值於報告期間未檢討，當應課稅溢利不再足以收回所有或部分資產時將予調低。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation (CONT'D)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Leases

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense 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.

3. 主要會計政策 (續)

稅項(續)

遞延稅項資產及負債按預期於清償負債或變現資產之期間適用之稅率計量，並根據截至報告期間末前已頒佈或大致已頒佈之稅率（及稅法）為基準。遞延稅項負債及資產之計量反映本集團預期於報告期間末收回或結算其資產及負債賬面值之方式所帶來之稅務結果。遞延稅項於損益確認，除非遞延稅項與於其他全面收益或直接於權益確認之項目相關，在該情況下遞延稅項亦分別於其他全面收益或直接於權益確認。

租約

凡將資產所有權之絕大部分風險及回報轉予承租人之租約，均列為融資租約。所有其他租賃均列作經營租約。

本集團作為出租人

經營租約租金收益以直線法於相關租期在損益確認。

本集團作為承租人

經營租約付款以直線基準於相關租期確認為開支。作為訂立經營租約獎勵之已收及應收利益，於租期按直線基準確認為租金開支扣減項目。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale for which the commencement date for capitalisation is on or after 1 April 2009, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

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 (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, 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 transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the translation reserve).

3. 主要會計政策(續)

借貸成本

因收購、建造或生產需較長時間籌備方可用作擬定用途或銷售之合資格資產直接產生且開始資本化日期為2009年4月1日或之後之借貸成本，計入該等資產之成本中，直至該等資產已大致可供用作擬定用途或銷售為止。於特定借貸撥作合資格資產開支前所作臨時投資賺取之投資收益，自合資格撥充資本之借貸成本中扣除。

所有其他借貸成本於產生期間在損益中確認。

外幣

於編製集團個別實體之財務報告時，以該實體功能貨幣以外貨幣(外幣)進行之交易，按交易日期當時匯率以其功能貨幣(即該實體於主要經濟環境經營之貨幣)記錄。於報告期間末，以外幣列值之貨幣項目按該日當時匯率重新換算。以外幣過往成本計算之非貨幣項目不會重新換算。

結算貨幣項目及兌換貨幣項目所產生匯兌差額，於產生期間在損益確認。

就呈報綜合財務報告而言，本集團於海外業務之資產及負債，按報告期間末當時匯率換算為本集團呈報貨幣(即港元)，而有關收支按年內平均匯率換算，除非期內匯率大幅波動，於此情況下，則採用交易日期當日匯率。所產生匯兌差額(如有)於其他全面收益確認，並於權益(匯兌儲備)累計。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Retirement benefits costs

Payments to state-managed retirement benefits scheme or the Mandatory Provident Fund ("MPF") Scheme are charged as expenses when employees have rendered services entitling them to contributions.

4. KEY SOURCE 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 estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

3. 主要會計政策 (續)

退休福利成本

對國家管理之退休福利計劃或強制性公積金計劃(「強積金計劃」)作出之供款於僱員提供服務後符合領取有關供款資格時列作支出。

4. 估計不確定因素之主要來源

在應用附註3所述之本集團會計政策之過程中，本公司董事須就無法即時從其他途徑獲取資產及負債之賬面值作出估計及假設。有關估計及相關假設乃基於過往經驗及其他被視為相關之因素作出。實際結果可能不同於該等估計。

該等估計及相關假設按持續基準進行檢討。如修訂該等會計估計只影響修訂期間，則該等估計在該期間確認，如有關修訂影響現時及未來期間，則在修訂期間及未來期間確認。

有關未來之主要假設，以及於報告期間末估計不明朗因素之其他主要來源等重大風險，可能導致對下一財政年度資產負債賬面值作出重大調整，討論如下。

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4. KEY SOURCE OF ESTIMATION UNCERTAINTY (CONT'D)

Allowances for inventories

The management of the Group reviews the physical conditions and saleability of inventories at the end of the reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods and consumables based primarily on the latest invoice prices and current market conditions. As at 31 March 2010, the carrying amount of inventories is HK\$325,718,000 (2009: HK\$402,471,000), net of allowance for obsolete and slow-moving inventories of HK\$40,498,000 (2009: HK\$36,995,000).

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 units 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. As at 31 March 2010, the carrying amount of goodwill is HK\$26,484,000 (2009: HK\$26,541,000). Details of the recoverable amount calculation are disclosed in note 18.

4. 估計不確定因素之主要來源 (續)

存貨撥備

本集團管理層於報告期間末審閱存貨之實質情況及可銷售性，並就不再適合生產用途之已識別陳舊及滯銷存貨項目作出撥備。管理層主要根據最新發票價格及現行市況為基礎估計該等製成品及消費品之可變現淨值。於2010年3月31日，存貨之賬面值為325,718,000港元(2009年：402,471,000港元)，已扣除陳舊及滯銷存貨40,498,000港元(2009年：36,995,000港元)。

商譽減值

釐定商譽是否出現減值，須估計獲分配商譽之現金產生單位的使用價值。使用價值計算法規定本集團須估計現金產生單位預期所產生未來現金流量及適當貼現率，以計算現值。當實際現金流量少於預期，或會產生重大減值虧損。於2010年3月31日，商譽賬面值為26,484,000港元(2009年：26,541,000港元)。有關可收回金額計算法之詳情於附註18披露。

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4. KEY SOURCE OF ESTIMATION UNCERTAINTY (CONT'D)

Income taxes

As at 31 March 2010, no deferred tax asset was recognised in the Group's consolidated statement of financial position in relation to the estimated unused tax losses of HK\$250,894,000 (2009: HK\$199,082,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are more or less than expected, a material recognition or reversal of deferred tax asset may arise, which would be recognised in profit or loss in the period in which such a recognition or reversal takes place.

5. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 April 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable operating segments as compared with the primary reportable operating segments determined in accordance with HKAS 14, but resulted in change in the basis of measurement of segment result, segment assets and segment liabilities.

4. 估計不確定因素之主要來源 (續)

所得稅

於2010年3月31日，基於無法預見未來溢利來源，並無於本集團綜合財務狀況報表就估計未動用稅項虧損250,894,000港元（2009年：199,082,000港元）確認遞延稅項資產。遞延稅項資產之可變現能力主要取決於日後會否產生充裕未來溢利或應課稅暫時差額。當所產生實際未來應課稅溢利與預期相若，則可能產生重大之遞延稅項資產確認或撥回，並會於確認或撥回之期間於損益確認。

5. 分類資料

本集團已採納於2009年4月1日生效之香港財務報告準則第8號「經營分類」。香港財務報告準則第8號乃一項披露準則，規定以本集團各部門之內部報告作為區分經營分類之基準，並以本集團主要經營決策者就於不同分類間分配資源及評估其表現定期檢討之分類為準則。相反，先前之準則（香港會計準則第14號「分類呈報」）乃要求實體按風險及回報方式區分業務及地區兩套分類，而該實體之向主要管理人員作出之內部財務呈報制度僅作為識別有關分類之起始點。過往，本集團之主要報告形式為按業務分類。與根據香港會計準則第14號釐定之主要可申報經營分類比較，應用香港財務報告準則第8號並未導致本集團之可申報經營分類須重新指定，但改變了計量分部業績、分部資產及分部負債之基準。

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5. SEGMENT INFORMATION (CONT'D)

The Group is organised into two operating divisions, namely design, manufacture and sale of electronic products (representing consumer electronic audio and video equipment, musical instruments and accessories) and securities trading. These divisions are the basis on which the Group reports its segment information.

Segment revenue and results

An analysis of the Group's revenue, which represents sales of goods, and results by reportable segments is as follows:

5. 分類資料(續)

本集團業務由兩個分部組成，分別是電子產品(即消費電子影音設備、樂器及配件)設計、製造及銷售以及證券買賣。該等分部乃本集團報告其分類資料之基準。

分部收入及業績

按本集團可申報分部之收入(即銷售貨品)及業績分析如下：

| | | Design, manufacture and sale of electronic products 電子產品 設計、製造 及銷售 HK\$'000 千港元 | Securities trading 證券買賣 HK\$'000 千港元 | Consolidated 合計 HK\$'000 千港元 |
|---|-----------------|--|--|---------------------------------------|
| Year ended 31 March 2010 | 截至2010年3月31日止年度 | | | |
| TURNOVER | 營業額 | 738,262 | - | 738,262 |
| SEGMENT RESULTS | 分部業績 | (103,193) | 8,159 | (95,034) |
| Interest income | 利息收益 | | | 162 |
| Unallocated income | 未分配收益 | | | 5,134 |
| Unallocated expenses | 未分配開支 | | | (12,416) |
| Increase in fair value of investment properties | 投資物業之 公平價值增加 | | | 37,134 |
| Finance costs | 融資成本 | | | (10,692) |
| Loss before taxation | 除稅前虧損 | | | (75,712) |
| Taxation | 稅項 | | | (1,468) |
| Loss for the year | 本年度虧損 | | | (77,180) |

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5. SEGMENT INFORMATION (CONT'D)

Segment revenues and results (CONT'D)

5. 分類資料(續)

分部收入及業績(續)

| | Design, manufacture and sale of electronic products 電子產品 設計、製造 及銷售 HK\$'000 千港元 | Securities trading 證券買賣 HK\$'000 千港元 | Consolidated 合計 HK\$'000 千港元 |
|--|--|--|---------------------------------------|
| Year ended 31 March 2009 | 截至2009年3月31日止年度 | | |
| TURNOVER | 營業額 | | |
| | 1,281,062 | – | 1,281,062 |
| SEGMENT RESULTS | 分部業績 | | |
| | (58,422) | (12,789) | (71,211) |
| Interest income | 利息收益 | | 525 |
| Unallocated income | 未分配收益 | | 5,045 |
| Unallocated expenses | 未分配開支 | | (13,503) |
| Decrease in fair value of investment properties | 投資物業之 公平價值減少 | | (16,736) |
| Finance costs | 融資成本 | | (22,528) |
| Loss before taxation | 除稅前虧損 | | (118,408) |
| Taxation | 稅項 | | (1,280) |
| Loss for the year | 本年度虧損 | | (119,688) |

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment results represent the results from each segment without allocation of central administration costs incurred by head office, increase/decrease in fair value of investment properties, interest income, dividend income from available-for-sale investments, rental income, finance costs and taxation. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

可申報分部之會計政策與附註3所述之本集團會計政策相同。分部業績指各分部之業績，當中並未分配總辦事處產生之中央行政成本、投資物業之公平價值增加／減少、利息收益、可供出售之投資之股息收益、租金收益、融資成本及稅項。此乃向主要經營決策者呈報以供其分配資源及評估表現之計量標準。

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5. SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities

An analysis of the Group's assets and liabilities by reportable segments is as follows:

5. 分類資料(續)

分部資產及負債

按本集團可申報分部之資產及負債分析如下：

| | | Design, manufacture and sale of electronic products 電子產品 設計、製造 及銷售 HK\$'000 千港元 | Securities trading 證券買賣 HK\$'000 千港元 | Consolidated 合計 HK\$'000 千港元 |
|-----------------------------------|--------------------|--|---|---|
| At 31 March 2010 | 於2010年3月31日 | | | |
| ASSETS | 資產 | | | |
| Segment assets | 分部資產 | 712,392 | 18,658 | 731,050 |
| Unallocated corporate assets | 未分配公司資產 | | | 256,675 |
| Consolidated total assets | 合計總資產 | | | 987,725 |
| LIABILITIES | 負債 | | | |
| Segment liabilities | 分部負債 | 144,779 | 275 | 145,054 |
| Unallocated corporate liabilities | 未分配公司負債 | | | 228,554 |
| Consolidated total liabilities | 合計總負債 | | | 373,608 |
| At 31 March 2009 | 於2009年3月31日 | | | |
| ASSETS | 資產 | | | |
| Segment assets | 分部資產 | 953,994 | 10,180 | 964,174 |
| Unallocated corporate assets | 未分配公司資產 | | | 233,318 |
| Consolidated total assets | 合計總資產 | | | 1,197,492 |
| LIABILITIES | 負債 | | | |
| Segment liabilities | 分部負債 | 184,556 | 619 | 185,175 |
| Unallocated corporate liabilities | 未分配公司負債 | | | 336,620 |
| Consolidated total liabilities | 合計總負債 | | | 521,795 |

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5. SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities (CONT'D)

Unallocated corporate assets mainly represent investment properties, available-for-sale investments, deferred tax assets, amounts due from associates, taxation recoverable and bank balances and cash.

Unallocated corporate liabilities mainly represent borrowings, amounts due to associates, taxation payable and deferred tax liabilities.

Other segment information

5. 分類資料(續)

分部資產及負債(續)

未分配公司資產主要指投資物業、可供出售之投資、遞延稅項資產、應收聯營公司賬項、可收回稅項及銀行結存及現金。

未分配公司負債主要指借貸、應付聯營公司賬項、應付稅項及遞延稅項負債。

其他分類資料

| | | Design, manufacture and sale of electronic products 電子產品 設計、製造 及銷售 | Securities trading | Consolidated |
|--|--------------------------|---|-------------------------|-----------------------|
| | | HK\$'000 千港元 | 證券買賣 HK\$'000 千港元 | 合計 HK\$'000 千港元 |
| Amounts included in the measurement of segment result or segment assets: | 納入分部業績或分部資產計量之款項： | | | |
| Year ended 31 March 2010 | 截至2010年3月31日止年度 | | | |
| Additions of property, plant and equipment | 增購物業、廠房及設備 | 18,840 | – | 18,840 |
| Amortisation of product development costs | 產品發展成本攤銷 | 260 | – | 260 |
| Increase in fair value of derivative financial instruments | 衍生金融工具之公平價值增加 | – | (2,451) | (2,451) |
| Increase in fair value of financial assets designated at fair value through profit or loss | 指定為按公平價值計入損益之金融資產之公平價值增加 | – | (71) | (71) |
| Increase in fair value of investments held for trading | 持作買賣之投資之公平價值增加 | – | (5,476) | (5,476) |
| Release of prepaid lease payments | 預付租賃款項撥回 | 121 | – | 121 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 47,380 | – | 47,380 |
| Allowance for doubtful debts | 呆賬撥備 | 2,005 | – | 2,005 |
| Allowance for obsolete and slow-moving inventories | 陳舊及滯銷之存貨撥備 | 11,291 | – | 11,291 |
| Impairment loss recognised in respect of other receivables | 其他應收款項確認之減值虧損 | 7,767 | – | 7,767 |

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5. SEGMENT INFORMATION (CONT'D)

Other segment information (CONT'D)

5. 分類資料(續)

其他分類資料(續)

| Year ended 31 March 2009 | 截至2009年3月31日止年度 | | | |
|--|--------------------------|--------|---------|---------|
| Additions of property, plant and equipment | 增購物業、廠房及設備 | 34,576 | – | 34,576 |
| Amortisation of product development costs | 產品發展成本攤銷 | 347 | – | 347 |
| Increase in fair value of derivative financial instruments | 衍生金融工具之公平價值增加 | – | (1,667) | (1,667) |
| Decrease in fair value of financial assets designated at fair value through profit or loss | 指定為按公平價值計入損益之金融資產之公平價值減少 | – | 1,591 | 1,591 |
| Decrease in fair value of investments held for trading | 持作買賣之投資之公平價值減少 | – | 12,868 | 12,868 |
| Release of prepaid lease payments | 預付租賃款項撥回 | 1,386 | – | 1,386 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 53,514 | – | 53,514 |
| Allowance for doubtful debts | 呆賬撥備 | 14,436 | – | 14,436 |
| Allowance for obsolete and slow-moving inventories | 陳舊及滯銷之存貨撥備 | 10,451 | – | 10,451 |

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5. SEGMENT INFORMATION (CONT'D)

Other segment information (CONT'D)

Amounts regularly provided to the chief operating decision maker but not included in the measurement of segment result or segment assets:

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|---------------------|-------------------------|-------------------------|
| Investment properties | 投資物業 | 145,350 | 91,916 |
| Interest in associates | 應佔聯營公司權益 | 8,174 | 8,071 |
| Increase (decrease) in fair value of investment properties | 投資物業之公平價值 增加(減少) | 37,134 | (16,736) |
| Interest expense | 利息開支 | 10,692 | 22,528 |
| Impairment loss recognised in respect of goodwill – unallocated | 已確認商譽之減值虧損 – 未分配 | – | 1,569 |

Geographical segments

The Group's operations are located in North America, Europe, Hong Kong (place of domicile), Mainland China, Japan and Korea and other countries.

5. 分類資料(續)

其他分類資料(續)

定期呈報予主要經營決策者但未納入分部業績或分部資產計量之款項如下：

地區分類

本集團之業務分佈於北美、歐洲、香港(居住地點)、中國大陸、日本、韓國及其他國家。

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5. SEGMENT INFORMATION (CONT'D)

Geographical segments (CONT'D)

The Group's revenue from external customers (based on location of customers) and information about its non-current assets by geographical location of the assets are detailed below:

5. 分類資料(續)

地區分類(續)

本集團來自外部客戶之收入(按客戶所在地區)及有關其非流動資產(按資產所在地區)之詳情如下:

| | | Revenue from external customers | | Non-current assets (note) | |
|--------------------------|-------|---------------------------------|-----------|---------------------------|----------|
| | | Year ended 31 March | | assets (note) | |
| | | 來自外部客戶之收入 | | 非流動資產(附註) | |
| | | 截至3月31日止年度 | | | |
| | | 2010 | 2009 | 2010 | 2009 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| United States of America | 美國 | 470,094 | 829,352 | 6,849 | 8,444 |
| Europe | 歐洲 | 144,107 | 356,038 | – | – |
| Canada | 加拿大 | 107,434 | 29,147 | 185 | 301 |
| Mainland China | 中國大陸 | 1,864 | 85 | 157,830 | 178,825 |
| Japan and Korea | 日本及韓國 | 379 | – | – | – |
| Hong Kong | 香港 | 235 | 39,549 | 256,570 | 275,382 |
| Other countries | 其他國家 | 14,149 | 26,891 | – | 77 |
| | | 738,262 | 1,281,062 | 421,434 | 463,029 |

Note: Non-current assets excluded available-for-sale investments and deferred tax assets.

附註：非流動資產不包括可供出售之投資及遞延稅項資產。

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5. SEGMENT INFORMATION (CONT'D)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|-------------------------|------------------|-------------------------|-------------------------|
| Customer A ¹ | 客戶A ¹ | 131,485 | N/A不適用 ² |
| Customer B ¹ | 客戶B ¹ | 127,525 | 149,476 |
| Customer C ¹ | 客戶C ¹ | 80,294 | 213,252 |
| Customer D ¹ | 客戶D ¹ | N/A不適用 ² | 217,165 |
| Customer E ¹ | 客戶E ¹ | N/A不適用 ² | 177,678 |

¹ Revenue from electronic products.

² The corresponding revenue did not contribute over 10% of the total sales of the Group.

5. 分類資料(續)

有關主要客戶之資料

有關年度佔本集團收入總額10%以上之客戶收入載列如下：

¹ 來自電子產品之收入。

² 相關收入並未達到本集團銷售總額之10%以上。

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6. OTHER INCOME

6. 其他收入

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|-------------------|-------------------------|-------------------------|
| Other income includes: | 其他收入包括： | | |
| Claims received | 已收賠款 | – | 302 |
| Commission | 佣金 | 753 | 3,362 |
| Dividend income from available-for-sale investments | 可供出售之投資之股息收益 | 255 | 356 |
| Dividend income from investments held-for-trading | 持作買賣之投資之股息收益 | 161 | 3 |
| Exchange gain, net | 匯兌收益，淨額 | 5,138 | – |
| Gain on disposal of prepaid lease payments | 出售預付租賃款項之溢利 | 2,661 | – |
| Interest income | 利息收益 | 162 | 525 |
| (Loss) gain on disposal of property, plant and equipment | 出售物業、廠房及設備之(虧損)溢利 | (168) | 15,268 |
| Rental income (note) | 租金收益(附註) | 4,879 | 4,689 |
| Repairing income | 維修收益 | 21 | 2,333 |
| Sale of scrap materials | 廢料銷售收益 | 839 | 1,623 |

Note: Outgoings of HK\$182,000 (2009: HK\$406,000) were incurred resulting in net rental income of HK\$4,697,000 (2009: HK\$4,283,000).

附註：182,000港元(2009年：406,000港元)為租金收益淨額4,697,000港元(2009年：4,283,000港元)所產生之開支。

7. FINANCE COSTS

7. 融資成本

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|-----------------|-------------------------|-------------------------|
| Interest on borrowings wholly repayable within five years | 須於五年內悉數償還之借貸之利息 | 10,692 | 22,528 |

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8. LOSS BEFORE TAXATION

8. 除稅前虧損

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|--------------------------|-------------------------|-------------------------|
| Loss before taxation has been arrived at after charging: | 除稅前虧損之計算已扣除： | | |
| Allowance for doubtful debts | 呆賬撥備 | 2,005 | 14,436 |
| Allowance for obsolete and slow-moving inventories | 陳舊及滯銷之存貨撥備 | 11,291 | 10,451 |
| Amortisation of product development costs (included in administrative expenses) | 產品發展成本攤銷 (計入行政費用內) | 260 | 347 |
| Auditors' remuneration | 核數師酬金 | 3,854 | 3,858 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 47,380 | 53,514 |
| Exchange loss, net | 匯兌虧損·淨額 | - | 6,620 |
| Impairment loss recognised in respect of available-for-sale investments (included in administrative expenses) | 已確認可供出售投資之減值虧損 (計入行政費用內) | 2 | 4 |
| Impairment loss recognised in respect of goodwill (included in administrative expenses) | 已確認商譽之減值虧損 (計入行政費用內) | - | 1,569 |
| Impairment loss recognised in respect of other receivables | 其他應收款項確認之減值虧損 | 7,767 | - |
| Minimum lease payments under operating leases in respect of rented premises | 租賃樓宇之經營租約最低租金支出 | 6,653 | 10,301 |
| Release of prepaid lease payments | 預付租賃款項撥回 | 121 | 1,386 |
| Research and development costs (note (a)) | 研究及開發成本 (附註(a)) | 35,477 | 42,813 |
| Staff costs including directors' remuneration (note (b)) | 員工成本·包括董事酬金(附註(b)) | 101,081 | 154,104 |

Notes:

附註：

(a) The research and development costs included staff costs of HK\$6,833,000 (2009: HK\$11,070,000).

(a) 研究及開發成本包括員工成本6,833,000港元(2009年：11,070,000港元)。

(b) The staff costs for the year included retirement benefits scheme contributions of HK\$1,359,000 (2009: HK\$1,868,000) and share-based payments of HK\$73,000 (2009: HK\$142,000).

(b) 本年度之員工成本包括退休福利計劃供款1,359,000港元(2009年：1,868,000港元)及以股份支付之付款73,000港元(2009年：142,000港元)。

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9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Details of emoluments paid by the Group to each of the directors are as follows:

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9. 董事及僱員酬金

本集團已付各董事之酬金詳情如下：

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| | | Salaries and other short term employee benefits | Performance related incentive payments | Retirement benefits scheme contributions | Total emoluments | |
|---|-----------------|---|---|---|---------------------|-------|
| | Fees | 薪金及 其他短期 僱員福利 | 績效 獎勵付款 | 退休福利 計劃供款 | 酬金總額 | |
| | 袍金 | 其他短期 僱員福利 | 績效 獎勵付款 | 退休福利 計劃供款 | 酬金總額 | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| Executive directors: | 執行董事： | | | | | |
| Lau Sak Hong, Philip | 劉錫康 | - | 6,425 | - | 12 | 6,437 |
| Lau Sak Kai, Anthony | 劉錫淇 | - | 1,013 | - | 12 | 1,025 |
| Lau Sak Yuk, Andy | 劉錫澳 | - | 890 | - | 12 | 902 |
| Non-executive director: | 非執行董事： | | | | | |
| Hon Sheung Tin, Peter | 韓相田 | 50 | - | - | - | 50 |
| Independent non-executive directors: | 獨立非執行董事： | | | | | |
| Ho Hau Chong, Norman | 何厚鏞 | 50 | - | - | - | 50 |
| Chan Chak Chung | 陳澤仲 | 50 | - | - | - | 50 |
| Chuck Winston Calptor | 卓育賢 | 50 | - | - | - | 50 |
| | | 200 | 8,328 | - | 36 | 8,564 |

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9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONT'D)

For the year ended 31 March 2009

9. 董事及僱員酬金(續)

截至2009年3月31日止年度

| | | Salaries and other short term employee benefits 薪金及其他短期僱員福利 | | | | | Total emoluments 酬金總額 |
|---|-----------------|--|--|--|-----------------|-----------------|--------------------------|
| | | Fees 袍金 | Performance related payments 績效獎勵付款 | Retirement benefits scheme contributions 退休福利計劃供款 | | | |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | |
| Executive directors: | 執行董事： | | | | | | |
| Lau Sak Hong, Philip | 劉錫康 | 50 | 6,062 | 133 | 190 | 6,435 | |
| Lau Sak Kai, Anthony | 劉錫淇 | 50 | 1,377 | 46 | 67 | 1,540 | |
| Lau Sak Yuk, Andy | 劉錫澳 | 50 | 1,231 | 46 | 60 | 1,387 | |
| Non-executive director: | 非執行董事： | | | | | | |
| Hon Sheung Tin, Peter | 韓相田 | 109 | 24 | – | – | 133 | |
| Independent non-executive directors: | 獨立非執行董事： | | | | | | |
| Ho Hau Chong, Norman | 何厚鏘 | 50 | – | – | – | 50 | |
| Chan Chak Chung | 陳澤仲 | 50 | – | – | – | 50 | |
| Chuck Winston Calptor | 卓育賢 | 50 | – | – | – | 50 | |
| | | 409 | 8,694 | 225 | 317 | 9,645 | |

The performance related incentive payments are determined with reference to performance of the individual and the Group's performance and profitability for each of the two years ended 31 March 2010.

績效獎勵付款乃參考員工個人表現及本集團截至2010年3月31日止兩年各年之表現及盈利能力而釐定。

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9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONT'D)

Employees

The five highest paid individuals of the Group included three (2009: three) directors, details of whose remuneration are set out above. The emoluments of the remaining two (2009: two) highest paid employees are as follows:

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|-------------|-------------------------|-------------------------|
| Salaries and other short term employee benefits | 薪金及其他短期僱員福利 | 2,397 | 3,106 |
| Performance related incentive payments | 績效獎勵付款 | – | 80 |
| Retirement benefits scheme contributions | 退休福利計劃供款 | 24 | 24 |
| | | 2,421 | 3,210 |

Emoluments of these employees were within the following bands:

| | | Number of employees 僱員人數 | |
|-------------------------------|---------------------------|-----------------------------|------|
| | | 2010 | 2009 |
| HK\$1,000,001 – HK\$1,500,000 | 1,000,001港元 – 1,500,000港元 | 2 | 1 |
| HK\$1,500,001 – HK\$2,000,000 | 1,500,001港元 – 2,000,000港元 | – | 1 |

9. 董事及僱員酬金(續)

僱員

本集團五名最高薪酬之人士包括三名(2009年：三名)董事，有關彼等酬金之詳情已於上文披露，其餘兩名(2009年：兩名)最高薪酬僱員之酬金如下：

此等僱員酬金之金額範圍如下：

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10. TAXATION

10. 稅項

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|-------------------------------------|--------------|-------------------------|-------------------------|
| The charge comprises: | 稅項支出包括： | | |
| Hong Kong Profits Tax | 香港利得稅 | | |
| Current year | 本年度 | 60 | 46 |
| Overprovision in prior years | 過往年度超額撥備 | (88) | (1,830) |
| | | (28) | (1,784) |
| Taxation in other jurisdictions | 其他司法區之稅項 | | |
| Current year | 本年度 | 754 | 812 |
| Under(over)provision in prior years | 過往年度少提(超額)撥備 | 13 | (22) |
| | | 767 | 790 |
| Deferred taxation (note 30) | 遞延稅項(附註30) | 729 | 2,274 |
| | | 1,468 | 1,280 |

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profit for the year.

香港利得稅以本年度之估計應課稅溢利按稅率16.5%(2009年: 16.5%)計算。

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate by 1% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

於2008年6月26日，香港立法會通過《2008年收入條例草案》，將公司利得稅稅率調低1%至16.5%，自2008年／2009年評稅年度生效。因此，香港利得稅以兩個年度之估計應課稅溢利按稅率16.5%計算。

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

於其他司法區產生之稅項乃按個別司法區之現行稅率計算。

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10. TAXATION (CONT'D)

Taxation for the year can be reconciled to the loss before taxation per the consolidated statement of comprehensive income as follows:

10. 稅項(續)

本年度稅項與綜合全面收益表所示除稅前虧損對賬如下：

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|-----------------------------------|-------------------------|-------------------------|
| Loss before taxation | 除稅前虧損 | (75,712) | (118,408) |
| Tax credit at the domestic income tax rate of 16.5% (2009: 16.5%) | 按本地所得稅稅率16.5%(2009年：16.5%)計算之稅項抵免 | (12,492) | (19,537) |
| Tax effect of share of profits of associates | 應佔聯營公司溢利之稅項影響 | (78) | (95) |
| Tax effect of expenses not deductible for taxation purposes | 不可扣稅費用之稅項影響 | 7,719 | 6,169 |
| Tax effect of income not taxable for taxation purposes | 毋須課稅收益之稅項影響 | (2,141) | (2,974) |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | 於其他司法區經營業務之附屬公司不同稅率之影響 | 567 | (6,207) |
| Tax effect of tax losses not recognised | 未確認稅務虧損之稅項影響 | 11,215 | 21,825 |
| Tax effect of utilisation of tax losses previously not recognised | 動用先前未確認之稅務虧損之稅項影響 | (2,726) | (75) |
| Effect of tax exemption granted to a subsidiary (note) | 附屬公司所獲稅項豁免之影響(附註) | - | (145) |
| Overprovision in prior years | 過往年度超額撥備 | (75) | (1,852) |
| Decrease in opening deferred tax liabilities resulting from a decrease in applicable rate | 適用稅率調低以致期初遞延稅項負債減少 | - | (176) |
| Others | 其他 | (521) | 4,347 |
| Taxation for the year | 本年度稅項 | 1,468 | 1,280 |

Note: The subsidiary is exempted from taxation in other jurisdiction pursuant to the relevant laws and regulations in that jurisdiction.

附註：該附屬公司根據有關司法區之法例及規例獲豁免繳納其他司法區之稅項。

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11. DIVIDENDS

The directors have resolved not to recommend a dividend for the year ended 31 March 2010 (2009: nil).

11. 股息

董事議決不建議派發截至2010年3月31日止年度之股息(2009年：無)。

12. LOSS PER SHARE

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

12. 每股虧損

每股基本及攤薄虧損乃根據以下資料計算：

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|-------------------------|-------------------------|-------------------------|
| Loss attributable to owners of the Company for the purposes of basic and diluted loss per share | 為計算每股基本及攤薄虧損之本公司擁有人應佔虧損 | (67,490) | (110,186) |

| | | Number of shares 股份數目 | |
|--|-----------------------|--------------------------|-----------------------------|
| | | 2010 | 2009 (restated) (經重列) |
| Weighted average number of shares for the purposes of basic and diluted loss per share | 為計算每股基本及攤薄虧損之加權平均股份數目 | 918,553,929 | 918,995,644 |

The number of shares for the purposes of calculating basic and diluted earnings per share for both years has been adjusted to reflect the open offer (see note 41(b)) completed in July 2010.

已調整用於計算兩個年度之每股基本及攤薄盈利之股份數目，以反映於2010年7月完成之公開發售(見附註41(b))。

The calculation of diluted loss per share for 2010 and 2009 does not assume the exercise of the outstanding share options as it would result in a decrease in the loss per share for both years and the exercise prices of those options are higher than the average market price for shares for both years.

計算2010年及2009年之每股攤薄虧損時乃假設並無行使尚未行使之購股權，皆因行使有關購股權將導致該等年度之每股虧損減少，且該等購股權之行使價高於該等年度股份之平均市價。

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13. INVESTMENT PROPERTIES

13. 投資物業

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|---------------------------|-------------------------|-------------------------|
| Fair value of investment properties | 投資物業之公平價值： | | |
| At beginning of the year | 於年初 | 91,916 | 108,652 |
| Transfer from leasehold properties | 轉撥自租賃物業 | 16,300 | – |
| Increase (decrease) in fair value | 公平價值增加（減少） | 37,134 | (16,736) |
| At end of the year | 於年結日 | 145,350 | 91,916 |
| The carrying amount of investment properties comprises properties situated on land held under: | 投資物業賬面值包括位於以下列租約持有之土地之物業： | | |
| Long leases in Hong Kong | 在香港以長期租約持有 | 130,900 | 77,750 |
| Long leases outside Hong Kong | 在香港以外以長期租約持有 | 14,450 | 14,166 |
| | | 145,350 | 91,916 |

The fair values of the Group's investment properties have been arrived at on the basis of valuations carried out at the end of the reporting period by an independent qualified professional valuer not connected with the Group. The valuations were arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. As at 31 March 2010, the carrying amount of such property interests amounted to HK\$145,350,000 (2009: HK\$91,916,000).

本集團投資物業之公平價值乃根據與本集團並無關連之獨立合資格專業估值師於報告期間末所進行估值計算所得。該估值乃參考同類物業市場交易價格後達致。

本集團以經營租約持有用於收租或資本增值用途之全部物業權益均以公平價值模式計算，並入賬列作投資物業。於2010年3月31日，該等物業權益之賬面值為145,350,000港元（2009年：91,916,000港元）。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

| | | Leasehold properties | Computer equipment | Furniture, fixtures and equipment 傢俬、裝置 及設備 | Motor vehicles | Plant and machinery | Construction in progress | Total |
|---|---------------|-------------------------|-------------------------|--|-----------------------|--------------------------|-----------------------------|-----------------------|
| | | 租賃物業 HK\$'000 千港元 | 電腦設備 HK\$'000 千港元 | 及設備 HK\$'000 千港元 | 汽車 HK\$'000 千港元 | 廠房及機器 HK\$'000 千港元 | 在建工程 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| COST OR VALUATION | 成本值或估值 | | | | | | | |
| At 1 April 2008 | 於2008年4月1日 | 120,376 | 29,372 | 111,262 | 15,388 | 543,670 | 419 | 820,487 |
| Additions | 添置 | 145 | 1,277 | 901 | 555 | 31,698 | - | 34,576 |
| Disposal | 出售 | (11,451) | (1,045) | (8,910) | (3,766) | (12,750) | - | (37,922) |
| At 31 March 2009 | 於2009年3月31日 | 109,070 | 29,604 | 103,253 | 12,177 | 562,618 | 419 | 817,141 |
| Additions | 添置 | - | 412 | 225 | 214 | 17,989 | - | 18,840 |
| Disposal | 出售 | - | (92) | (136) | (1,137) | - | (419) | (1,784) |
| Transfer to investment properties (note) | 轉撥至投資物業 (附註) | (8,300) | - | - | - | - | - | (8,300) |
| At 31 March 2010 | 於2010年3月31日 | 100,770 | 29,924 | 103,342 | 11,254 | 580,607 | - | 825,897 |
| Comprising: | 包括: | | | | | | | |
| At cost | 成本值 | 79,670 | 29,924 | 103,342 | 11,254 | 580,607 | - | 804,797 |
| At valuation - 1991 | 估值 - 1991年 | 21,100 | - | - | - | - | - | 21,100 |
| | | 100,770 | 29,924 | 103,342 | 11,254 | 580,607 | - | 825,897 |
| DEPRECIATION | 折舊 | | | | | | | |
| At 1 April 2008 | 於2008年4月1日 | 22,670 | 19,792 | 90,643 | 12,199 | 376,608 | - | 521,912 |
| Provided for the year | 本年折舊 | 2,257 | 2,261 | 4,067 | 724 | 44,205 | - | 53,514 |
| Eliminated on disposal | 出售時撇銷 | (7,178) | (941) | (7,849) | (3,490) | (11,392) | - | (30,850) |
| At 31 March 2009 | 於2009年3月31日 | 17,749 | 21,112 | 86,861 | 9,433 | 409,421 | - | 544,576 |
| Provided for the year | 本年折舊 | 1,713 | 1,993 | 3,267 | 546 | 39,861 | - | 47,380 |
| Eliminated on disposal | 出售時撇銷 | - | (60) | (83) | (940) | - | - | (1,083) |
| Eliminated on transfer | 轉撥時撇銷 | (2,628) | - | - | - | - | - | (2,628) |
| At 31 March 2010 | 於2010年3月31日 | 16,834 | 23,045 | 90,045 | 9,039 | 449,282 | - | 588,245 |
| CARRYING VALUES | 賬面值 | | | | | | | |
| At 31 March 2010 | 於2010年3月31日 | 83,936 | 6,879 | 13,297 | 2,215 | 131,325 | - | 237,652 |
| At 31 March 2009 | 於2009年3月31日 | 91,321 | 8,492 | 16,392 | 2,744 | 153,197 | 419 | 272,565 |

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14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Note: During the year ended 31 March 2010, the management resolved to rent out certain of its leasehold properties to outsiders for rental income and ended the owner occupation. These properties should be accounted for as investment properties. Upon the transfer from property, plant and equipment to investment properties, these properties were revalued with the increase in fair value of HK\$10,628,000 credited to the other property valuation reserve.

The cost or valuation of leasehold properties in Hong Kong, which included prepaid lease payments that cannot be allocated reliably between the land and building elements, is depreciated over forty years and after taking into account of the estimated residual value. The cost of buildings situated on leasehold land outside Hong Kong is amortised over a period of fifty years or, where shorter, the remaining term of the leases on a straight line basis.

Depreciation is provided to write off the cost of other property, plant and equipment, other than construction in progress, over their estimated useful lives, using the reducing balance method at the following rates per annum:

| | |
|-----------------------------------|----------|
| Computer equipment | 25% |
| Furniture, fixtures and equipment | 10 - 25% |
| Motor vehicles | 20 - 25% |
| Plant and machinery | 15 - 30% |

14. 物業、廠房及設備(續)

附註：截至2010年3月31日止年度，管理層議決向外部人士出租本公司若干租賃物業以收取租金收入並終止業主佔用。該等物業應列作投資物業。自物業、廠房及設備轉撥至投資物業時，該等物業獲重估，而公平價值之增值10,628,000港元計入其他物業估值儲備。

當預付租賃款項未能可靠地分配至土地及建築物部份時，香港租賃物業之成本值或估值按40年計算折舊及考慮到估計剩餘價值。位於香港以外地區之租賃土地之樓宇之成本以直線基準按50年或(如屬較短年期)租約所餘年期計算攤銷。

其他物業、廠房及設備(在建工程除外)乃於其估計可用年期按結餘遞減法計算折舊以撇銷其成本，所用年率如下：

| | |
|----------|----------|
| 電腦設備 | 25% |
| 傢俬、裝置及設備 | 10 - 25% |
| 汽車 | 20 - 25% |
| 廠房及機器 | 15 - 30% |

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14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The carrying value of the leasehold properties shown above comprises properties situated on land held under:

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--------------------------------------|--------------|-------------------------|-------------------------|
| Long leases in Hong Kong | 在香港以長期租約持有 | 20,529 | 26,621 |
| Medium term leases outside Hong Kong | 在香港以外以中期租約持有 | 63,407 | 64,700 |
| | | 83,936 | 91,321 |

The valuation of leasehold properties was carried out by a firm of independent professional valuers in 1991 on an open market value for existing use basis. The Group has adopted the transitional relief provided by paragraph 80A of HKAS 16 from the requirement to make revaluation on a regular basis of the Group's leasehold properties and, accordingly, no further revaluation of leasehold properties will be carried out. Had these leasehold properties with a carrying amount at 31 March 2010 of HK\$20,529,000 (2009: HK\$26,621,000) been carried at cost less accumulated depreciation and accumulated impairment losses, the carrying value of the leasehold properties at 31 March 2010 would have been stated at HK\$15,641,000 (2009: HK\$20,554,000).

15. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise:

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|-------------------|-------------------------|-------------------------|
| Leasehold land held under medium term leases outside Hong Kong | 在香港境外以中期租約持有之租賃土地 | 3,895 | 65,062 |
| Analysed for reporting purposes as: | 就申報目的分析為： | | |
| Current asset | 流動資產 | 121 | 1,386 |
| Non-current asset | 非流動資產 | 3,774 | 63,676 |
| | | 3,895 | 65,062 |

14. 物業、廠房及設備(續)

上述租賃物業包括位於以下列租約持有之土地之物業，賬面值為：

租賃物業由一家獨立專業估值師行於1991年按現時用途基準之公開市值予以重估。本集團採納香港會計準則第16號第80A段有關規定定期重估本集團租賃物業之過渡期豁免，故此毋須進一步重估租賃物業。倘租賃物業於2010年3月31日賬面值為20,529,000港元(2009年：26,621,000港元)按成本值減累計折舊及累計減值虧損列賬，租賃物業於2010年3月31日之賬面淨值將約為15,641,000港元(2009年：20,554,000港元)。

15. 預付租賃款項

本集團之預付租賃款項包括：

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16. PRODUCT DEVELOPMENT COSTS

16. 產品發展成本

| | | HK\$'000 千港元 |
|---|--------------------------------------|-----------------|
| COST | 成本值 | |
| At 1 April 2008, 31 March 2009 and 31 March 2010 | 於2008年4月1日、2009年3月31日 及2010年3月31日 | 1,732 |
| AMORTISATION | 攤銷 | |
| At 1 April 2008 | 於2008年4月1日 | 1,125 |
| Charge for the year | 年度扣除 | 347 |
| At 31 March 2009 | 於2009年3月31日 | 1,472 |
| Charge for the year | 年度扣除 | 260 |
| At 31 March 2010 | 於2010年3月31日 | 1,732 |
| CARRYING VALUE | 賬面值 | |
| At 31 March 2010 | 於2010年3月31日 | - |
| At 31 March 2009 | 於2009年3月31日 | 260 |

Product development costs are amortised over a period of five years on a straight line basis.

產品發展成本以直線法於五年期內攤銷。

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17. GOODWILL

17. 商譽

| | | HK\$'000 千港元 |
|---|---|-----------------|
| COST | 成本值 | |
| At 1 April 2008 | 於2008年4月1日 | 27,671 |
| Acquisition/deemed acquisition of additional interests in subsidiaries | 收購／被視為收購附屬公司額外權益 | 944 |
| Deemed partial disposal of a subsidiary | 被視為出售附屬公司部份權益 | (505) |
| At 31 March 2009 | 於2009年3月31日 | 28,110 |
| Deemed partial disposal of a subsidiary | 被視為出售附屬公司部份權益 | (57) |
| At 31 March 2010 | 於2010年3月31日 | 28,053 |
| IMPAIRMENT | 減值 | |
| Impairment losses recognised in profit or loss during the year ended 31 March 2009 and balance at 31 March 2009 and 31 March 2010 | 截至2009年3月31日止年度於損益確認之減值虧損及於2009年3月31日及2010年3月31日之結餘 | (1,569) |
| CARRYING VALUE | 賬面值 | |
| At 31 March 2010 | 於2010年3月31日 | 26,484 |
| At 31 March 2009 | 於2009年3月31日 | 26,541 |

Particulars regarding impairment testing on goodwill are disclosed in note 18.

商譽之減值測試詳情於附註18披露。

18. IMPAIRMENT TESTING ON GOODWILL

For the purposes of impairment testing, goodwill of carrying value amounting to HK\$26,484,000 (2009: HK\$26,541,000) as set out in note 17 has been allocated to three cash-generating units ("CGUs"), including three subsidiaries in the design, manufacture and sale of electronic products segment amounting to HK\$8,111,000, HK\$17,665,000 and HK\$708,000 (2009: HK\$8,111,000, HK\$17,722,000 and HK\$708,000), respectively. During the year ended 31 March 2009, full impairment loss was recognised in respect of goodwill of HK\$1,569,000 which was related to a subsidiary engaged in e-business but became inactive.

18. 商譽之減值測試

就減值測試而言，附註17所載賬面值為26,484,000港元(2009年：26,541,000港元)之商譽已被分配至三個現金產生單位(「現金產生單位」)，包括三家設計、製造及銷售電子產品業務之附屬公司，分別為8,111,000港元、17,665,000港元及708,000港元(2009年：8,111,000港元、17,722,000港元及708,000港元)。截至2009年3月31日止年度，就商譽確認之全數減值虧損1,569,000港元乃與從事電子商貿但暫無營業之一家附屬公司有關。

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18. IMPAIRMENT TESTING ON GOODWILL (CONT'D)

The recoverable amount of the relevant CGUs has been determined on the basis of value in use calculation. The key assumptions for the value in use calculation are those regarding the discount rates, growth rates and expected changes to revenue and direct costs during budgeted period. The 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 CGUs. Changes in revenue and direct costs are based on past practices and expectations of future changes in the market.

During the year, the Group performed impairment review for goodwill based on cash flow forecasts derived from the most recent financial budget for the next five years approved by the management using a discount rate of 7.55% (2009: 7.43%). As the recoverable amount of the relevant calls exceeds the carrying value of goodwill, no impairment loss is recognised.

19. INTEREST IN ASSOCIATES

| | |
|--|--------------------|
| Cost of investment in associates, unlisted | 於聯營公司投資成本， 非上市 |
| Share of post-acquisition profits, net of dividend received | 應佔收購後溢利， 扣除已收股息 |

18. 商譽之減值測試(續)

相關現金產生單位的可收回金額乃按使用價值釐定。計算使用價值所作出主要假設關於貼現率、增長率以及預算期內收入和直接成本之預計變動。管理層採用除稅前比率估計貼現率，該比率反映市場現時對貨幣時間值以及現金產生單位特有風險的評估。收入及直接成本之變動根據慣例及對市場未來變動的期望作出估計。

於本年度，本集團根據管理層對未來五年最新財務預算之現金流量預測，採用貼現率7.55%（2009年：7.43%）審閱商譽減值。由於相關現金產生單位之可收回金額超過商譽之賬面值，故並無確認減值。

19. 應佔聯營公司權益

| | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|-------------------------|-------------------------|
| Cost of investment in associates, unlisted | 9,310 | 9,310 |
| Share of post-acquisition profits, net of dividend received | (1,136) | (1,239) |
| | 8,174 | 8,071 |

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19. INTEREST IN ASSOCIATES (CONT'D)

Details of the Group's associates are as follows:

| Name of associate 聯營公司名稱 | Form of business structure 業務結構形式 | Place of registration/ operations 註冊/營業地點 | Nominal value of registered capital 註冊資本面值 | Attributable equity interest to the Group 本集團應佔股本權益 | | Principal activities 主要業務 |
|---|--------------------------------------|---|---|--|--------|--|
| | | | | 2010 | 2009 | |
| Danehill Investments (Holdings) Limited | Limited liability company 有限責任公司 | Cayman Islands 開曼群島 | HK\$7,000,000 7,000,000港元 | 48.28% | 48.28% | Investment holding 投資控股 |
| Interforce Limited ("Interforce") | Limited liability company 有限責任公司 | Hong Kong 香港 | HK\$500,000 500,000港元 | 30% | 30% | Trading in electronic products 買賣電子產品 |
| 賢邦有限公司 (「賢邦」) | 有限責任公司 | 香港 | 500,000港元 | | | 買賣電子產品 |

The associates are indirectly held by the Company through its wholly-owned subsidiaries.

Included in the cost of investment in associates is goodwill of HK\$3,779,000 (2009: HK\$3,779,000) arising on acquisition of an associate in prior years.

19. 應佔聯營公司權益(續)

本集團之聯營公司詳情如下：

聯營公司由本公司透過其全資附屬公司間接持有。

於聯營公司之投資成本包括過往年度收購聯營公司所產生之商譽3,779,000港元(2009年：3,779,000港元)。

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19. INTEREST IN ASSOCIATES (CONT'D)

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

19. 應佔聯營公司權益(續)

有關本集團聯營公司之財務資料概列如下：

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|-----------------|-------------------------|-------------------------|
| Total assets | 資產總值 | 31,220 | 24,545 |
| Total liabilities | 負債總額 | (18,660) | (12,344) |
| Net assets | 資產淨值 | 12,560 | 12,201 |
| Share of net assets | 應佔資產淨值 | 4,395 | 4,292 |
| Turnover | 營業額 | 136,907 | 211,642 |
| Profit for the year | 本年度溢利 | 1,589 | 1,997 |
| Share of profits and other comprehensive income of associates | 應佔聯營公司溢利及其他全面收益 | 472 | 578 |

20. AVAILABLE-FOR-SALE INVESTMENTS

20. 可供出售之投資

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|-----------------|-------------------------|-------------------------|
| Equity securities | 股本證券 | | |
| Unlisted shares, at cost | 非上市股份，按成本 | 26,690 | 26,690 |
| Less: Impairment losses recognised | 減：已確認減值虧損 | (2,650) | (2,650) |
| | | 24,040 | 24,040 |
| Listed shares outside Hong Kong, at fair value | 於香港境外上市股份，按公平價值 | 6 | 8 |
| | | 24,046 | 24,048 |
| Analysed for reporting purposes as: | 就申報目的分析為： | | |
| Non-current asset | 非流動資產 | 24,046 | 24,048 |

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20. AVAILABLE-FOR-SALE INVESTMENTS (CONT'D) 20. 可供出售之投資 (續)

At the end of the reporting period, all listed shares included in available-for-sale investments are stated at fair value. Fair values of these investments have been determined by reference to bid prices quoted in active markets.

The above unlisted investments represent investments in unlisted equity securities issued by private entities incorporated in Hong Kong. They are measured at cost less impairment loss at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

Included in unlisted equity securities was an investment of 17% (2009: 17%) equity interest in Net Plus Company Limited ("Net Plus"), a company engaged in investment holding and provision of healthcare related services. An impairment loss of HK\$2,500,000 was recognised in the consolidated financial statements in prior years. At 31 March 2010, the directors reviewed the recoverability of its carrying amount of HK\$23,000,000 (2009: HK\$23,000,000) with reference to the present value of the estimated future cash flows expected to arise from the investment and considered that the carrying value of the interest in Net Plus is recoverable.

於報告期間末，可供出售之投資之所有上市股份均以公平價值列賬。此等投資之公平價值經參考活躍市場所報買入價釐定。

上述非上市投資為於香港註冊成立私人實體發行之非上市股本證券投資。由於合理公平價值估計範圍甚大，本公司董事認為未能可靠計算其公平價值，因此該等投資於報告期間末按成本減減值虧損計算。

非上市股本證券中包括於從事投資控股及提供保健相關服務之公司Net Plus Company Limited (「Net Plus」)之17% (2009年：17%) 股本權益投資。過往年度已於綜合財務報告確認減值虧損2,500,000港元。於2010年3月31日，董事參考預期源自該投資之估計日後現金流量現值後審閱其賬面值23,000,000港元(2009年：23,000,000港元)之可收回性，並認為可收回於Net Plus之權益之賬面值。

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21. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS/ DERIVATIVE FINANCIAL INSTRUMENTS

21. 指定為按公平價值計入損益之金融資產／衍生金融工具

| | | Assets 資產 | | Liabilities 負債 | |
|------|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
| (i) | Financial assets designated at fair value through profit or loss settled on net basis: | | | | |
| | (i) 以淨額結算之指定為按公平價值計入損益之金融資產： | | | | |
| | Buy-write certificates on: | | | | |
| | – equity securities listed in Hong Kong | 3 | 258 | – | – |
| | – equity securities listed outside Hong Kong | – | 540 | – | – |
| | | 3 | 798 | – | – |
| (ii) | Derivative financial instruments not designated as hedging instruments settled on net basis: | | | | |
| | (ii) 以淨額結算之非指定為對沖工具之衍生金融工具： | | | | |
| | Options on equity securities listed outside Hong Kong | – | – | (275) | (50) |
| | | 3 | 798 | (275) | (50) |

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21. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS/ DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

The buy-write certificates contain embedded derivatives which are not closely related to the host contracts, accordingly, the entire combined contracts have been designed as financial assets at fair value through profit or loss.

On inception of the buy-write certificates, the strike price of the underlying equity securities, maturity date and observation period has been determined. At the end of each observation period or on maturity of the buy-write certificates, market price of the underlying equity securities will be compared to the strike price. The buy-write certificates will be terminated and settled in cash if the market price is higher than strike price. The buy-write certificates will be settled in shares if the market price is lower than the strike price.

The fair values of buy-write certificates are determined by securities brokers using valuation models based on inputs such as share price, volatility, dividend yield of the underlying equity securities and the fair values of options on equity securities are determined with reference to quoted market ask prices.

22. INVENTORIES

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|------------------|-----|-------------------------|-------------------------|
| Raw materials | 原材料 | 98,974 | 116,511 |
| Work in progress | 在製品 | 6,936 | 7,581 |
| Finished goods | 製成品 | 219,808 | 278,379 |
| | | 325,718 | 402,471 |

The cost of inventories recognised as an expense in the consolidated statement of comprehensive income during the year amounted to HK\$610,322,000 (2009: HK\$1,024,197,000).

21. 指定為按公平價值計入損益之金融資產／衍生金融工具(續)

購買沖銷票據包含與主合約無密切關連之嵌入式衍生工具，因此，所有合併合約已指定為按公平價值計入損益之金融資產。

於訂立購買沖銷票據時，已釐定相關股本證券之行使價、到期日及觀察期。於各觀察期結束時或購買沖銷票據屆滿時，相關股本證券之市價將與行使價進行比較。倘購買沖銷票據之市價高於行使價，購買沖銷票據將被終止及以現金支付，倘購買沖銷票據之市價低於其行使價，沖銷票據將以股票來平倉。

購買沖銷票據之公平價值乃由證券經紀採用估值模式根據相關股本證券之股價、波幅及股息率等數據計算之市價而釐定，而股本證券之選擇權之公平價值乃參照所報市場要價而釐定。

22. 存貨

| | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|------------------|-------------------------|-------------------------|
| Raw materials | 98,974 | 116,511 |
| Work in progress | 6,936 | 7,581 |
| Finished goods | 219,808 | 278,379 |
| | 325,718 | 402,471 |

於本年度，於綜合全面收益表確認為支出之存貨成本達610,322,000港元(2009年：1,024,197,000港元)。

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23. DEBTORS, DEPOSITS AND PREPAYMENTS 23. 應收賬項、按金及預付款項

| | | 2010 | 2009 |
|--|-----------------|----------------|----------------|
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Trade debtors | 應收貿易賬項 | 66,135 | 102,003 |
| Deposits with securities brokers | 證券經紀之按金 | 4,785 | 3,034 |
| Advances to suppliers | 墊款予供應商 | 15,385 | 30,585 |
| Prepayments and other receivables | 預付款項及其他應收款項 | 28,942 | 24,489 |
| Consideration receivable for disposal of property, plant and equipment | 出售物業、廠房及設備之應收代價 | - | 21,340 |
| | | 115,247 | 181,451 |

The aged analysis of trade debtors net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period is as follows:

於報告期間末按發票日期呈列之應收貿易賬項(扣除呆賬撥備)之賬齡分析如下:

| | | 2010 | 2009 |
|--------------|----------|---------------|----------------|
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| 0 – 30 days | 0 – 30日 | 37,640 | 67,376 |
| 31 – 60 days | 31 – 60日 | 5,802 | 5,002 |
| 61 – 90 days | 61 – 90日 | 4,690 | 9,338 |
| Over 90 days | 超過90日 | 18,003 | 20,287 |
| | | 66,135 | 102,003 |

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23. DEBTORS, DEPOSITS AND PREPAYMENTS (CONT'D)

The Group allows an average credit period ranging from 30 days to 90 days to its trade customers. Before accepting any new customers, the management will internally assess the credit quality of the potential customer and define appropriate credit limits. Management closely monitors the credit quality of trade and other receivables and considers the trade and other receivables that are neither past due nor impaired to be of a good quality.

Included in the Group's trade debtors are debtors with aggregate carrying amount of HK\$22,320,000 (2009: HK\$20,998,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The directors of the Company determined that these receivables are either due from customers of good credit quality with no history of default or covered by credit insurance. The Group does not hold any collateral over these balances.

The aged analysis of trade debtors which are past due but not impaired is as follows:

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--------------|----------|-------------------------|-------------------------|
| 31 – 60 days | 31 - 60日 | – | 711 |
| 61 – 90 days | 61 - 90日 | 4,317 | – |
| Over 90 days | 超過90日 | 18,003 | 20,287 |
| | | 22,320 | 20,998 |

Based on the experience of the management and repayment record of the customers, trade receivables which are past due but not impaired and not associated with litigations are generally recoverable. For those balances associated with litigations, the directors of the Company will assess the cases based on legal advices from lawyers and provide allowance for the irrecoverable debts.

23. 應收賬項、按金及預付款項 (續)

本集團給予其貿易客戶之除賬期介乎30日至90日。於接納任何新客戶前，管理層將內部評估潛在客戶之信貸質素及訂立適當之信貸限額。管理層密切監察貿易及其他應收賬項之信貸質素，並認為未逾期亦無減值之貿易及其他應收賬項之質素良好。

本集團之應收貿易賬項包括賬面總值22,320,000港元(2009年:20,998,000港元)之應收賬項，於報告日期已逾期，但本集團並未作出減值虧損撥備。本公司董事確定此等應收賬項為應收信貸質素良好且無拖欠紀錄之客戶之款項或受信貸保險保障。本集團並無就此等結餘持有任何抵押品。

已逾期但無減值之應收貿易賬項之賬齡分析如下：

| | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--------------|-------------------------|-------------------------|
| 31 – 60 days | – | 711 |
| 61 – 90 days | 4,317 | – |
| Over 90 days | 18,003 | 20,287 |
| | 22,320 | 20,998 |

根據管理層之經驗及客戶之還款記錄，已逾期但未減值且與訴訟無關之應收賬款一般可收回。就該等與訴訟相關之結餘而言，本公司董事將根據律師之法律意見評估該等案件，並就不可收回債項提供撥備。

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23. DEBTORS, DEPOSITS AND PREPAYMENTS (CONT'D)

Movements in the allowance for doubtful debts

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|--------------|-------------------------|-------------------------|
| At beginning of the year | 年初 | 30,872 | 16,436 |
| Impairment losses recognised on debtors | 已確認應收賬項之減值虧損 | 2,005 | 14,436 |
| Amount written off | 撇銷金額 | (2,606) | - |
| At end of the year | 年終 | 30,271 | 30,872 |

Included in the allowance for doubtful debts are individually impaired trade debtors with an aggregated balance of HK\$28,212,000 (2009: HK\$28,813,000) which have either been placed under liquidation or in financial difficulties.

The management has withdrawn a litigation against a trade debtor in prior year as they consider that the legal and professional expenses involved will be high, and the related debtor balance of HK\$2,059,000 (2009: HK\$2,059,000) was individually impaired.

Included in trade debtors are debts discounted with recourse amounting to HK\$24,215,000 (2009: HK\$3,310,000) and factored debtors amounting to nil (2009: HK\$35,643,000). For debts discounted with recourse and factored debtors, the Group will need to repay the financial institutions if there are credit losses on the receivables before the end of discounting/factoring period, accordingly, the Group continues to recognise the full carrying amount of those debtors and has recognised the cash received as a secured borrowing (see note 28).

23. 應收賬項、按金及預付款項 (續)

呆賬撥備變動

| | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|-------------------------|-------------------------|
| At beginning of the year | 30,872 | 16,436 |
| Impairment losses recognised on debtors | 2,005 | 14,436 |
| Amount written off | (2,606) | - |
| At end of the year | 30,271 | 30,872 |

呆賬撥備包括個別已減值之應收貿易賬項，總結餘為28,212,000港元(2009年：28,813,000港元)，原因是該等客戶已清盤或有財政困難。

管理層已於過往年度撤回對一名貿易債務人之訴訟，乃由於所涉及之法律及專業費用將會很高，而相關應收賬項結餘2,059,000港元(2009年：2,059,000港元)已個別減值。

應收貿易賬項包括具追索權貼現債務24,215,000港元(2009年：3,310,000港元)及已貼現應收賬項零港元(2009年：35,643,000港元)。就具追索權貼現債務及已貼現應收賬項而言，倘於貼現期間結束前應收賬項出現信貸虧損，則本集團將需要向金融機構還款；因此，本集團繼續全數確認該等應收賬項之賬面值，並確認已收現金為有抵押借貸(見附註28)。

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24. AMOUNTS DUE FROM/TO ASSOCIATES

The amounts are unsecured, interest-free and repayable within one year.

24. 應收／應付聯營公司賬項

有關款項為無抵押、免息及須於一年內當要求時償還。

25. INVESTMENTS HELD FOR TRADING

25. 持作買賣之投資

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|--------------|-------------------------|-------------------------|
| Listed securities | 上市證券 | | |
| Equity securities listed in Hong Kong | 於香港上市之股本證券 | 3,473 | 1,253 |
| Equity securities listed outside Hong Kong | 於香港境外上市之股本證券 | 10,404 | 5,702 |
| | | 13,877 | 6,955 |

26. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short term bank deposits with an original maturity of three months or less at an average interest rate of 0.01% (2009: 0.01%) per annum.

26. 銀行結存及現金

銀行結存及現金包括本集團所持現金，以及原定於三個月或以內到期，且平均年利率為0.01厘(2009年：0.01厘)之短期銀行存款。

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27. CREDITORS AND ACCRUED CHARGES 27. 應付賬項及應計費用

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--------------------------------------|-------------|-------------------------|-------------------------|
| Trade creditors | 應付貿易賬項 | 92,621 | 120,323 |
| Royalty and withholding tax payable | 應付專利費及預扣稅 | 15,181 | 15,488 |
| Other creditors and accrued expenses | 其他應付賬項及應計開支 | 36,977 | 49,416 |
| | | 144,779 | 185,227 |

The aged analysis of trade creditors presented based on the invoice date at the end of the reporting period is as follows:

於報告期間末按發票日期呈列之應付貿易賬項之賬齡分析如下：

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--------------|----------|-------------------------|-------------------------|
| 0 – 30 days | 0 - 30日 | 18,684 | 29,264 |
| 31 – 60 days | 31 - 60日 | 16,859 | 16,914 |
| 61 – 90 days | 61 - 90日 | 2,032 | 19,641 |
| Over 90 days | 超過90日 | 55,046 | 54,504 |
| | | 92,621 | 120,323 |

The average credit period on purchases of goods is 90 days.

採購貨品之平均除賬期為90日。

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28. BORROWINGS

28. 借貸

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|-------------------|-------------------------|-------------------------|
| Borrowings comprise the followings: | 借貸包括下列各項： | | |
| Trust receipts and import loans | 信託收據及入口貸款 | 48,696 | 89,547 |
| Short term loans | 短期貸款 | 119,197 | 166,521 |
| Loans related to bills discounted with recourse | 有關具追索權貼現 票據之貸款 | 24,215 | 3,310 |
| Bank loan | 銀行貸款 | 27,281 | 38,390 |
| Debt factoring loans | 債權貼現貸款 | - | 28,323 |
| | | 219,389 | 326,091 |
| Analysed as: | 分析： | | |
| Secured | 有抵押 | 25,613 | 32,879 |
| Unsecured | 無抵押 | 193,776 | 293,212 |
| | | 219,389 | 326,091 |

The borrowings are repayable as follows:

應償還借貸如下：

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|-----------------------|-------------------------|-------------------------|
| On demand or within one year | 當要求時或一年內 | 219,389 | 302,309 |
| More than one year but not exceeding two years | 一年後但兩年內 | - | 11,110 |
| More than two years but not more than five years | 兩年後但五年內 | - | 12,672 |
| | | 219,389 | 326,091 |
| Less: Amounts due within one year shown under current liabilities | 減：流動負債所示於 一年內到期之款項 | (219,389) | (302,309) |
| | | - | 23,782 |

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28. BORROWINGS (CONT'D)

The Group's borrowings are floating-rate borrowings which are interest bearing at a range from 1.1% to 3.7% (2009: 0.7% to 4.4%) per annum. Interest is repriced every month.

29. BANK OVERDRAFTS

At 31 March 2010, the Group's bank overdrafts bear interest at floating-rate. The interest was charged at an average interest rate of 5.0% (2009: nil) per annum. Interest was repriced every month.

30. DEFERRED TAXATION

The followings are the major deferred tax (liabilities) assets recognised and movements thereon during the current and prior years:

28. 借貸(續)

本集團之借貸為浮息借貸，按年利率1.1厘至3.7厘(2009年：0.7厘至4.4厘)計息。有關利息於每月重新定價。

29. 銀行透支

於2010年3月31日，本集團之銀行透支按浮動利率計息。有關利息按平均年利率5.0厘(2009年：無)計算，並於每月重新定價。

30. 遞延稅項

本年度及過往年度已確認主要遞延稅項(負債)資產及其變動如下：

| | | Accelerated Revaluation tax of investment | | Tax | | |
|--|-------------|--|------------|----------|----------|----------|
| | | depreciation | properties | losses | Others | Total |
| | | 加速稅項折舊 | 投資物業重估 | 稅項虧損 | 其他 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 April 2008 | 於2008年4月1日 | (6,322) | (5,937) | 7,027 | 7,603 | 2,371 |
| Effect of change in tax rate | 稅率變動之影響 | 364 | 141 | (313) | (16) | 176 |
| (Charge) credit to profit or loss | (扣自) 計入損益 | (1,661) | 2,250 | (1,563) | (1,476) | (2,450) |
| At 31 March 2009 | 於2009年3月31日 | (7,619) | (3,546) | 5,151 | 6,111 | 97 |
| Credit (charge) to profit or loss | 計入(扣自) 損益 | 2,768 | (3,237) | 2,413 | (2,673) | (729) |
| Charge to other property revaluation reserve | 於其他物業重估儲備扣除 | - | (590) | - | - | (590) |
| A 31 March 2010 | 於2010年3月31日 | (4,851) | (7,373) | 7,564 | 3,438 | (1,222) |

Note: Others mainly represent temporary difference arising from unrealised profits on inventories.

附註：其他主要指存貨之未變現溢利所產生之暫時差異。

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30. DEFERRED TAXATION (CONT'D)

For the purposes of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--------------------------|--------|-------------------------|-------------------------|
| Deferred tax assets | 遞延稅項資產 | 3,245 | 5,918 |
| Deferred tax liabilities | 遞延稅項負債 | (4,467) | (5,821) |
| | | (1,222) | 97 |

The Group has not recognised deferred tax asset in respect of tax losses of HK\$250,894,000 (2009: HK\$199,082,000) due to the unpredictability of future profit streams. Included in the unrecognised tax losses are losses of HK\$85,120,000 (2009: HK\$184,072,000) that will expire in the years of 2011 to 2030 (2009: 2010 to 2023), other tax losses may be carried forward indefinitely.

Deferred taxation has not been provided for in the consolidated financial statements in respect of the temporary differences attributable to the undistributed retained profits earned by the subsidiaries in People's Republic of China ("PRC") amounting to approximately HK\$11,463,000 (2009: HK\$8,410,000) starting from 1 January 2008 under the New Law of PRC that requires withholding tax upon the distribution of such profits to the shareholders as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

30. 遞延稅項(續)

就於綜合財務狀況報表呈列而言，若干遞延稅項資產及負債已對銷。用作財務報告用途之遞延稅項結餘分析如下：

由於未能預計未來溢利來源，本集團並無就稅項虧損250,894,000港元(2009年：199,082,000港元)確認遞延稅項資產。未確認稅項虧損包括85,120,000港元(2009年：184,072,000港元)將於2011年至2030年(2009年：2010年至2023年)到期之虧損，其他稅項虧損可無限期結轉。

根據中國新法例，由2008年1月1日起，中華人民共和國(「中國」)之附屬公司須於向股東分派保留溢利時繳納預扣稅。由於本集團可控制暫時差異之撥回時間及不大可能於可見將來撥回暫時差異，因此綜合財務報告並無就中國之附屬公司之未分派保留溢利之暫時差異之遞延稅項約11,463,000港元(2009年：8,410,000港元)計提撥備。

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31. SHARE CAPITAL

31. 股本

| | | Number of shares 股份數目 | HK\$'000 千港元 |
|---|--|-----------------------------|-----------------|
| Ordinary shares of HK\$0.40 each | 每股面值0.40港元之普通股 | | |
| Authorised: | 法定股本： | | |
| At 1 April 2008, 31 March 2009 and 31 March 2010 | 於2008年4月1日、 2009年3月31日及 2010年3月31日 | 1,250,000,000 | 500,000 |
| Issued and fully paid: | 已發行及繳足股本： | | |
| At 1 April 2008 | 於2008年4月1日 | 790,378,828 | 316,151 |
| Repurchase of shares | 購回股份 | (5,290,000) | (2,116) |
| At 31 March 2009 and 31 March 2010 | 於2009年及2010年3月31日 | 785,088,828 | 314,035 |

Details of the changes in the share capital of the Company are as follows:

本公司之股本變動詳情如下：

(a) The Company repurchased its own shares on the Stock Exchange during the year ended 31 March 2009 as follows:

(a) 截至2009年3月31日止年度內，本公司在聯交所購回其股份如下：

| Month 月份 | Number of shares 股份數目 | Price per share 每股價格 | | Aggregate consideration 總代價 HK\$'000 千港元 | |
|----------------|-----------------------------|----------------------------|-----------------------------|--|-------|
| | | Lowest 最低 HK\$ 港元 | Highest 最高 HK\$ 港元 | | |
| September 2008 | 2008年9月 | 2,245,000 | 0.310 | 0.330 | 709 |
| October 2008 | 2008年10月 | 3,045,000 | 0.100 | 0.275 | 495 |
| | | 5,290,000 | | | 1,204 |

The above shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The discount on repurchase was charged against accumulated profits. An amount equivalent to the nominal value of the shares cancelled was transferred from accumulated profits to the capital redemption reserve.

以上股份於購回已註銷，故本公司已發行股本已根據此等股份面值相應減少。購回價之折讓已從累計溢利扣除。相等於註銷股份面值之數額則由累計溢利轉撥至股本贖回儲備。

All shares issued rank pari passu with the then existing shares in all respects.

所有已發行股份在各方面與當時現有已發行之股份享有同等權益。

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32. SHARE OPTION SCHEMES

Share option schemes of the Company

The Company has a share option scheme which was approved and adopted at the special general meeting of the Company held on 12 September 2002 (the "Old Scheme") for a period of 5 years. The primary purpose was to provide incentives or rewards to participants for their contribution to the Group. Eligible participants of the Old Scheme included any employees, non-executive directors, suppliers of goods or services, customers, advisors or consultants and shareholders of any member of the Group.

The maximum number of share options which might be issued upon exercise of all options to be granted under the Old Scheme of the Company must not, in aggregate, exceed 10% while overall limit for all outstanding options granted and yet to be exercised must not exceed 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the options granted to each participant in any 12 months period up to the date of the grant should not exceed 1% of the shares in issue.

The period within which the shares should be taken up under an option was any period as determined by the Board, which should not be more than 5 years from the date on which the option was granted. The option might be exercised by the grantee at any time during the option period. Each share option vested immediately at the date of grant.

The subscription price of the share options was determined by the Board, but would be no less than the highest of (i) the closing price of the shares on the offer date; (ii) the average of the closing price of the shares of the 5 trading day immediately preceding the offer date; or (iii) the nominal value of the shares on the offer date.

32. 購股權計劃

本公司之購股權計劃

本公司已於2002年9月12日舉行之股東特別大會上通過及採用為期5年之購股權計劃(「舊計劃」)。舊計劃旨在就參與者對本集團作出之貢獻提供鼓勵或獎勵。舊計劃之合資格參與人包括任何僱員、非執行董事、商品或服務供應商、客戶、諮詢人或顧問以及本集團任何成員公司之股東。

根據本公司舊計劃將授予之所有購股權獲行使時可發行之最高股份總數，不得超過不時已發行股份之10%，而整體已授出及有待行使之全部未行使購股權股份數目，不可超過不時已發行股份之30%。

於購股權授出之日前的12個月內，各參與人行使所授購股權而發行及將予發行之股份總數不可超逾當時已發行股份之1%。

購股權可行使期限由董事局決定，惟不可於授出日起計超過5年。承授人可於購股權期限內任何時間行使購股權。各購股權於授予當日起即時歸屬。

購股權之認購價由董事局決定，惟有關價格不得低過於(i)授予購股權當日股份之收市價；(ii)緊接授出日期前5個交易日股份平均收市價；或(iii)股份於授出日期之面值(以最高者為準)。

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32. SHARE OPTION SCHEMES (CONT'D)

Share option schemes of the Company (CONT'D)

The offer of a grant of share options could be accepted within 21 days from the date of offer. The consideration for the grant was HK\$1 and it would in no circumstance be refundable.

The Old Scheme expired on 11 September 2007 and thereafter, no more option could be granted pursuant to the Old Scheme. In respect of the options already granted under the Old Scheme, the provisions shall remain in force. The movements of the share options granted to employees pursuant to the Old Scheme were as follows:

| Date of grant 授出日期 | | Number of share options 購股權數目 | | | |
|--|-----------------|-------------------------------------|---|--------------------------------|---|
| | | Exercise price 行使價 HK\$ 港元 | Outstanding at beginning of the year 於年初 尚未行使 | Lapsed during the year 年內失效 | Outstanding at end of the year 於年終 尚未行使 |
| For the year ended 31 March 2010 | 截至2010年3月31日止年度 | | | | |
| 2 November 2004 | 2004年11月2日 | 0.814 | 500,000 | (500,000) | – |
| 5 January 2006 | 2006年1月5日 | 0.89 | 12,000,000 | – | 12,000,000 |
| 13 November 2006 | 2006年11月13日 | 1.45 | 2,000,000 | – | 2,000,000 |
| 4 January 2007 | 2007年1月4日 | 1.66 | 220,000 | – | 220,000 |
| 1 February 2007 | 2007年2月1日 | 1.72 | 40,000 | – | 40,000 |
| 7 March 2007 | 2007年3月7日 | 1.93 | 3,000,000 | – | 3,000,000 |
| | | | 17,760,000 | (500,000) | 17,260,000 |
| Exercisable at the end of the year | 年終可予行使 | | | | 17,260,000 |
| Weighted average exercise price (HK\$) | 加權平均行使價 (港元) | | 1.07 | 0.814 | 1.15 |

32. 購股權計劃(續)

本公司之購股權計劃(續)

授出購股權之要約可自授出日期起計21日內採納。授出購股權之代價為1港元。該金額在任何情況下將不可退還。

舊計劃已於2007年9月11日屆滿，其後，再不可根據舊計劃授出購股權。就根據舊計劃已授出之購股權而言，有關條文將仍然有效。根據舊計劃已向僱員授出之購股權變動情況如下：

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32. SHARE OPTION SCHEMES (CONT'D)

Share option schemes of the Company (CONT'D)

| Date of grant | | Exercise price | Number of share options | | |
|--|-----------------|----------------|--------------------------------------|------------------------|--------------------------------|
| | | | Outstanding at beginning of the year | Lapsed during the year | Outstanding at end of the year |
| 授出日期 | | 行使價 | 於年初尚未行使 | 年內失效 | 於年終尚未行使 |
| | | HK\$ 港元 | | | |
| For the year ended 31 March 2009 | 截至2009年3月31日止年度 | | | | |
| 10 October 2003 | 2003年10月10日 | 0.86 | 3,000,000 | (3,000,000) | – |
| 2 November 2004 | 2004年11月2日 | 0.814 | 500,000 | – | 500,000 |
| 5 January 2006 | 2006年1月5日 | 0.89 | 12,000,000 | – | 12,000,000 |
| 13 November 2006 | 2006年11月13日 | 1.45 | 2,000,000 | – | 2,000,000 |
| 4 January 2007 | 2007年1月4日 | 1.66 | 220,000 | – | 220,000 |
| 1 February 2007 | 2007年2月1日 | 1.72 | 40,000 | – | 40,000 |
| 7 March 2007 | 2007年3月7日 | 1.93 | 3,000,000 | – | 3,000,000 |
| | | | 20,760,000 | (3,000,000) | 17,760,000 |
| Exercisable at the end of the year | 年終可予行使 | | | | 17,760,000 |
| Weighted average exercise price (HK\$) | 加權平均行使價 (港元) | | 1.10 | 0.86 | 1.07 |

The above share options were granted for an exercise period of five years from the date of grant of the share options.

以上購股權由授出日期起五年內行使。

No share options have been granted to the directors of the Company pursuant to the Old Scheme.

本公司並無根據舊計劃授予董事任何購股權。

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32. SHARE OPTION SCHEMES (CONT'D)

Share option schemes of the Company (CONT'D)

A new share option scheme (the "New Scheme") was approved and adopted at the special general meeting of the Company held on 15 January 2008 for a period of 10 years. The primary purpose is to recognise the contribution of participants and to recruit and retain high calibre employees and attract human resources that are valuable to the Group. Eligible participants of the New Scheme included any full time employees (including directors, whether executive or non-executive and whether independent or not), suppliers, consultants, agents and advisors of the Group.

The maximum number of share options which may be issued upon exercise of all options to be granted under the New Scheme must not, in aggregate, exceed 10% of the shares in issue at the adoption of the New Scheme on 15 January 2008 while overall limit for all outstanding options granted and yet to be exercised must not exceed 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the option granted to each participant in any 12 month period up to the date of the grant shall not exceed 1% of the shares in issue unless certain conditions are fulfilled.

The period within which the shares must be taken up under an option is any period as determined by the Board, which shall not be more than 10 years from the date on which the option is granted. The option may be exercised by the grantee at any time during the option period.

32. 購股權計劃(續)

本公司之購股權計劃(續)

本公司於2008年1月15日舉行之股東特別大會上通過及採用為期10年之新購股權計劃(「新計劃」)。主要目的在於表揚參與者之貢獻、招攬及挽留優秀僱員及吸引對本集團具有重要價值之人力資源。新計劃之合資格參與人包括本集團之全職僱員(包括董事，不論執行或非執行及不論獨立或非獨立)、供應商、諮詢人、代理及顧問。

根據新計劃所授出之所有購股權獲行使而可能發行之最高股份總數，不得超過新計劃於2008年1月15日採納日期之已發行股份之10%，而整體已授出及有待行使之全部未行使購股權股份數目不可超過不時已發行股份之30%。

於購股權授出之日的12個月內，各參與者行使獲授購股權而發行及將予發行之股份總數不可超逾當時已發行股本之1%，除非若干條件獲達成。

購股權可行使期限由董事局決定，惟不可於授出日起計超過10年。承授人可於購股權期限內任何時間行使購股權。

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32. SHARE OPTION SCHEMES (CONT'D)

Share option schemes of the Company (CONT'D)

The subscription price of the share options is determined by the Board, but will be no less than the highest of (i) the closing price of the shares on the offer date; (ii) the average of the closing price of shares on the 5 trading days immediately preceding the offer date; or (iii) the nominal value of the shares on the offer date.

The offer of a grant of share options can be accepted within 28 days from the date of offer. The consideration for the grant is HK\$1 and it will in no circumstance be refundable.

The movements of the options granted to the employees pursuant to the New Scheme were as follows:

32. 購股權計劃(續)

本公司之購股權計劃(續)

購股權之認購價由董事局決定，惟有關價格不得低過於(i)授予購股權當日股份之收市價；(ii)緊接授出日期前5個交易日股份平均收市價；或(iii)股份於授出日期之面值(以最高者為準)。

授出購股權之要約可自授出日期起計28日內採納。授出購股權之代價為1港元。該金額在任何情況下將不可退還。

根據新計劃已向僱員授出之購股權變動情況如下：

| Date of grant | | Exercise price | Number of share options outstanding at beginning and at end of the year |
|--|-----------------|----------------|---|
| 授出日期 | | 行使價 | 於年初及年終尚未行使之購股權數目 |
| | | HK\$ | |
| | | 港元 | |
| For the year ended 31 March 2010 | 截至2010年3月31日止年度 | | |
| 23 January 2008 | 2008年1月23日 | 1.042 | 150,000 |
| 28 January 2008 | 2008年1月28日 | 0.96 | 346,000 |
| 15 October 2008 | 2008年10月15日 | 0.40 | 500,000 |
| | | | 996,000 |
| Exercisable at the end of the year | 年終可予行使 | | 996,000 |
| Weighted average exercise price (HK\$) | 加權平均行使價 (港元) | | 0.69 |

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32. SHARE OPTION SCHEMES (CONT'D)

Share option schemes of the Company (CONT'D)

| Date of grant 授出日期 | Exercise price 行使價 HK\$ 港元 | Number of share options 購股權數目 | | |
|---|-------------------------------------|---|---------------------------------|---|
| | | Outstanding at beginning of the year 於年初 尚未行使 | Granted during the year 年內授出 | Outstanding at end of the year 於年終 尚未行使 |
| For the year ended 31 March 2009 截至2009年3月31日止年度 | | | | |
| 23 January 2008 | 2008年1月23日 | 150,000 | – | 150,000 |
| 28 January 2008 | 2008年1月28日 | 346,000 | – | 346,000 |
| 15 October 2008 | 2008年10月15日 | – | 500,000 | 500,000 |
| | | 496,000 | 500,000 | 996,000 |
| Exercisable at the end of the year 年終可予行使 | | | | 996,000 |
| Weighted average exercise price (HK\$) 加權平均行使價 (港元) | | 0.98 | 0.40 | 0.69 |

The above share options were granted for an exercise period of ten years from the date of grant of the share options and vested immediately.

No share options have been granted to the directors of the Company pursuant to the New Scheme.

Total consideration received during the year from employees for taking up the options granted amounted to nil (2009: HK\$1).

32. 購股權計劃(續)

本公司之購股權計劃(續)

| Date of grant 授出日期 | Exercise price 行使價 HK\$ 港元 | Number of share options 購股權數目 | | |
|---|-------------------------------------|---|---------------------------------|---|
| | | Outstanding at beginning of the year 於年初 尚未行使 | Granted during the year 年內授出 | Outstanding at end of the year 於年終 尚未行使 |
| For the year ended 31 March 2009 截至2009年3月31日止年度 | | | | |
| 23 January 2008 | 2008年1月23日 | 150,000 | – | 150,000 |
| 28 January 2008 | 2008年1月28日 | 346,000 | – | 346,000 |
| 15 October 2008 | 2008年10月15日 | – | 500,000 | 500,000 |
| | | 496,000 | 500,000 | 996,000 |
| Exercisable at the end of the year 年終可予行使 | | | | 996,000 |
| Weighted average exercise price (HK\$) 加權平均行使價 (港元) | | 0.98 | 0.40 | 0.69 |

以上購股權由授出日期起十年內行使並即時歸屬。

本公司並無根據新計劃授予董事任何購股權。

本年度內，共收到僱員因接納購股權而支付之總代價為零(2009年：1港元)。

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32. SHARE OPTION SCHEMES (CONT'D)

Share option schemes of the Company (CONT'D)

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes pricing model.

Grant date 15.10.2008
授出日期 2008年10月15日

Fair value of share options and assumptions:

購股權之公平價值及假設：

| | | |
|--|----------------|--------|
| Fair value at measurement dates (HK\$) | 於計量日期之公平價值（港元） | 0.005 |
| Share price (HK\$) | 股價（港元） | 0.400 |
| Exercise price (HK\$) | 行使價（港元） | 0.400 |
| Expected volatility | 預計波幅 | 47.68% |
| Expected option life (years) | 預計購股權期限（年） | 1 |
| Expected dividend yield | 預期股息率 | 6.34% |
| Risk-free interest rate | 無風險利率 | 1.14% |

Expected volatility was determined by using the historical volatility of the Company's share price over the previous one year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations. Changes in the subjective input assumptions could materially affect the fair value estimate.

預期波幅乃採用本公司股價於過去一年的歷史波幅而釐定。上述模式所用預期期限按管理層就不能轉讓之影響、行使限制及行為考慮因素作出的最佳估算予以調整。主觀輸入假設之變動可能會對公平價值之估計構成重大影響。

The Group recognised total expense of nil (2009: HK\$3,000) for the year in relation to share options granted by the Company.

本集團於年內就本公司授出之購股權確認之開支總額為零(2009年：3,000港元)。

32. 購股權計劃(續)

本公司之購股權計劃(續)

就取得服務而授出購股權之公平價值乃參考所授出購股權之公平價值計量。所取得服務之公平價值乃按柏力克-舒爾斯定價模式估計。

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32. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 52.21% (2009: 52.4%) owned subsidiary of the Company

SMC's share option scheme was approved by SMC's shareholders at the special meeting held on 6 September 2001 (the "SMC Scheme"). The SMC Scheme was developed to provide a means whereby the directors and selected employees, officers, consultants, and advisors of SMC may be granted incentive or non-qualified stock options to purchase common stock of SMC. The SMC Scheme authorises an aggregate of 1,950,000 shares of SMC's common stock and a maximum of 450,000 shares to any one individual in any one fiscal year.

The maximum number of shares issued and to be issued upon exercise of the options granted to each participant in any 12 months period up to the date of the grant will be 300,000 shares.

The period within which the shares must be taken up under an option is any period as determined by the Board of SMC, which will not be more than 10 years (or 5 years in the case of a holder with 10% or more of the common stock) from the date on which the option is granted. The option may be exercised by the grantee at any time during the option period. Each option vested in one year from the date of grant.

The subscription price of the share options is determined by SMC's Stock Option Committee, which consists of two or more directors chosen by the Board of SMC. The subscription price of the share options will be no less than the closing price of SMC's shares on the offer date (or, if granted to a holder of 10% or more of the common stock, the subscription price will be no less than 110% of the closing price of SMC's shares on the offer date).

32. 購股權計劃(續)

本公司持有52.21% (2009年: 52.4%) 權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權計劃

SMC購股權計劃已於2001年9月6日舉行之股東特別大會上獲SMC股東批准(「SMC計劃」)。SMC計劃乃給予董事、經挑選僱員、高級人員、顧問及諮詢人鼓勵或無條件認購權以認購SMC普通股之方法。SMC計劃授權合共1,950,000股SMC普通股，而每名人士於各財政年度可獲授最高450,000股股份。

於購股權授出之日前的12個月內，各參與人行使所授購股權而發行及將予發行之最高股份數目將為300,000股。

購股權可行使期限由SMC董事局決定，惟不可於授出日起計超過10年(或倘為持有普通股10%或以上之持有人，則為5年)。承授人可於購股權期限內任何時間行使購股權。各購股權於授予當日起一年內歸屬。

購股權之認購價由SMC之認購權委員會決定，委員會由SMC董事局所挑選之兩名或以上董事組成。購股權之認購價將不低過SMC股份於要約日期之收市價(或倘就授予持有普通股10%或以上之持有人而言，認購價則將不低過SMC股份於要約日期收市價之110%)。

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32. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 52.21% (2009: 52.4%) owned subsidiary of the Company (CONT'D)

The movements of the share options granted to employees pursuant to the SMC Scheme were as follows:

32. 購股權計劃(續)

本公司持有52.21% (2009年: 52.4%) 權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權計劃(續)

根據SMC計劃向僱員所授出購股權之變動載列如下:

| Date of grant 授出日期 | | Number of share options 購股權數目 | | | | |
|---|---------------------|-------------------------------------|---|----------------------------------|------------------------------------|---|
| | | Exercise price 行使價 US\$ 美元 | Outstanding at beginning of the year 於年初 尚未行使 | Granted during the year 年內已授出 | Forfeited during the year 年內已沒收 | Outstanding at end of the year 於年終 尚未行使 |
| For the year ended 31 March 2010 | 截至2010年 3月31日止年度 | | | | | |
| 5 September 2000 | 2000年9月5日 | 2.04 | 5,550 | - | (5,550) | - |
| 31 December 2002 | 2002年12月31日 | 9.00 | 19,000 | - | (13,500) | 5,500 |
| 19 December 2003 | 2003年12月19日 | 1.97 | 13,680 | - | (7,970) | 5,710 |
| 6 February 2004 | 2004年2月6日 | 1.54 | 6,500 | - | - | 6,500 |
| 26 February 2004 | 2004年2月26日 | 1.36 | 20,000 | - | - | 20,000 |
| 29 March 2004 | 2004年3月29日 | 1.20 | 20,000 | - | - | 20,000 |
| 29 November 2004 | 2004年11月29日 | 0.75 | 40,000 | - | - | 40,000 |
| 1 December 2004 | 2004年12月1日 | 0.77 | 20,000 | - | - | 20,000 |
| 9 May 2005 | 2005年5月9日 | 0.60 | 112,000 | - | (55,000) | 57,000 |
| 6 June 2005 | 2005年6月6日 | 0.76 | 30,000 | - | (30,000) | - |
| 31 March 2006 | 2006年3月31日 | 0.32 | 60,000 | - | - | 60,000 |
| 10 April 2006 | 2006年4月10日 | 0.33 | 186,485 | - | (134,485) | 52,000 |
| 31 March 2007 | 2007年3月31日 | 0.93 | 60,000 | - | - | 60,000 |
| 31 March 2008 | 2008年3月31日 | 0.45 | 120,000 | - | - | 120,000 |
| 3 October 2008 | 2008年10月3日 | 0.14 | 300,000 | - | (300,000) | - |
| 31 March 2009 | 2009年3月31日 | 0.11 | 120,000 | - | - | 120,000 |
| 31 March 2010 | 2010年3月31日 | 0.03 | - | 60,000 | - | 60,000 |
| | | | 1,133,215 | 60,000 | (546,505) | 646,710 |
| Exercisable at the end at the year | 於年終可予行使 | | | | | 586,710 |
| Weighted average exercise price (US\$) | 加權平均行使價 (美元) | | 0.58 | 0.03 | 0.53 | 0.56 |

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32. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 52.21% (2009: 52.4%) owned subsidiary of the Company (CONT'D)

32. 購股權計劃(續)

本公司持有52.21% (2009年: 52.4%) 權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權計劃(續)

| Date of grant 授出日期 | | Exercise price 行使價 US\$ 美元 | Number of share options 購股權數目 | | | |
|---|---------------------|-------------------------------------|---|----------------------------------|------------------------------------|---|
| | | | Outstanding at beginning of the year 於年初尚未行使 | Granted during the year 年內已授出 | Forfeited during the year 年內已沒收 | Outstanding at end of the year 於年終尚未行使 |
| For the year ended 31 March 2009 | 截至2009年 3月31日止年度 | | | | | |
| 5 September 2000 | 2000年9月5日 | 2.04 | 36,150 | - | (30,600) | 5,550 |
| 11 September 2002 | 2002年9月11日 | 11.09 | 30,000 | - | (30,000) | - |
| 31 December 2002 | 2002年12月31日 | 9.00 | 89,140 | - | (70,140) | 19,000 |
| 7 March 2003 | 2003年3月7日 | 5.60 | 30,000 | - | (30,000) | - |
| 18 April 2003 | 2003年4月18日 | 7.20 | 10,000 | - | (10,000) | - |
| 19 December 2003 | 2003年12月19日 | 1.97 | 35,540 | - | (21,860) | 13,680 |
| 6 February 2004 | 2004年2月6日 | 1.54 | 6,500 | - | - | 6,500 |
| 26 February 2004 | 2004年2月26日 | 1.36 | 40,000 | - | (20,000) | 20,000 |
| 29 March 2004 | 2004年3月29日 | 1.20 | 20,000 | - | - | 20,000 |
| 26 April 2004 | 2004年4月26日 | 1.05 | 12,000 | - | (12,000) | - |
| 29 November 2004 | 2004年11月29日 | 0.75 | 60,000 | - | (20,000) | 40,000 |
| 1 December 2004 | 2004年12月1日 | 0.77 | 20,000 | - | - | 20,000 |
| 9 May 2005 | 2005年5月9日 | 0.60 | 182,000 | - | (70,000) | 112,000 |
| 6 June 2005 | 2005年6月6日 | 0.76 | 30,000 | - | - | 30,000 |
| 20 January 2006 | 2006年1月20日 | 0.34 | 30,000 | - | (30,000) | - |
| 31 March 2006 | 2006年3月31日 | 0.32 | 80,000 | - | (20,000) | 60,000 |
| 10 April 2006 | 2006年4月10日 | 0.33 | 336,485 | - | (150,000) | 186,485 |
| 31 March 2007 | 2007年3月31日 | 0.93 | 80,000 | - | (20,000) | 60,000 |
| 31 March 2008 | 2008年3月31日 | 0.45 | 120,000 | - | - | 120,000 |
| 3 October 2008 | 2008年10月3日 | 0.14 | - | 300,000 | - | 300,000 |
| 31 March 2009 | 2009年3月31日 | 0.11 | - | 120,000 | - | 120,000 |
| | | | 1,247,815 | 420,000 | (534,600) | 1,133,215 |
| Exercisable at the end at the year | 於年終可予行使 | | | | | 713,215 |
| Weighted average exercise price (US\$) | 加權平均行使價 (美元) | | 1.67 | 0.13 | 2.79 | 0.58 |

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32. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 52.21% (2009: 52.4%) owned subsidiary of the Company (CONT'D)

The above options were granted for an exercise period of ten years from the date on which the options are vested.

No share options have been granted to the directors of the Company pursuant to the SMC Scheme.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes pricing model.

Fair value of share options and assumptions:

| Grant date | 3.10.2008 | 31.3.2009 | 31.3.2010 | |
|---------------------------------------|--------------------|----------------|----------------|--------|
| 授出日期 | 2008年 10月3日 | 2009年 3月31日 | 2010年 3月31日 | |
| Fair value at measurement date (US\$) | 於計量日期之 公平價值(美元) | 0.04 | 0.03 | 0.02 |
| Share price (US\$) | 股價(美元) | 0.14 | 0.11 | 0.03 |
| Exercise price (US\$) | 行使價(美元) | 0.14 | 0.11 | 0.03 |
| Expected volatility | 預計波幅 | 70.22% | 80.07% | 268.4% |
| Expected option life (years) | 預計購股權期限(年) | 1 | 1 | 1 |
| Expected dividend yield | 預期股息率 | 0% | 0% | 0% |
| Risk-free interest rate | 無風險利率 | 1.4% | 0.6% | 0.4% |

32. 購股權計劃(續)

本公司持有52.21% (2009年: 52.4%) 權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權計劃(續)

以上購股權由購股權歸屬日期起十年內行使。

本公司並無根據SMC計劃授予董事任何購股權。

就取得服務而授出購股權之公平價值乃參考所授出購股權之公平價值計量。所取得服務之公平價值乃按柏力克-舒爾斯定價模式估計。

購股權之公平價值及假設：

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32. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 52.21% (2009: 52.4%) owned subsidiary of the Company (CONT'D)

Expected volatility was determined by using the historical volatility of the SMC's share price over the previous one year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations. Changes in the subjective input assumptions could materially affect the fair value estimate.

The Group recognised total expense of HK\$73,000 (2009: HK\$139,000) for the year in relation to share options granted by SMC.

33. 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 shareholders 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 net debt, which includes the borrowings disclosed in note 28 net of cash and cash equivalents and equity attributable to shareholders of the Company, comprising issued share capital, reserves and accumulated profits.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

32. 購股權計劃(續)

本公司持有52.21% (2009年: 52.4%) 權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權計劃(續)

預計波幅乃採用SMC股價於過去一年之歷史波幅釐定。上述模式所用預期期限按管理層就不能轉讓之影響、行使限制及行為考慮因素作出的最佳估算予以調整。主觀輸入假設之變動可能會對公平價值之估計構成重大影響。

本集團於年內就SMC授出之購股權確認之開支總額為73,000港元(2009年: 139,000港元)。

33. 資本風險管理

本集團之資本管理旨在透過在債務與權益間作出最佳平衡，確保本集團之實體可持續經營之餘，亦為股東締造最大回報。本集團整體策略與去年相同。

本集團之資本架構包括負債淨額(包括借貸(見附註28所披露)扣除現金及現金等值項目)及本公司股東應佔權益(包括已發行股本、儲備及累計溢利)。

本公司董事局定期檢討資本架構。檢討之一部分為董事考慮資本成本及各類資本所附帶之風險。本集團會通過派發股息、發行新股份、購回股份、發行新債務或贖回現有債務等方式，對整體資本架構作出平衡。

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34. FINANCIAL INSTRUMENTS

Categories of financial instruments

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|--------------------------|-------------------------|-------------------------|
| Financial assets | 金融資產 | | |
| Available-for-sale investments | 可供出售之投資 | 24,046 | 24,048 |
| Investments held for trading | 持作買賣之投資 | 13,877 | 6,955 |
| Financial assets designated at fair value through profit or loss | 指定為按公平價值計入損益之金融資產 | 3 | 798 |
| Loans and receivables (including cash and cash equivalents) | 貸款及應收款項 (包括現金及現金等值項目) | 163,998 | 247,607 |
| Financial liabilities | 金融負債 | | |
| Derivative financial instruments | 衍生金融工具 | 275 | 50 |
| Other financial liabilities at amortised cost | 按攤銷成本列賬之其他金融負債 | 315,600 | 457,477 |

Financial risk management objectives and policies

The Group's major financial instruments include debtors and deposits, amounts due from/to associates, available-for-sale investments, investments held for trading, derivative financial instruments, financial assets designated at fair value through profit or loss, bank balances and cash, creditors, bank overdrafts and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's overall strategy remains unchanged from prior year.

34. 金融工具

金融工具的類別

| | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|-------------------------|-------------------------|
| Financial assets | | |
| Available-for-sale investments | 24,046 | 24,048 |
| Investments held for trading | 13,877 | 6,955 |
| Financial assets designated at fair value through profit or loss | 3 | 798 |
| Loans and receivables (including cash and cash equivalents) | 163,998 | 247,607 |
| Financial liabilities | | |
| Derivative financial instruments | 275 | 50 |
| Other financial liabilities at amortised cost | 315,600 | 457,477 |

財務風險管理目標及政策

本集團主要金融工具包括應收賬項及按金、應收／應付聯營公司款項、可供出售之投資、持作買賣之投資、衍生金融工具、指定為按公平價值計入損益之金融資產、銀行結存及現金、應付賬項、銀行透支及借貸。此等金融工具詳情於相關附註披露。與該等金融工具相關風險及減低風險之政策載於下文。管理層管理及監察該等風險，確保及時有效推行適當措施。本集團之整體政策與去年相同。

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34. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (CONT'D)

Currency risk

Several subsidiaries of the Company have foreign currency denominated monetary assets and liabilities, which expose the Group to foreign currency risk.

The carrying amounts of the group entities' foreign currency denominated monetary assets and monetary liabilities (mainly represented by intra-group current accounts, trade receivables, bank balances, trade payables and borrowings) at the reporting date are as follows:

34. 金融工具(續)

財務風險管理目標及政策(續)

貨幣風險

本公司多家附屬公司之貨幣資產及負債以外幣列值，致使本集團面對外幣風險。

本集團以外幣計值之貨幣資產及貨幣負債（主要指集團內公司間之往來賬目、貿易應收賬項、銀行結餘、貿易應付賬項及借貸）於報告日之賬面值如下：

| | | 2010 | | 2009 | |
|-----------------------|------|---------------------------------|--------------------------------------|---------------------------------|--------------------------------------|
| | | Assets 資產 HK\$'000 千港元 | Liabilities 負債 HK\$'000 千港元 | Assets 資產 HK\$'000 千港元 | Liabilities 負債 HK\$'000 千港元 |
| Canadian dollars | 加拿大元 | 61 | – | 5,939 | 549 |
| Euro | 歐元 | 92 | – | 94 | – |
| Hong Kong dollars | 港元 | 249,799 | 424,969 | 221,791 | 428,149 |
| Japanese dollars | 日圓 | 2,464 | 1,398 | 1,523 | 1,247 |
| Macao pataca | 澳門元 | 4,339 | – | 17 | – |
| Renminbi | 人民幣 | 50 | 22 | 169 | – |
| Singapore dollars | 新加坡元 | 1,021 | – | 206 | – |
| Swiss Franc | 瑞郎 | 223 | – | 122 | – |
| United States dollars | 美元 | 257,304 | 41,498 | 285,276 | 89,756 |

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34. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (CONT'D)

Currency risk (CONT'D)

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 arise.

Sensitivity analysis

The group entities are mainly exposed to foreign currency risk from Canadian dollars, Hong Kong dollars, Macao pataca and United States dollars. Under the pegged exchange rate system, the financial impact on exchange difference between Hong Kong dollars and United States dollars will be immaterial and therefore no sensitivity analysis has been prepared.

The following table details the group entities' sensitivity to a 5% increase and decrease in Canadian dollars, Hong Kong dollars and Macao pataca against each group entity's functional currency (including Hong Kong dollars and Renminbi). 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates a decrease in loss for the year where Canadian dollars and Macao pataca strengthen 5% against each group entity's functional currency and a negative number below indicates an increase in loss for the year when Hong Kong dollars strengthen 5% against each group entity's functional currency. For a 5% weakening of Canadian dollars, Hong Kong dollars and Macao pataca against each group entity's functional currency, there would be an equal and opposite impact on the loss for the year.

34. 金融工具(續)

財務風險管理目標及政策(續)

貨幣風險(續)

本集團目前並無採取外幣對沖政策。然而，管理層會監控外匯風險，於有需要時將考慮對沖重大外幣風險。

敏感度分析

本集團實體主要承擔之外幣風險來自加拿大元、港元、澳門元及美元。根據掛鈎匯率機制，港元與美元匯兌差異之財務影響極微，因此並無編製敏感度分析。

下表詳細說明集團實體對加拿大元、港元及澳門元兌各集團實體之功能貨幣(包括港元及人民幣)之匯率上調及下調5%之敏感度。5%乃為在內部向主要管理人員報告外幣風險時所採用的敏感度比率，其代表管理層對外匯匯率合理可能變動的評估。敏感度分析僅包括以外幣計值的未結付貨幣項目，並因外匯匯率變動5%對其於年終的換算作出調整。以下正值表明加拿大元及澳門元兌各集團實體功能貨幣升值5%時年內虧損之減少值而以下負值表明港元兌各集團實體功能貨幣升值5%時年內虧損之增加值。當加拿大元、港元及澳門元兌各集團實體功能貨幣貶值5%，則會對年內虧損構成相應負面影響。

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34. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (CONT'D)

Currency risk (CONT'D)

Sensitivity analysis (CONT'D)

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|-------------------|------|-------------------------|-------------------------|
| Canadian dollars | 加拿大元 | 3 | 270 |
| Hong Kong dollars | 港元 | (8,759) | (10,318) |
| Macao pataca | 澳門元 | 217 | 1 |

In the management's 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.

Cash flow interest rate risk

The Group has cash flow interest rate risk on floating-rate borrowings and bank overdrafts. The Group currently does not have any policy on cash flow hedges of interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

The interest expenses on the Group's floating-rate borrowings are mainly linked with Hong Kong Interbank Offered Rate.

34. 金融工具(續)

財務風險管理目標及政策(續)

貨幣風險(續)

敏感度分析(續)

管理層認為，年結日之風險並無反映年內之風險，故敏感度分析不代表固有外匯風險。

現金流量利率風險

本集團浮息借貸及銀行透支承擔現金流量利率風險。本集團目前並無採取任何政策對沖利率風險之現金流量。然而，管理層會監控利率風險，於有需要時將考慮對沖重大利率風險。

本集團浮息借貸之利息開支主要根據香港銀行同業拆息利率計算。

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34. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (CONT'D)

Cash flow interest rate risk (CONT'D)

Sensitivity analysis (CONT'D)

The sensitivity analysis below has been determined based on the exposure to interest rates for floating-rate borrowings and bank overdrafts at the end of the reporting period (notes 28 and 29). The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents the management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 31 March 2010 would increase/decrease by HK\$892,000 (2009: HK\$1,390,000). This is mainly attributable to the Group's exposure to interest rates on its floating-rate borrowings and bank overdrafts.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

Price risk

The Group's derivative financial instruments, financial assets designated at fair value through profit or loss, held-for-trading investments and certain available-for-sale investments are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. The price risk exposure of listed shares included in available-for-sale investments to price risk is insignificant, accordingly no sensitivity analysis is presented.

34. 金融工具(續)

財務風險管理目標及政策(續)

現金流量利率風險(續)

敏感度分析(續)

以下敏感度分析乃根據於報告期間末之浮息借貸及銀行透支之利率風險(附註28及29)而釐定。該分析乃假設於報告期間末之未償還負債金額於整個年度仍不會償還。利率增加或減少50個基點，反映管理層對利率之可能合理變動之評估。

倘利率增加／減少50個基點，而所有其他可變數維持不變，則本集團截至2010年3月31日止年度之虧損會增加／減少892,000港元(2009年：1,390,000港元)，主要由於本集團面對浮息借貸及銀行透支之利率風險所致。

管理層認為，年結日之風險並無反映年內之風險，故敏感度分析不代表固有利率風險。

價格風險

本集團之衍生金融工具、指定為按公平價值計入損益之金融資產、持作買賣之投資及若干可供出售之投資於報告期間末按公平價值計量。因此，本集團須承擔價格風險。管理層透過維持不同風險之投資組合管理有關風險。由於計入可供出售投資內之上市股份所承受之價格風險並不重大，故並無呈列敏感度分析。

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34. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (CONT'D)

Price risk (CONT'D)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price risk at the reporting date.

If the prices of the respective financial instruments had been 5% higher/lower, loss for the year ended 31 March 2010 would decrease/increase by HK\$680,000 (2009: HK\$385,000) as a result of the changes in fair value of derivative financial instruments, financial assets designated at fair value through profit or loss and held-for-trading investments.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the year end exposure does not reflect the exposure during the year.

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 2010 and 2009 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other 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 and other receivables at the end of the reporting period 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.

34. 金融工具(續)

財務風險管理目標及政策(續)

價格風險(續)

敏感度分析

以下敏感度分析乃根據於報告日所面對之價格風險而釐定。

倘有關金融工具之價格增加／減少5%，則截至2010年3月31日止年度之虧損會減少／增加680,000港元(2009年：385,000港元)，此乃由於衍生金融工具、指定為按公平價值計入損益之金融資產及持作買賣之投資之公平價值變動所致。

管理層認為，年結日之風險並無反映年內之風險，故敏感度分析不代表固有價格風險。

信貸風險

倘訂約各方於2010年及2009年3月31日未能履行有關各類已確認金融資產之責任，則本集團之信貸風險最多為於綜合財務狀況報表所示資產賬面值。

為減低信貸風險，管理層委派專責隊伍釐定信貸額、批核信貸及其他監管程序，確保跟進收回逾期債務。此外，本集團於報告期間末審閱個別貿易債務及其他應收款項之可收回金額，確保就不可收回金額作出適當減值虧損。因此，本公司董事認為，已大幅減低本集團信貸風險。

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34. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (CONT'D)

Credit risk (CONT'D)

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's concentration of credit risk by geographical locations is mainly in North America. The trade debtors located in North America accounted for 73% (2009: 47%) of the Group's total trade debtors as at 31 March 2010. The Group also has concentration of credit risk by customers as 24% (2009: 33%) and 31% (2009: 45%) of the total trade debtors was due from the Group's largest customer and the five largest customers respectively. In the opinion of the directors, all five largest customers are customers with good reputation and creditability.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains sufficient reserve of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirement in the short and long term. The Group finances its working capital requirements through a combination of funds generated from operations and borrowings. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

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

For derivative instruments settle on a net basis, undiscounted net cash outflows are presented.

34. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險(續)

由於訂約各方乃國際信貸評級機構授予高信貸評級之銀行，因此，流動資金信貸風險有限。

本集團之信貸風險集中在北美洲。於2010年3月31日，位於北美洲之應收貿易賬項佔本集團應收貿易賬項總額之73% (2009年：47%)。由於本集團之應收貿易賬項總額中之24% (2009年：33%) 及31% (2009年：45%) 分別來自本集團最大客戶及五大客戶，因此本集團亦承擔客戶之集中信貸風險。董事認為，五大客戶全部均為聲譽及信貸良好之客戶。

流動資金風險

就管理流動資金風險而言，本集團監察及維持充裕之現金儲備及向大型金融機構取得承諾提供足夠資金，以滿足其短期及長期流動資金需求。本集團透過營運產生之資金及借貸來提供所需營運資金。管理層監察借貸之動用情況，並確保遵守貸款契諾。

下表載有本集團金融負債之剩餘合約年期詳情。就非衍生金融負債而言，有關列表乃根據於本集團可能被要求付款之最早日期之金融負債未貼現現金流量編製。下列載有未貼現現金流量及主要現金流量。

就以淨值基準結算之衍生工具而言，會列出未貼現淨現金流出。

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34. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (CONT'D)

Liquidity risk (CONT'D)

Liquidity and interest risk tables

| | | Effective interest rate | Repayable on demand | Less than 1 month | 1-3 months | 3 months to 1 year | Over 1 year | Total undiscounted cash flows 未貼現現金 流量總額 | Carrying amounts 賬面值 |
|---|-----------------------|----------------------------|--------------------------|--------------------------|--------------------------|---------------------------|-------------------------|--|----------------------------|
| | | 實際利率 % | 按要求償還 HK\$'000 千港元 | 少於1個月 HK\$'000 千港元 | 1-3個月 HK\$'000 千港元 | 3個月至1年 HK\$'000 千港元 | 多於1年 HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| 2010 | 2010年 | | | | | | | | |
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | | | | |
| Creditors and accrued charges | 應付賬項及應計費用 | - | 10,595 | 15,955 | 17,887 | 48,747 | - | 93,184 | 93,184 |
| Amounts due to associates | 應付聯營公司賬項 | - | 2,809 | - | - | - | - | 2,809 | 2,809 |
| Borrowings | 借貸 | 2.2 | 27,886 | 92,820 | 94,972 | 5,015 | - | 220,693 | 219,389 |
| Bank overdrafts | 銀行透支 | 5.0 | 218 | - | - | - | - | 218 | 218 |
| | | | 41,508 | 108,775 | 112,859 | 53,762 | - | 316,904 | 315,600 |
| Derivatives – net settlement | 衍生工具 – 以淨值基準結算 | | | | | | | | |
| Options | 購股權 | | 275 | - | - | - | - | 275 | 275 |
| 2009 | 2009年 | | | | | | | | |
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | | | | |
| Creditors and accrued charges | 應付賬項及應計費用 | - | 32,575 | 23,477 | 33,749 | 38,776 | - | 128,577 | 128,577 |
| Amounts due to associates | 應付聯營公司賬項 | - | 2,809 | - | - | - | - | 2,809 | 2,809 |
| Borrowings | 借貸 | 2.0 | - | 87,771 | 148,589 | 65,360 | 29,225 | 330,945 | 326,091 |
| | | | 35,384 | 111,248 | 182,338 | 104,136 | 29,225 | 462,331 | 457,477 |
| Derivatives – net settlement | 衍生工具 – 以淨值基準結算 | | | | | | | | |
| Options | 購股權 | | 50 | - | - | - | - | 50 | 50 |

34. 金融工具(續)

財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表

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34. FINANCIAL INSTRUMENTS (CONT'D)

Fair value

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

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices, respectively;
- the fair values of other financial assets and financial liabilities (excluding derivative instruments and financial assets designated at fair value through profit or loss) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair values of derivative instruments and financial assets designated at fair value through profit or loss are determined by securities brokers using valuation models based on inputs such as share price, volatility, dividend yield of the underlying equity securities.

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

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

34. 金融工具(續)

公平價值

金融資產及金融負債公平價值釐定如下：

- 附帶標準條款及條件並於活躍市場流通之金融資產及金融負債之公平價值分別參考市場報價及要價而釐定；
- 其他金融資產及金融負債(衍生工具及指定為按公平價值計入損益之金融資產除外)之公平價值按公認之定價模式以貼現現金流量分析而釐定；及
- 衍生工具及指定為按公平價值計入損益之金融資產之公平價值乃由證券經紀採用估值模式根據股價、波幅、相關股本證券之股息收益等輸入因素而釐定。

本公司董事認為，按攤銷成本記錄於綜合財務報告之金融資產及金融負債之賬面值與其相應之公平價值相若。

於綜合財務狀況報表中確認之公平價值計量

下表列出對於首次按公平價值確認後之金融工具之分析，根據公平價值之可觀察程度分為第一至第三級三個層次。

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34. FINANCIAL INSTRUMENTS (CONT'D)

Fair value (CONT'D)

Fair value measurements recognised in the consolidated statement of financial position (CONT'D)

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

34. 金融工具(續)

公平價值(續)

於綜合財務狀況報表中確認之公平價值計量(續)

- 第一級公平價值計量乃根據同類資產或負債於活躍市場之報價(未經調整)推算得出。
- 第二級公平價值計量乃根據除第一級中報價以外可直接(即價格)或間接(即從價格推算)觀察到之資產或負債數據估算。
- 第三級公平價值計量乃根據估值方法估算之價值,包括並非根據可觀察之市場數據得出之資產或負債數據(不可觀察之數據)。

At 31 March 2010

於2010年3月31日

| | | Level 1 | Level 2 | Total |
|--|-------------------|----------|----------|----------|
| | | 第一級 | 第二級 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| Investments held for trading | 持作買賣之投資 | 13,877 | – | 13,877 |
| Financial assets designated at fair value through profit or loss | 指定為按公平價值計入損益之金融資產 | – | 3 | 3 |
| | | 13,877 | 3 | 13,880 |
| Derivative financial liabilities | 衍生金融負債 | 275 | – | 275 |

There were no transfers between Level 1 and 2 in the current year.

於本年度,第一級與第二級之間並無任何轉移。

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35. DEEMED PARTIAL DISPOSAL OF A SUBSIDIARY

During the year, SMC issued an aggregate of 136,362 shares (2009: 2,300,556 shares) to certain independent third parties, accordingly, the shareholding held by the Group was diluted and resulted in a loss on deemed partial disposal amounting to HK\$7,000 (2009: HK\$150,000), net of attributable goodwill of HK\$57,000 (2009: HK\$505,000). The loss on deemed partial disposal was calculated as the difference between the Group's share of net assets in SMC, prior to and after each additional issue of shares by SMC.

35. 被視為出售附屬公司部份權益

年內，SMC已發行合共136,362股(2009年：2,300,556股)股份予若干名獨立第三方，因此，本集團所持有之股權已被攤薄，令本集團錄得被視為出售附屬公司部份權益之虧損7,000港元(2009年：150,000港元)及應佔商譽淨值57,000港元(2009年：505,000港元)。被視為出售附屬公司部份權益之虧損乃根據於SMC發行額外股份前後，本集團應佔SMC資產淨值之差額計算。

36. CAPITAL COMMITMENTS

36. 資本承擔

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|--------------------------------|-------------------------|-------------------------|
| Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements | 就購買物業、廠房及設備已簽約但未在綜合財務報告撥備之資本開支 | 706 | 3,229 |

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37. OPERATING LEASE COMMITMENTS

As lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises as follows:

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|------------------|-------------------------|-------------------------|
| Within one year | 一年內 | 8,290 | 8,362 |
| In the second to fifth years inclusive | 第二至第五年（首尾兩年包括在內） | 17,567 | 19,661 |
| | | 25,857 | 28,023 |

Operating lease payments represent rentals payable by the Group for its office and warehouses. Leases are negotiated for terms ranging from one to five years (2009: one to five years) and rentals are fixed over the lease terms.

As lessor

At the end of the reporting period, the Group had contracted with tenants for future minimum lease payments under non-cancellable operating leases which fall due as follows:

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|--|------------------|-------------------------|-------------------------|
| Within one year | 一年內 | 4,653 | 4,060 |
| In the second to fifth years inclusive | 第二至第五年（首尾兩年包括在內） | 2,510 | 127 |
| | | 7,163 | 4,187 |

These properties have committed tenants for terms ranging from one to two years (2009: one to two years).

37. 經營租約承擔

作為承租人

於報告期間末，本集團根據不可撤銷之已承租物業經營租約須於下列期間支付之最低租金承擔如下：

經營租約付款指本集團之辦公室及倉庫之應付租金。租約乃經磋商後釐定為一年至五年（2009年：一至五年），而租金於租約期內是固定的。

作為出租人

於報告期間末，根據本集團與租客簽訂不可撤銷經營租約，於下列期間應收取之未來最低租金如下：

此等物業之租戶租約承諾期由一年至兩年不等（2009年：一至兩年）。

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38. PLEDGE OF ASSETS

At the end of the reporting period, the Group pledged certain assets with the following carrying values to secure the general credit facilities granted to the Group and the margin accounts with securities brokers:

| | | 2010 HK\$'000 千港元 | 2009 HK\$'000 千港元 |
|---|--------------------------|-------------------------|-------------------------|
| Bills discounted with recourse and factored debtor balances | 具追索權銀行貼現票據及已貼現應收賬項結餘 | 24,339 | 38,953 |
| Investments held for trading | 持作買賣之投資 | 4,989 | 3,204 |
| Financial assets designated at fair value through profit or loss | 指定為按公平價值計入損益之金融資產 | 3 | 798 |
| Deposits with securities brokers as included in debtors, deposits and prepayments | 包括於應收賬項、按金及預付款項中之證券經紀之按金 | 2,806 | 3,034 |

38. 資產抵押

於報告期間末，本集團抵押若干資產作為所獲一般信貸融資及經紀股票按揭戶口之擔保。該等資產之賬面值如下：

39. RETIREMENT BENEFITS SCHEME

The Group participates in the MPF Scheme implemented by the Hong Kong Government for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group in funds under the control of trustee. The Group contributes 5% of relevant payroll costs with a cap of monthly contribution HK\$1,000 to the MPF Scheme for employees except for executive directors of the Company, for which there is no cap on monthly contribution.

The employees employed in the PRC subsidiaries are members of the state-managed retirement benefits schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the required contributions under the schemes.

39. 退休福利計劃

本集團為香港全體合資格僱員參與香港政府推行之強積金計劃。強積金計劃之資產獨立於本集團之資產，由信託基金管理。本集團就僱員對強積金計劃作出之供款為有關薪俸成本之5%，每月供款上限為1,000港元，惟就本公司執行董事而作出之供款並無每月供款上限。

受僱於中國附屬公司之僱員是中國政府管理之國營退休福利計劃之成員。該等中國附屬公司須按基本工資若干百分比向退休福利計劃基金供款。本集團對有關退休福利計劃之責任只限於按該計劃所規定供款額作出供款。

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40. RELATED PARTY TRANSACTIONS

- (a) Mr. Lau Sak Hong, Philip, a substantial shareholder of the Company, has provided a personal guarantee to indemnify the Group for any impairment of an unlisted available-for-sale investment to the extent of HK\$15 million (2009: HK\$15 million).
- (b) The Group maintained current accounts with associates. Their balances as at 31 March 2010 are set out in the consolidated statement of financial position with the terms disclosed in note 24.
- (c) During the year, the Group paid salaries and other short term employee benefits, including share-based payments, of HK\$1,099,000 (2009: HK\$1,778,000) to certain close family members of Mr. Lau Sak Hong, Philip, a director of the Company, as employees of the Group.
- (d) On 25 September 2008, Starlight Industrial Holdings Limited, a wholly owned subsidiary of the Company, effected the acquisition of the remaining 20% equity interest in Success Base Industries Limited ("Success Base"), a then non-wholly owned subsidiary of the Company, from Success Base's other shareholders (including one shareholder being entitled to exercise or control 15% of the voting power of Success Base) for a consideration of HK\$1,600,000. Upon completion of the acquisition, Success Base became a wholly owned subsidiary of the Company.
- (e) Compensation of key management personnel
- Details of the remuneration of key management personnel, who are the executive directors, during the year were set out in note 9.

40. 關連人士交易

- (a) 本公司主要股東劉錫康先生為本集團之一項非上市可供出售投資之減值提供個人擔保額達15,000,000港元(2009年：15,000,000港元)。
- (b) 本集團與聯營公司有往來賬項。於2010年3月31日，其往來賬項結餘列於綜合財務狀況報表內，其條款於附註24披露。
- (c) 年內，本集團就本公司董事劉錫康先生多名近親家族成員作為本集團僱員而向彼等支付之薪酬及其他短期僱員福利(包括以股份支付之付款)為1,099,000港元(2009年：1,778,000港元)。
- (d) 於2008年9月25日，升岡集團有限公司(本公司之全資附屬公司)向恆敏實業有限公司(「恆敏」，本公司當時之非全資附屬公司)之其他股東(包括一名有權行使或控制恆敏之15%投票權之股東)收購恆敏餘下20%股本權益，代價為1,600,000港元。於完成收購後，恆敏成為了本公司之全資附屬公司。
- (e) 主要管理人員之薪酬
- 年內，主要管理人員，即執行董事之酬金詳情載於附註9。

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41. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 March 2010, the following significant events took place:

- (a) Pursuant to a special resolution passed at the special general meeting of the Company held on 23 June 2010, the par value of each of the existing shares in issue is reduced from HK\$0.40 to HK\$0.10 by the cancellation of HK\$0.30 of the paid up capital on each issued share and each unissued share of HK\$0.40 each is subdivided into 4 adjusted shares of HK\$0.10 each (the "Capital Reorganisation"). Upon completion of the Capital Reorganisation at 5:00 p.m. on 23 June 2010, the authorised share capital of the Company becomes HK\$500,000,000 divided into 5,000,000,000 adjusted shares of HK\$0.10 each, of which 785,088,828 adjusted shares of HK\$0.10 are in issue. The credit arising from the capital reduction is credited to the contributed surplus account of the Company.
- (b) Pursuant to an ordinary resolution passed at the same special general meeting of the Company referred to in (a) above, the proposed issue of offer shares at a price of HK\$0.12 per offer share on the basis of 4 offer shares for every 5 adjusted shares (the "Open Offer") is approved. The Open Offer has been completed on 21 July 2010 and 628,071,062 offer shares were issued. The proceeds from the Open Offer provide additional working capital to finance the Group's daily operations.

41. 報告期間後事項

於2010年3月31日後曾發生下列重大事項：

- (a) 根據本公司於2010年6月23日舉行之股東特別大會通過之特別決議案，透過註銷每股已發行股份之已繳股本0.30港元將每股現有已發行股份之面值由0.40港元削減至0.10港元，並將每股面值0.40港元之未發行股份分拆為4股每股面值0.10港元之經調整股份（「股本重組」）。股本重組於2010年6月23日下午五時正完成後，本公司之法定股本為500,000,000港元，分為5,000,000,000股每股面值0.10港元之經調整股份，其中785,088,828股每股面值0.10港元之經調整股份已發行。削減股本產生之進賬計入本公司之實繳盈餘賬。
- (b) 根據上文(a)項所述本公司股東特別大會通過之普通決議案，批准按每持有五股經調整股份獲發售四股發售股份之基準以每股發售股份0.12港元之價格發行發售股份之建議（「公開發售」）。公開發售已於2010年7月21日完成，並發行628,071,062股發售股份。公開發售之所得款項提供額外營運資金，以撥付本集團日常業務所需資金。

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42. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries are as follows:

42. 主要附屬公司

本公司之主要附屬公司詳情如下：

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operations 註冊成立或註冊/ 營業地點 | Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本/ 註冊資本面值 | Attributable equity interest to the Group 本集團應佔股本權益 | | Principal activities 主要業務 |
|---|---|--|---|-------|--|
| | | | 2010 | 2009 | |
| ACME Delight Limited 銳歡有限公司 | Hong Kong 香港 | HK\$2 2港元 | 100% | 100% | Investment holding 投資控股 |
| Cosmo Communications Corporation | United States of America/ Canada 美國/加拿大 | US\$1,571,000 1,571,000美元 | 93.8% | 93.8% | Trading in electrical appliances and investment holding 電器產品貿易及投資控股 |
| Ever Solid Limited*** 永堅有限公司*** | Hong Kong 香港 | HK\$10,000 10,000港元 | 100% | 100% | Investment holding 投資控股 |
| Hyundai Household Improvement Limited*** | Hong Kong 香港 | HK\$2 2港元 | 100% | 100% | Trading in electrical appliances 電器產品貿易 |
| Korrigan Industrial Holdings Limited 高力勤實業有限公司 | Hong Kong 香港 | HK\$25,000,000 25,000,000港元 | 100% | 100% | Investment holding 投資控股 |
| Master Light Enterprises Limited 智輝企業有限公司 | Hong Kong 香港 | HK\$2 2港元 | 100% | 100% | Investment holding 投資控股 |

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42. PRINCIPAL SUBSIDIARIES (CONT'D)

42. 主要附屬公司(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operations 註冊成立或註冊/ 營業地點 | Nominal value of issued ordinary share capital/ registered capital 已發行普通股 股本/註冊資本面值 | Attributable equity interest to the Group 本集團應佔 股本權益 | | Principal activities 主要業務 |
|---|---|--|---|------|--|
| | | | 2010 | 2009 | |
| Merrygain Holding Company Limited 妙勤企業有限公司 | Hong Kong 香港 | HK\$5,000,000 5,000,000港元 | 96% | 96% | Property investment 物業投資 |
| Nice States Investment Limited | Hong Kong 香港 | HK\$2 2港元 | 100% | 100% | Property investment 物業投資 |
| Niceday Limited 美日有限公司 | Hong Kong 香港 | HK\$2 2港元 | 100% | 100% | Investment holding 投資控股 |
| Noble Win Limited 廣捷有限公司 | Hong Kong 香港 | HK\$2 2港元 | 100% | 100% | Property investment 物業投資 |
| Ram Light Management Limited 永光管理有限公司 | British Virgin Islands 英屬維爾京群島 | US\$1 1美元 | 100% | 100% | Investment holding 投資控股 |
| SIH Limited | British Virgin Islands 英屬維爾京群島 | HK\$10,000 10,000港元 | 100% | 100% | Investment holding 投資控股 |
| Star Fair Electronics Company Limited 星輝電子有限公司 | Hong Kong 香港 | HK\$15,090,000 15,090,000港元 | 100% | 100% | Trading in electronic products 電子產品貿易 |
| Star Fair Manufacturing Company Limited | Jersey/PRC 澤西島/中國 | £12 12英鎊 | 100% | 100% | Manufacture and sale of electronic products 電子產品製造及銷售 |

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42. PRINCIPAL SUBSIDIARIES (CONT'D)

42. 主要附屬公司(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ 註冊成立或註冊/營業地點 | Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本/註冊資本面值 | Attributable equity interest to the Group 本集團應佔股本權益 | | Principal activities 主要業務 |
|--|---|--|---|------|---|
| | | | 2010 | 2009 | |
| Star Legend Offshore Limited | British Virgin Islands 英屬維爾京群島 | US\$1 1美元 | 100% | 100% | Investment holding 投資控股 |
| Star Light Electronics Company Limited 升岡電子有限公司 | Hong Kong 香港 | HK\$13,000,000 13,000,000港元 | 100% | 100% | Trading in electronic products 電子產品貿易 |
| Starleaf Development Limited 星葉發展有限公司 | Hong Kong 香港 | HK\$2 2港元 | 100% | 100% | Investment holding 投資控股 |
| Starlight eTech (Holdings) Limited | British Virgin Islands 英屬維爾京群島 | US\$1 1美元 | 100% | 100% | Investment holding 投資控股 |
| Starlight Exports Limited 升岡出口有限公司 | Hong Kong 香港 | HK\$2 2港元 | 100% | 100% | Trading in electronic products and property investment 電子產品貿易及物業投資 |
| Starlight Industrial Holdings Limited 升岡集團有限公司 | Hong Kong 香港 | HK\$73,920,192 73,920,192港元 | 100% | 100% | Investment holding 投資控股 |

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42. PRINCIPAL SUBSIDIARIES (CONT'D)

42. 主要附屬公司(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operations 註冊成立或註 冊/營業地點 | Nominal value of issued ordinary share capital/ registered capital 已發行普通股 股本/註冊資本面值 | Attributable equity interest to the Group 本集團應佔 股本權益 | | Principal activities 主要業務 |
|---|---|--|--|------|--|
| | | | 2010 | 2009 | |
| Starlight Manufacturers Limited | Jersey/PRC 澤西島/中國 | HK\$100,000 100,000港元 | 100% | 100% | Manufacture and sale of electronic products 電子產品製造及銷售 |
| Starlight Marketing Development Limited 升岡市場拓展有限公司 | Hong Kong 香港 | HK\$2 2港元 | 100% | 100% | Trading in electronic products 電子產品交易 |
| Starlight Marketing Limited 升岡市場推廣有限公司 | Hong Kong 香港 | HK\$2 2港元 | 100% | 100% | Securities trading and trading in electronic products 證券買賣及電子產品貿易 |
| Starlight Marketing Macao Commercial Offshore Limited*** 升岡市場推廣澳門離岸 商業服務有限公司*** | Macau 澳門 | HK\$100,000 100,000港元 | 100% | 100% | Trading in electronic products 電子產品貿易 |
| Starlight R&D Limited 升岡科研有限公司 | Hong Kong 香港 | HK\$10,000 10,000港元 | 100% | 100% | Material sourcing and trading in electronic products and components 物料採購及 電子產品及部件貿易 |

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截至2010年3月31日止年度

42. PRINCIPAL SUBSIDIARIES (CONT'D)

42. 主要附屬公司(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operations 註冊成立或註冊/營業地點 | Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本/註冊資本面值 | Attributable equity interest to the Group 本集團應佔股本權益 | | Principal activities 主要業務 |
|--|--|---|--|------|---|
| | | | 2010 | 2009 | |
| Starlight Video Limited | Hong Kong | HK\$4 | 100% | 100% | Provision of nominee services for group companies and trading of DVD products |
| 升岡影像有限公司 | 香港 | 4港元 | | | 為集團公司提供代理服務及視像產品貿易 |
| Starlite Consumer Electronics (USA) Inc. | Cayman Islands 開曼群島 | HK\$2 2港元 | 100% | 100% | Trading in electronic products 電子產品貿易 |
| Starlite Consumer Electronics (USA) Inc. | United States of America 美國 | US\$20 20美元 | 100% | 100% | Trading in electronic products 電子產品貿易 |
| Starshow Investment Limited | Hong Kong | HK\$2 | 100% | 100% | Provision of nominee services for group companies |
| 演富投資有限公司 | 香港 | 2港元 | | | 為集團公司提供代理服務 |
| Success Base Industries Limited | Hong Kong | HK\$4,000,000 | 100% | 100% | Manufacture and sale of plastic products |
| 恒敏實業有限公司 | 香港 | 4,000,000港元 | | | 塑膠產品製造及銷售 |

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42. PRINCIPAL SUBSIDIARIES (CONT'D)

42. 主要附屬公司(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operations 註冊成立或註 冊/營業地點 | Nominal value of issued ordinary share capital/ registered capital 已發行普通股 股本/註冊資本面值 | Attributable equity interest to the Group 本集團應佔 股本權益 | | Principal activities 主要業務 |
|--|---|--|--|-------|---|
| | | | 2010 | 2009 | |
| The Singing Machine Company, Inc. ("SMC")** | United States of America 美國 | US\$375,857 (2009: US\$374,494) 375,857美元 (2009年: 374,494美元) | 52.21% | 52.4% | Trading in consumer karaoke audio equipment 消費卡拉OK音響設備貿易 |
| Top Spring Technology Limited | British Virgin Islands 英屬維爾京群島 | US\$1 1美元 | 100% | 100% | Investment holding 投資控股 |
| Starfair Manufacturing (Panyu) Company Limited 廣州星輝電子制造有限公司 | PRC* 中國* | HK\$33,300,000 33,300,000港元 | 100% | 100% | Manufacture and sale of electronic products 電子產品製造及銷售 |
| 番禺富臨花園房地產有限公司 | PRC* 中國* | RMB31,750,000 人民幣31,750,000元 | 100% | 100% | Property investment 物業投資 |
| Panyu Success Base Plastic Company Limited 番禺恆敏塑膠制品有限公司 | PRC* 中國* | HK\$20,000,000 20,000,000港元 | 100% | 100% | Manufacture and sale of plastic products 塑膠產品製造及銷售 |

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42. PRINCIPAL SUBSIDIARIES (CONT'D)

42. 主要附屬公司(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation or registration/ operations 註冊成立或註冊/ 營業地點 | Nominal value of issued ordinary share capital/ registered capital 已發行普通股 股本/註冊資本面值 | Attributable equity interest to the Group 本集團應佔 股本權益 | | Principal activities 主要業務 |
|--|---|--|---|------|--|
| | | | 2010 | 2009 | |
| Panyu Starfair Electronics Manufacturing Company Limited 番禺星輝電器制造有限公司 | PRC* 中國* | HK\$21,500,000 21,500,000港元 | 100% | 100% | Manufacture and sale of electronic products 電子產品製造及銷售 |

* These subsidiaries are PRC wholly foreign owned enterprises.

* 該等附屬公司為中國全外資企業。

** At 31 March 2009, SMC was listed on the NYSE Amex Equities. On 23 June 2009, SMC received a written delisting notice from the NYSE Amex LLC. SMC did not appeal the decision and its common stock are quoted on the Over-the-Counter bulletin board with effect from 7 July 2009.

** 於2009年3月31日，SMC在NYSE Amex Equities上市。於2009年6月23日，SMC接獲NYSE Amex LLC之除牌通知書。SMC並無就有關決定提請上訴，故其普通股已由2009年7月7日起在場外交易議價板報價。

*** These subsidiaries ceased operations during the year ended 31 March 2010 and were not classified as principal subsidiaries at 31 March 2010.

*** 該等附屬公司於截至2010年3月31日止年度已終止營運，故於2010年3月31日並無歸入主要附屬公司。

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42. PRINCIPAL SUBSIDIARIES (CONT'D)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results of the year or constitute a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Other than SIH Limited and Star Legend Offshore Limited which are held directly by the Company, all other subsidiaries are held indirectly by the Company. None of the subsidiaries had any loan capital outstanding at the end of the year or at any time during the year.

42. 主要附屬公司(續)

董事局認為上表所列本公司附屬公司均對本年度之業績有重要的影響，或構成本集團資產淨值主要部分。董事局認為如提供其他附屬公司之詳情，將令資料過於冗長。

除SIH Limited及Star Legend Offshore Limited為本公司直接持有外，所有其他附屬公司均為本公司間接持有。於本年底或本年度內任何時間，均無附屬公司有任何未償還借貸資本。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

| | | Year ended 31 March 截至3月31日止年度 | | | | | |
|-------------------------------|------------|-----------------------------------|-----------|-----------|-----------|----------|--|
| | | 2006 | 2007 | 2008 | 2009 | 2010 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| RESULTS | 業績 | | | | | | |
| Turnover | 營業額 | 1,782,771 | 2,434,241 | 2,199,033 | 1,281,062 | 738,262 | |
| Profit (loss) before taxation | 除稅前溢利 (虧損) | 90,691 | 119,906 | 64,025 | (118,408) | (75,712) | |
| Taxation | 稅項 | (11,452) | (9,715) | (18,531) | (1,280) | (1,468) | |
| Profit (loss) for the year | 本年度溢利 (虧損) | 79,239 | 110,191 | 45,494 | (119,688) | (77,180) | |
| Attributable to: | 下列人士應佔： | | | | | | |
| Owners of the Company | 本公司擁有人 | 79,141 | 105,196 | 45,914 | (110,186) | (67,490) | |
| Minority interests | 少數股東權益 | 98 | 4,995 | (420) | (9,502) | (9,690) | |
| | | 79,239 | 110,191 | 45,494 | (119,688) | (77,180) | |

| | | At 31 March 於3月31日 | | | | | |
|---|------------------|-----------------------|-----------|-----------|-----------|----------|--|
| | | 2006 | 2007 | 2008 | 2009 | 2010 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| ASSETS AND LIABILITIES | 資產與負債 | | | | | | |
| Total assets | 資產總值 | 1,219,487 | 1,432,998 | 1,474,310 | 1,197,492 | 987,725 | |
| Total liabilities | 負債總額 | 490,793 | 620,648 | 674,534 | 521,795 | 373,608 | |
| | | 728,694 | 812,350 | 799,776 | 675,697 | 614,117 | |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 727,177 | 797,117 | 781,739 | 665,100 | 612,734 | |
| Share option reserve of a listed subsidiary | 上市附屬公司之 購股權儲備 | – | 66 | 253 | 392 | 465 | |
| Minority interests | 少數股東權益 | 1,517 | 15,167 | 17,784 | 10,205 | 918 | |
| | | 728,694 | 812,350 | 799,776 | 675,697 | 614,117 | |

SUMMARY OF INVESTMENT PROPERTIES

投資物業概要

| 作收租用途持有之投資物業 Investment properties held for rental purposes | 樓面面積 (平方呎) Gross floor area (sq. ft.) | 物業性質 Nature of property | 本集團 應佔權益 Attributable interest to the Group | 租約分類 Category of lease |
|---|--|-------------------------------|---|---------------------------|
| 香港銅鑼灣邊寧頓街18號 廣旅集團大廈13樓B、C、D Units B, C and D on 13th Floor of Guangdong Tours Centre No. 18 Pennington Street Causeway Bay Hong Kong | 2,280 | 商業 Commercial | 100% | 長年期租約 Long leases |
| 香港中環金鐘道95號 統一中心26樓A Unit A, 26th Floor United Centre No. 95 Queensway, Central Hong Kong | 5,543 | 商業 Commercial | 100% | 長年期租約 Long leases |
| 香港香港仔香港仔大道232號 城都工業大廈18樓 18th Floor Shing Dao Industrial Building No. 232 Aberdeen Main Road Aberdeen Hong Kong | 12,079 | 工業 Industrial | 100% | 長年期租約 Long leases |
| 香港香港仔香港仔大道232號 城都工業大廈16樓 16th Floor Shing Dao Industrial Building No. 232 Aberdeen Main Road Aberdeen Hong Kong | 12,079 | 工業 Industrial | 100% | 長年期租約 Long leases |
| 香港香港仔香港仔大道232號 城都工業大廈14樓 14th Floor Shing Dao Industrial Building No. 232 Aberdeen Main Road Aberdeen Hong Kong | 13,974 | 工業 Industrial | 100% | 長年期租約 Long leases |
| 香港香港仔香港仔大道232號 城都工業大廈12樓 12th Floor Shing Dao Industrial Building No. 232 Aberdeen Main Road Aberdeen Hong Kong | 13,974 | 工業 Industrial | 96% | 長年期租約 Long leases |
| 番禺石基鎮岐山路8號 221及36地段 | 63,968 | 商業 Commercial | 100% | 長年期租約 Long leases |



STARLITE

Starlight International Holdings Ltd
升岡國際有限公司