



STARLITE

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



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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email: starlite@starlight.com.hk
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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 was adversely affected by the weak consumer spending and slow economic recovery in our two major markets, North America and Europe. Unemployment continued to be high throughout these regions during the fiscal year. Our sales turnover decreased by 14% or HK\$101 million.

業務回顧

業績

本集團表現受到其兩大主要市場北美洲及歐洲的消費開支疲弱及經濟復甦步伐緩慢之不利影響。於本財政年度內，上述地區之失業率一直居高不下。本集團之銷售營業額減少101,000,000港元，減幅達14%。

CHAIRMAN'S STATEMENT

主席報告書

Electronics Division

Despite having the Polaroid brand in our video line, the market of the DVD category is contracting due to the popularity of on-line delivery of movie pictures. We also missed to capture the full benefits of the license when we acquired the license in April 2010 for most US sales are decided early in the calendar year. For us to take our competitors' shelf space, we must provide millions of dollars of mark down money to clear the inventory of our competitors. We did not pay these "entrance fees" to our retail customers as the risk was high with no assurance of future business.

In January 2011, we began selling a new line of digital imaging products under the Polaroid brand in US. Our launch of Polaroid cameras in January was at the Consumer Electronics Show in Las Vegas. We received good publicity from the appearance of Lady Gaga, who is the artistic designer for Polaroid. We made good progress in sales during the March quarter despite the camera products are highly seasonal.

Our line of karaoke and musical instrument was introduced in the Canadian market during the fiscal year and showed promising gain in sales during the fiscal year.

Our gross profit margin was similar to fiscal 2010 at 17%. Because our customers in North American and in Europe were facing slow economic recovery and high unemployment, we found it difficult to pass on the cost increases brought about by higher labor and material costs to our customers. Our margin was also affected by the weakened US dollar against the rising Chinese RMB, which is the functional currency in our manufacturing operation.

Selling and distribution costs were reduced by HK\$25 million and administrative expenses by HK\$13 million. The savings in distribution costs were attributable to the better operation of our logistic warehouse function.

Finance costs were reduced by HK\$3 million due to a lower level of borrowing.

The Group reported a net loss of HK\$43.9 million in fiscal 2011.

電子生產業務

儘管本集團之視頻系列產品擁有Polaroid之品牌名，但由於在線觀看電影視頻廣受熱捧，DVD類產品之市場日益萎縮。此外，本集團於二零一零年四月獲得有關特許權協議時，已錯失從該協議全面獲得利益之時機，因其時美國大部份銷售已於年初時釐定。本集團如要奪取競爭對手之市場份額，必須提供數百萬元的減價資金，以清除出競爭對手之產品。而由於此舉並不能保證未來業務之發展，風險較大，故我們並無向零售客戶支付該等「入場費」。

於二零一一年一月，本集團開始於美國銷售Polaroid品牌之新系列數碼影像產品。一月份，本集團之Polaroid相機在拉斯維加斯消費電子展(Consumer Electronics Show)首次亮相，並因Polaroid之藝術設計師Lady Gaga現身當場而備受關注。儘管相機產品屬高度季節性產品，但本集團於第一季度之銷售仍錄得良好之增長。

於本財政年度內，本集團在加拿大市場推出卡拉OK及樂器系列產品，且於本財政年度內錄得亮麗之銷售額增長。

本集團之毛利率與二零一零年財政年度相若，維持於17%。由於本集團之北美洲及歐洲客戶面臨經濟復甦步伐緩慢及失業率高企之雙重壓力，本集團認為難以向客戶轉嫁因勞工及材料成本增加帶來之成本上升。本集團之利潤率亦因人民幣(為本集團製造業務之功能貨幣)不斷升值導致美元兌人民幣下降而受到影響。

銷售及分銷成本下降25,000,000港元，行政開支亦減少13,000,000港元。分銷成本下降乃由於改善本集團之物流倉儲運營功能所致。

由於借貸水平較低，故融資成本下降3,000,000港元。

本集團於二零一一年財政年度錄得淨虧損43,900,000港元。

CHAIRMAN'S STATEMENT

主席報告書

Securities Trading

The Group recorded a segment profit of HK\$117,000 for the year.

Prospect

During fiscal 2011, we progressively built up a strong marketing team in US to focus on selling the Polaroid lines of DVD, TV and camera. We have confidence in the performance of this group to open new accounts in fiscal 2012. The Polaroid Instant Camera is a popular seller. We will be adding to this concept instant mobile photo printers and papers in fiscal 2012.

Although the DVD market has contracted and the demand for Blu Ray DVD players has not gained speed, we are monitoring the trend and will be ready when we have the right indication. We are competitive in the LCD and LED TV market and will be selling more TV and DVD combo units to supplement the contraction in the stand alone DVD products in the future.

Our marketing focus will be on building up the digital imaging line to about 35% of our sales turnover in fiscal 2012. We are confident that Polaroid has access to the right technology partners to land new products with advanced technological features. We are hopeful that the talent of Lady Gaga as the Artist Director for Polaroid will bring new designs to please the consumers.

In anticipation that operating costs will continue to rise in southern China in the future, we will explore to out-source products from factories located in the less populous and less affluent regions of China as a strategy to keep our costs low.

We are encouraged by the upward trend in our turnover in the recent months. If the economic conditions did not deteriorate further in fiscal 2012, we are cautiously optimistic that the uptrend in sales is sustainable.

證券買賣

於本年度，本集團錄得分部溢利117,000港元。

前景

於二零一一年財政年度，本集團在美國逐步建立起強勁之營銷團隊，以專注Polaroid系列之DVD、電視機及相機之銷售。本集團對該團隊於二零一二年財政年度取得新訂單之表現充滿信心。Polaroid即影即有相機銷售暢旺。本集團將於二零一二年財政年度在此理念上增設即時手提式相片打印機及相紙。

儘管DVD市場已萎縮，加上藍光DVD播放機之需求尚無起色，但本集團仍在監察有關趨勢，並將在有適當跡象顯示時準備就緒。本集團於LCD及LED電視機市場具有競爭力，並將在未來出售更多電視機及DVD之組合產品，以彌補單獨DVD產品市場之萎縮。

本集團之營銷重點為打造數碼影像產品系列，使之達到二零一二年財政年度之銷售營業額約35%。本集團對Polaroid之技術合作夥伴，及獲得具先進技術之新產品抱有信心。本集團希望Lady Gaga作為Polaroid之藝術總監所展現出之才華將帶來客戶滿意之新設計。

預期未來華南地區之經營成本將持續增加，本集團將於中國人口較少且富裕程度不高之地區物色工廠外判產品，作為本集團維持低成本之策略。

近幾個月以來本集團之營業額呈上升趨勢，令本集團倍受鼓舞。倘經濟環境於二零一二年財政年度並無進一步惡化，本集團對銷售之可持續上升趨勢持審慎樂觀態度。

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 2011, cash and deposits amounted to HK\$69 million, as compared to HK\$80 million last year.

Gearing ratio calculated as total borrowings to shareholders' funds was 0.38 (2010: 0.36), and net borrowings to shareholders' funds was 0.27 for the year (2010: 0.23). Current ratio calculated as current assets to current liabilities changed to 1.48 from 1.46 last year.

Financing and Capital Structure

The Group finances its operations by combination of equity and borrowings. As at 31 March 2011, the Group's total borrowings is about HK\$253 million (2010: HK\$219 million), of which the whole amount is repayable within one year. Net borrowings, calculated as borrowings less bank balances and cash, is HK\$184 million (2010: HK\$139 million).

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

On 31 May 2010, the Company has proposed an open offer to the then existing shareholders to subscribe for 628,071,062 new shares at a price of HK\$0.12 per share on the basis of four shares for every five adjusted shares held by the qualifying shareholders on 23 June 2010. The fund of approximately HK\$75,369,000 was received by the Company on 14 July 2010.

Pledge of Assets

As at 31 March 2011, the Group pledged certain assets and liabilities with carrying value of HK\$77 million (2010: HK\$32 million) to secure general credit facilities and margin accounts with brokers.

Contingent Liabilities

As at 31 March 2011, the Group had no contingent liabilities.

STAFF

As at 31 March 2011, the Group had a total staff of 1,141 of which 1,053 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。於二零一一年三月三十一日，現金及存款為69,000,000港元，而去年則為80,000,000港元。

以總借貸對比股東資金計算之資產負債比率為0.38 (二零一零年：0.36)，而本年度之借貸淨額對比股東資金則為0.27 (二零一零年：0.23)。按流動資產對比流動負債計算之流動比率由去年度之1.46轉為1.48。

財務及資本架構

本集團乃以權益及借貸作為營運資金。於二零一一年三月三十一日，本集團之借貸總額約為253,000,000港元(二零一零年：219,000,000港元)，須於一年內償還。借貸淨額(以借貸減銀行結餘及現金計算)為184,000,000港元(二零一零年：139,000,000港元)。

由於本集團之交易大部份以美元及港元為結算單位，故所承受之匯率風險並不重大。

於二零一零年五月三十一日，本公司向當時現有股東提呈一項公开发售，以供彼等按每股0.12港元之價格認購628,071,062股新股份，基準為合資格股東於二零一零年六月二十三日每持有五股經調整股份獲發四股股份。於二零一零年七月十四日，本公司籌集資金約75,369,000港元。

資產抵押

於二零一一年三月三十一日，本集團已抵押賬面值為77,000,000港元(二零一零年：32,000,000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

於二零一一年三月三十一日，本集團並無或然負債。

員工

於二零一一年三月三十一日，本集團擁有員工共1,141人，其中1,053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 64, was appointed an 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 41 years and over 41 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 or senior management of the Company.

Mr. Anthony Lau Sak Kai, aged 61, was appointed an executive director of the Company on 26th September, 1989. Mr. Lau has been in the Group for 39 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 or senior management of the Company.

Mr. Andy Lau Sak Yuk, aged 61, was appointed an 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 39 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 or senior management of the Company.

執行董事

劉錫康先生，64歲，於一九八九年九月二十六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41年並擁有超過41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或高級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，61歲，於一九八九年九月二十六日獲委任為本公司執行董事。彼在本集團已服務39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或高級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，61歲，於一九八九年九月二十六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39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或高級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 62, was appointed an executive director of the Company on 23rd July, 2010. She is also the Chief Financial Officer of the Company. She has 34 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 or senior management of the Company.

NON-EXECUTIVE DIRECTOR

Mr. Hon Sheung Tin, Peter, aged 70, 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 41 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 is a member of audit committee and remuneration committee of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Norman Ho Hau Chong, aged 55, 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 24 years of experience in management and property development. He is a director in 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 3rd March, 2010 as director of CITIC Pacific Limited, a company listed on the Stock Exchange.

劉翠蓮女士，62歲，於二零一零年七月二十三日獲委任為本公司執行董事。彼亦為本公司財務總監。彼於財務管理、商業諮詢、財務及監管審計方面擁有34年經驗。劉女士出任The Singing Machine Company, Inc.之臨時財務總監及董事局主席並出任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。劉女士為本公司之執行董事或高級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，70歲，彼於一九八八年獲委任為本公司獨立非執行董事，其後於二零零四年九月二十八日獲調任為本公司非執行董事。現職為律師，於香港執業超過41年。彼於二零零八年四月一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，55歲，彼於一九九八年十月一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24年管理及地產發展經驗。何先生為香港小輪(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。何先生於二零一零年三月三日辭任聯交所上市公司中信泰富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 53, 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 30 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 55, 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 29 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 55, 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 electronic products business. He has been in the Group for 15 years and has over 22 years of experience in the electronics field.

Mr. Lau Sek Hoi, Jacky, aged 52, 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 26 years.

Mr. Wong Kai Wai, Tony, aged 62, 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，53歲，自二零零四年九月三十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30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，55歲，自二零零四年九月三十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29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，55歲，為劉錫康先生之胞弟，亦為本集團一主要附屬公司董事，專責主管本集團電子產品業務，彼在本集團已服務了15年並擁有22年以上電子業務經驗。

劉錫海先生，52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26年。

王繼偉先生，62歲，於二零零五年加入本集團為集團總經理。從一九六七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本集團各部業務。

DIRECTORS AND SENIOR MANAGEMENT'S PROFILE

董事及高級管理人員資料

Manuel E. Mardriz, joined the Group as Senior Vice-President of Sales & General Manager of United States operation in 2010. Mr. Mardriz has over 24 years of experience in developing and growing domestic and international customer centered and market driven business organizations. Prior to joining Starlight, he held the position of President of International Consumer Brands and also an Executive Vice President of Sales for Polaroid Corporation for Americas.

William Bill Taylor, aged 52, joined the Group as Senior Vice-President of Product Management and Marketing of United States operation in 2010. Mr. Taylor has over 25 years retail consumer electronics merchandising experience. Prior to joining Starlight, he served as Polaroid Corporation's Vice President of Product Management. He leads rule of developing retail channel strategies and served as category expert for sales.

Gary Atkinson, aged 30, 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 72, 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 52, 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.

Manuel E. Mardriz，於二零一零年加入本集團，擔任美國業務銷售部高級副總裁兼總經理。Mardriz先生於發展及拓展以國內外客戶為主導之市場驅動型業務組織方面擁有逾24年經驗。加入升岡前，他曾擔任Polaroid Corporation國際消費者品牌部之總裁，兼任美國銷售部之執行副總裁。

William Bill Taylor，52歲，於二零一零年加入本集團，擔任美國業務生產管理與市場推廣部之高級副總裁。Taylor先生擁有逾25年之零售消費電子產品推廣經驗。加入升岡前，他曾擔任Polaroid Corporation生產管理部之副總裁。彼領導開發零售渠道策略之規則，並負責銷售之類目出口。

Gary Atkinson，30歲，於二零零八年一月加入The Singing Machine Company, Inc.，並於二零零九年十一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，72歲，於二零零一年一月獲委任為Cosmo之行政總裁。彼為Cosmo Canada之共同創辦人，並於一九八八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。於一九八二年加盟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，52歲，於一九八一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 2011, 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」）附錄十四所載之企業管治常規守則（「守則」）作為其本身企業管治常規守則。

除下列各項外，本公司於截至二零一一年三月三十一日止年度一直遵守守則之規定：

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，董事局相信，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一九八九年百慕達升岡國際有限公司法(「一九八九年法」)於百慕達註冊成立。根據一九八九年法第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(「公司細則」)規定於各股東週年大會上輪值告退。由於本公司受到一九八九年法之條文約束，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 consists of four 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.

董事局由4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，彼等各自獲委任自二零零九年十月一日至二零一一年九月三十日期間向本公司提供服務。任期須於下列較早期限終止：(i)二零一一年九月三十日；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 2011. 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.

於截至二零一一年三月三十一日止財政年度，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 directors	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
Carol Lau Chu Lan*	劉翠蓮*	4
Peter Hon Sheung Tin	韓相田	4
Norman Ho Hau Chong	何厚鏘	4
Chan Chak Chung	陳澤仲	4
Winston Calptor Chuck	卓育賢	2

* Carol Lau Chu Lan was appointed as executive director on 23 July 2010.

* 劉翠蓮於二零一零年七月二十三日獲委任為執行董事。

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 2011.

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十所載上市公司董事進行證券交易的標準守則(「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，彼等於截至二零一一年三月三十一日止年度一直遵守標準守則。

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 2011. Work undertaken by the audit committee included:

- reviewing of the financial statements for the year ended 31 March 2010 and for the six months ended 30 September 2010; and
- reviewing of the auditors’ fees and its re-appointment.
- reviewing internal control and risk management system.

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制度之成效；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。

審核委員會於截至二零一一年三月三十一日止財政年度會面三(3)次。審核委員會所進行之工作包括：

- 審閱截至二零一零年三月三十一日止年度及截至二零一零年九月三十日止六個月之財務報告；及
- 審閱核數師酬金及續聘。
- 檢討內部監控及風險管理制度。

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	3	3
Peter Hon Sheung Tin	韓相田	3	3
Chan Chak Chung	陳澤仲	3	3

REMUNERATION COMMITTEE

The remuneration committee 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 2010/2011; 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 2011 with the presence of all members.

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：

- 審閱二零一零／二零一一年薪酬政策；及
- 審閱執行董事及獨立非執行董事之薪酬。

薪酬委員會於截至二零一一年三月三十一日止財政年度會面1次，所有委員會成員均有出席會議。

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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.

With effect from 23 July 2010, Ms. Carol Lan Chu Lan was appointed as the executive director of the Company. The said change in directorship was approved by the directors at the Board meeting held on the said date.

AUDITOR'S REMUNERATION

The remuneration in respect of services provided by Deloitte Touche Tohmatsu for the Group for the year ended 31 March 2011 are analysed as follows:

Audit service	核數服務	2,080
Non audit service	非核數服務	110

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

DIRECTORS' AND AUDITOR'S 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。

於二零一零年七月二十三日，劉翠蓮女士獲委任為本公司執行董事。上述董事變更已於該日舉行的董事局會議上獲董事批准。

核數師酬金

德勤•關黃陳方會計師行於截至二零一一年三月三十一日止年度向本集團提供服務所涉及酬金分析如下：

31 March 2011
HK\$'000
二零一一年三月三十一日
千港元

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。於編製截至二零一一年三月三十

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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, 2011, 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 auditor 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 or 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.

一日止年度之財務報告時，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。董事局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。

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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 2010 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 2010 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。

於二零一零年股東週年大會上，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二零一零年股東週年大會，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。

DIRECTORS' REPORT

董事局報告書

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 2011.

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 2011 are set out in the consolidated statement of comprehensive income on page 39.

The directors do not recommend payment of a dividend for the year ended 31 March 2011.

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」)截至二零一一年三月三十一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

截至二零一一年三月三十一日止年度之本集團業績載於第39頁之綜合全面收益表。

董事不建議派發截至二零一一年三月三十一日止年度之股息。

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。

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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 2011 consisted of contributed surplus of HK\$75,263,000 net of accumulated losses of HK\$19,399,000.

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

根據一九八一年百慕達公司法，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。

董事認為在二零一一年三月三十一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19,399,000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本公司之董事如下：

執行董事：

劉錫康

劉錫淇

劉錫澳

劉翠蓮(於二零一零年七月二十三日獲委任)

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

董事局報告書

In accordance with the Company's Bye-law 82, Messrs. Lau Sak Kai, Andy, Chan Chak Chung and Winstom Calptor Chuck will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

In addition, Mr. Philip Lau Sak Hong, who is the chairman and managing director of the Company and is not subject to the retirement by rotation pursuant to Starlight International Holdings Limited Company Act 1989, will voluntarily retire from his directorship at the forthcoming annual general meeting and offer himself for re-election.

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 (2010: 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.

劉錫淇先生、陳澤仲先生及卓育賢先生將依照本公司之公司細則第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。

此外，本公司主席兼董事總經理劉錫康先生根據升岡國際有限公司一九八九年公司法毋須輪值告退，惟將自願於即將召開之股東週年大會上退任董事職務，並膺選連任。

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二零一一年九月三十日及依照本公司之公司細則輪值告退。

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(二零一零年：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訂立重要合約而使董事於其中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 2011, 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

截至二零一一年三月三十一日，(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、相關股份或債券中之權益及淡倉如下：

Name of directors	Long position/ short position	Capacity	Number of shares held	Approximate percentage of shareholding as at 31 March 2011 於二零一一年 三月三十一日 持股概約百分比
董事姓名	長倉／淡倉	身份	持股數目	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	184,681,452	12.26%
		Interest of controlled corporation (note a) 控股公司擁有之權益 (附註a)	5,697,497	0.38%
		Interest of controlled corporation (note b) 控股公司擁有之權益 (附註b)	18,180,747	1.21%
		Held by trust (note c) 信託基金持有(附註c)	304,324,576	20.22%
			512,884,272	34.07%

DIRECTORS' REPORT

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DIRECTORS' INTERESTS IN SECURITIES (CONT'D)

董事之證券權益(續)

Name of directors	Long position/ short position	Capacity	Number of shares held	Approximate percentage of shareholding as at 31 March 2011 於二零一一年 三月三十一日 持股概約百分比
董事姓名	長倉／淡倉	身份	持股數目	
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	69,648,904	4.62%
		Interest of controlled corporation (note a) 控股公司擁有之權益 (附註a)	5,697,497	0.38%
		Interest of controlled corporation (note b) 控股公司擁有之權益 (附註b)	18,180,747	1.21%
			93,527,148	6.21%
Lau Sak Yuk, Andy 劉錫澳	Long position 長倉	Beneficial owner 實益擁有人	67,513,401	4.48%
		Interest of controlled corporation (note a) 控股公司擁有之權益 (附註a)	5,697,497	0.38%
		Interest of controlled corporation (note b) 控股公司擁有之權益 (附註b)	18,180,747	1.21%
			91,391,645	6.07%
Lau Chu Lan, Carol 劉翠蓮	Long position 長倉	Beneficial owner 實益擁有人	384,483	0.03%

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	Long position/ short position	Capacity	Number of shares held	Approximate percentage of shareholding as at 31 March 2011 於二零一一年 三月三十一日 持股概約百分比
董事姓名	長倉／淡倉	身份	持股數目	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	372,181	0.02%
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	1,386,000	0.09%

Notes:

附註：

- | | |
|--|---|
| <p>(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").</p> <p>(b) These shares are held by Wincard Management Services Limited, a company which is wholly and beneficially owned by the Lau's family.</p> <p>(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.</p> | <p>(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。</p> <p>(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。</p> <p>(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。</p> |
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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 2011, 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，於二零一一年三月三十一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

本公司於二零零二年九月十二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、諮詢人或顧問以及本集團任何成員公司之股東。

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%，而整體已授出及尚未行使之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%。

根據購股權認購股份之期限由董事局決定，惟不可於購股權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 授出日期	Original exercise price 原行使價 HK\$ 港元	Adjusted exercise price 經調整行使價 HK\$ 港元 (note c) (附註c)	Number of share options 購股權數目				Market value per share* 每股市值* HK\$ 港元
			Outstanding as at 1.4.2010 於二零一零年四月一日尚未行使	Adjustment 調整 (note c) (附註c)	Exercised during the year 年內已行使	Outstanding as at 31.3.2011 於二零一一年三月三十一日尚未行使	
5 January 2006 二零零六年一月五日	0.89	0.1903	12,000,000	44,126,400	(56,126,400)	-	0.282
13 November 2006 二零零六年十一月十三日	1.45	0.3100	2,000,000	7,354,400	(3,000,000)	6,354,400	0.350
4 January 2007 二零零七年一月四日	1.66	0.3549	220,000	808,984	-	1,028,984	N/A 不適用
1 February 2007 二零零七年二月一日	1.72	0.3677	40,000	147,088	-	187,088	N/A 不適用
7 March 2007 二零零七年三月七日	1.93	0.4126	3,000,000	11,031,600	-	14,031,600	N/A 不適用
			17,260,000	63,468,472	(59,126,400)	21,602,072	

* being the weighted average closing price of the Company's ordinary shares immediately before the dates on which the options were exercised.

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。

舊計劃已於二零零七年九月十一日屆滿，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：

* 即本公司普通股在緊接購股權行使日期前之加權平均收市價。

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, lapsed or cancelled during the year.
- (c) Pursuant to an ordinary resolution passed at the special general meeting of the Company held on 23 June 2010, 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") was approved. The number of share options and the corresponding exercise prices had been adjusted as a result of the Open Offer.

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) 於本年度內並無購股權獲授出、失效或被註銷。
- (c) 根據本公司於二零一零年六月二十三日舉行之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」)。購股權數目及相應行使價已因公開發售而作出調整。

本公司於二零零八年一月十五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，不得超過新計劃於二零零八年一月十五日採納日期之已發行股份之10%，而整體已授出及尚未行使之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。

根據購股權認購股份之期限由董事局決定，惟不可於購股權授出日起計超過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	Original exercise price	Adjusted exercise price	Number of share options		Granted during the year	Exercised during the year	Outstanding as at 31.3.2011	Market value per share*	Market value per share**
			Outstanding as at 1.4.2010	Adjustment					
授出日期	原行使價	經調整行使價	於二零一零年四月一日尚未行使	調整	年內已授出	年內已行使	於二零一一年三月三十一日尚未行使	每股市值*	每股市值**
	HK\$ 港元	HK\$ 港元		(note c) (附註c)				HK\$ 港元	HK\$ 港元
23 January 2008 二零零八年一月二十三日	1.042	0.2228	150,000	551,580	-	-	701,580	N/A 不適用	N/A 不適用
28 January 2008 二零零八年一月二十八日	0.96	0.2053	346,000	1,272,311	-	(760,000)	858,311	N/A 不適用	0.398
15 October 2008 二零零八年十月十五日	0.40	0.0855	500,000	1,838,600	-	-	2,338,600	N/A 不適用	N/A 不適用
12 August 2010 二零一零年八月十二日	0.1880	N/A 不適用	-	-	2,500,000	(2,200,000)	300,000	0.174	0.405
31 August 2010 二零一零年八月三十一日	0.1880	N/A 不適用	-	-	12,000,000	-	12,000,000	0.187	N/A 不適用
			996,000	3,662,491	14,500,000	(2,960,000)	16,198,491		

* being the closing price of the Company's ordinary shares immediately before the dates on which the options were granted.

** being the weighted average closing price of the Company's ordinary shares immediately before the dates on which the options were exercised.

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 lapsed or cancelled during the year.
- (c) The number of share options and the corresponding exercise prices had been adjusted as a result of the Open Offer.

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：

* 即本公司普通股在緊接購股權授出日期前之收市價。

** 即本公司普通股在緊接購股權行使日期前之加權平均收市價。

附註：

- (a) 以上購股權由授出日起十年內行使。
- (b) 於本年度內並無購股權失效或被註銷。
- (c) 購股權數目及相應行使價已因公開發售而作出調整。

DIRECTORS' REPORT

董事局報告書

SHARE OPTIONS (CONT'D)

Share options of The Singing Machine Company, Inc. ("SMC"), a 51.86% 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.

The movements of the share options granted to a director of the Company pursuant to the SMC Scheme were as follows:

購股權(續)

本公司持有51.86%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。

根據SMC計劃向本公司一名董事所授出購股權之變動載列如下：

Name of director	Date of grant	Exercise price	Number of share options outstanding as at 1.4.2010 and 31.3.2011 於二零一零年四月一日及二零一一年三月三十一日尚未行使之購股權數目
董事姓名	授出日期	行使價 US\$ 美元	
Lau Chu Lan, Carol 劉翠蓮	31 March 2008 二零零八年三月三十一日	0.45	20,000
	31 March 2009 二零零九年三月三十一日	0.11	20,000
			40,000

DIRECTORS' REPORT

董事局報告書

SHARE OPTIONS (CONT'D)

Share options of The Singing Machine Company, Inc. ("SMC"), a 51.86% 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51.86%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				Market value per share*	
		Outstanding as at 1.4.2010	Granted during the year	Forfeited during the year	Outstanding as at 31.3.2011		
授出日期	行使價 US\$ 美元	於二零一零年 四月一日 尚未行使	年內已授出	年內已沒收	於二零一一年 三月三十一日 尚未行使	每股市值*	
31 December 2002	9.00	5,500	-	(1,500)	4,000	N/A	不適用
19 December 2003	1.97	5,710	-	(830)	4,880	N/A	不適用
6 February 2004	1.54	6,500	-	-	6,500	N/A	不適用
26 February 2004	1.36	20,000	-	-	20,000	N/A	不適用
29 March 2004	1.20	20,000	-	-	20,000	N/A	不適用
29 November 2004	0.75	40,000	-	-	40,000	N/A	不適用
1 December 2004	0.77	20,000	-	-	20,000	N/A	不適用
9 May 2005	0.60	57,000	-	(23,000)	34,000	N/A	不適用
31 March 2006	0.32	60,000	-	-	60,000	N/A	不適用
10 April 2006	0.33	52,000	-	(10,000)	42,000	N/A	不適用
31 March 2007	0.93	60,000	-	-	60,000	N/A	不適用
31 March 2008	0.45	100,000	-	-	100,000	N/A	不適用
31 March 2009	0.11	100,000	-	-	100,000	N/A	不適用
31 March 2010	0.03	60,000	-	-	60,000	N/A	不適用
29 October 2010	0.06	-	520,000	-	520,000	0.06	
31 March 2011	0.04	-	60,000	-	60,000	0.04	
		606,710	580,000	(35,330)	1,151,380		

* being the closing price of the Company's ordinary shares immediately before the dates on which the options were granted.

* 即本公司普通股在緊接購股權授出日期前之收市價。

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 2011, 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	Number of underlying ordinary shares in which interested	% of total issued shares as at 31 March 2011
姓名	身份	持有普通股數目	持有相關普通股數目	於二零一一年三月三十一日佔已發行股份總數之百分比
Lee Yu Chiang (note) 李裕章(附註)	Beneficial owner 實益擁有人	42,140,878	–	2.80
Chan Man Hon Eric 陳文漢	Beneficial owner 實益擁有人	–	105,000,000	6.98

Save as mentioned above and in the section headed "Directors' Interests in Securities", as at 31 March 2011, 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.

Note: These interests were disclosed by Lee Yu Chiang since 29 September 2003 and had been adjusted as a result of the consolidation of shares in 2003. The percentage interest of Lee Yu Chiang in the Company has been reduced due to subsequent allotment of new 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

於二零一一年三月三十一日，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5%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，於二零一一年三月三十一日，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。

附註：該等權益乃李裕章自二零零三年九月二十九日以來所披露之權益，並已就二零零三年股份合併進行調整。李裕章於本公司之權益百分比因本公司其後配發新股份而減少。

DIRECTORS' REPORT

董事局報告書

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any 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 26% and 71% 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 21% and 36% 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

本年度內本公司及其任何附屬公司並無買賣或贖回本公司之任何上市證券。

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

本集團最大及首五大客戶之銷售總額分別佔本集團年內營業總額26%及71%。

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21%及36%。

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%)在本集團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 2011.

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
29 June 2011

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，本公司於截至二零一一年三月三十一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。

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本公司股東週年大會上提呈。

代表董事局

主席
劉錫康

香港
二零一一年六月二十九日

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 38 to 154, which comprise the consolidated statement of financial position as at 31 March 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statement that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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38頁至第154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二零一一年三月三十一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解釋性資料。

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》的披露規定編製綜合財務報告，以令綜合財務報告作出真實而公平的反映，及落實董事認為編製綜合財務報告所必要的內部監控，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。

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 Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 of the consolidated financial statements that give a true and fair view 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綜合財務報告以作出真實而公平的反映相關的內部監控，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 2011 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
29 June 2011

意見

本行認為，綜合財務報告均真實而公平地反映 貴集團於二零一一年三月三十一日的財務狀況及 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
二零一一年六月二十九日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (經重列)
Turnover	營業額	5	637,633	738,262
Cost of sales	銷售成本		(532,743)	(610,322)
Gross profit	毛利		104,890	127,940
Other income	其他收入	6	15,796	16,796
Distribution costs	分銷成本		(100,046)	(124,860)
Administrative and other expenses	行政及其他費用		(117,260)	(130,493)
Increase in fair value of investment properties	投資物業之公平價值增加	13	61,381	37,134
Increase in fair value of derivative financial instruments	衍生金融工具之公平價值增加		96	2,451
(Decrease) 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(減少)增加		(12)	71
(Decrease) increase in fair value of investments held for trading	持作買賣之投資之公平價值(減少)增加		(129)	5,476
Loss on deemed partial disposal of a subsidiary	被視作出售附屬公司部份權益之虧損	36	-	(7)
Finance costs	融資成本	7	(8,081)	(10,692)
Share of profits of associates	應佔聯營公司溢利		291	472
Loss before taxation	除稅前虧損	8	(43,074)	(75,712)
Taxation	稅項	10	(840)	195
Loss for the year	本年度虧損		(43,914)	(75,517)
Other comprehensive income	其他全面收益			
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額		288	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		1,321	10,628
Other comprehensive income for the year	本年度其他全面收益		1,609	16,050
Total comprehensive expense for the year	本年度全面開支總額		(42,305)	(59,467)
Loss for the year	本年度虧損			
Attributable to:	下列人士應佔：			
Owners of the Company	本公司擁有人		(41,216)	(65,827)
Non-controlling interests	非控股權益		(2,698)	(9,690)
			(43,914)	(75,517)
Total comprehensive expense for the year	本年度全面開支總額			
Attributable to:	下列人士應佔：			
Owners of the Company	本公司擁有人		(39,625)	(50,113)
Non-controlling interests	非控股權益		(2,680)	(9,354)
			(42,305)	(59,467)
			HK cents 港仙	HK cents 港仙 (Restated) (經重列)
Loss per share – Basic and diluted	每股虧損 – 基本及攤薄	12	(3.18)	(7.17)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

At 31 March 2011
於二零一一年三月三十一日

			31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元 (Restated) (經重列)	1.4.2009 二零零九年 四月一日 HK\$'000 千港元 (Restated) (經重列)
Non-current assets	非流動資產				
Investment properties	投資物業	13	208,442	145,350	91,916
Property, plant and equipment	物業、廠房及設備	14	203,965	237,652	272,565
Prepaid lease payments	預付租賃款項	15	3,653	3,774	63,676
Product development costs	產品發展成本	16	-	-	260
Goodwill	商譽	17	26,484	26,484	26,541
Interest in associates	應佔聯營公司權益	19	8,176	8,174	8,071
Available-for-sale investments	可供出售之投資	20	24,040	24,046	24,048
Deferred tax assets	遞延稅項資產	30	3,943	3,245	5,918
			478,703	448,725	492,995
Current assets	流動資產				
Inventories	存貨	22	345,183	325,718	402,471
Debtors, deposits and prepayments	應收賬項、按金及預付款項	23	184,138	115,247	181,451
Prepaid lease payments	預付租賃款項	15	121	121	1,386
Amounts due from associates	應收聯營公司賬項	24	3,030	3,010	2,945
Taxation recoverable	可收回稅項		37	584	4,919
Investments held for trading	持作買賣之投資	25	2,252	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	20	3	798
Bank balances and cash	銀行結存及現金	26	69,168	80,440	103,572
			603,949	539,000	704,497
Current liabilities	流動負債				
Creditors and accrued charges	應付賬項及應計費用	27	151,767	144,779	185,227
Amounts due to associates	應付聯營公司賬項	24	2,809	2,809	2,809
Derivative financial instruments	衍生金融工具	21	-	275	50
Taxation payable	應付稅項		1,046	1,671	1,797
Borrowings	貸款	28	253,332	219,389	326,091
Bank overdrafts	銀行透支	29	-	218	-
			408,954	369,141	515,974
Net current assets	流動資產淨值		194,995	169,859	188,523
Total assets less current liabilities	總資產減流動負債		673,698	618,584	681,518
Non-current liabilities	非流動負債				
Deferred tax liabilities	遞延稅項負債	30	205	203	3,810
Net assets	資產淨值		673,493	618,381	677,708

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

At 31 March 2011
於二零一一年三月三十一日

		Notes 附註	31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元 (Restated) (經重列)	1.4.2009 二零零九年 四月一日 HK\$'000 千港元 (Restated) (經重列)
Capital and reserves	股本及儲備				
Share capital	股本	31	150,524	314,035	314,035
Reserves	儲備		524,159	302,963	353,076
Equity attributable to owners of the Company	本公司擁有人應佔權益		674,683	616,998	667,111
Non-controlling interests	非控股權益		(1,190)	1,383	10,597
Total equity	總權益		673,493	618,381	677,708

The consolidated financial statements on pages 38 to 154 were approved and authorised for issue by the Board of Directors on 29 June 2011 and are signed on its behalf by:

第38頁至第154頁所載之綜合財務報告，經於二零一一年六月二十九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 2011
截至二零一一年三月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔											Attributable to non-controlling interests 非控股權益應佔					
		Share capital	Share premium	Merger reserve	Goodwill reserve	Capital reserve	Other		Translation reserve	Share option reserve	Warrant reserve	Capital redemption reserve	Accumulated profits	Sub-total	Share of net assets of subsidiaries	Share option reserve of a listed subsidiary	Sub-total	Total
							Investment revaluation reserve	property revaluation reserve										
		股本	股份溢價	合併儲備	商譽儲備	資本儲備	投資重估儲備	其他物業重估儲備	換算儲備	購股權儲備	認股權證儲備	資本贖回儲備	累計溢利	小計	附屬公司資產淨值	附屬公司之購股權儲備	小計	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	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2009 as originally stated	於二零零九年四月一日(最初呈列)	314,035	109,628	37,138	(3,688)	-	(82)	2,007	4,327	3,556	-	55,968	142,211	665,100	10,205	392	10,597	675,697
Effect on change in accounting policy (note 2)	會計政策變動之影響(附註2)	-	-	-	-	-	-	-	-	-	-	2,011	2,011	-	-	-	-	2,011
At 1 April 2009 as restated	於二零零九年四月一日(經重列)	314,035	109,628	37,138	(3,688)	-	(82)	2,007	4,327	3,556	-	55,968	144,222	667,111	10,205	392	10,597	677,708
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	-	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
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	-	-	(65,827)	(65,827)	(9,690)	-	(9,690)	(75,517)	
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	-	-	-	-	-	10,628	5,086	-	-	-	(65,827)	(50,113)	(9,354)	-	(9,354)	(59,467)	
		314,035	109,628	37,138	(3,688)	-	(82)	12,635	9,413	3,556	-	55,968	78,395	616,998	851	392	1,243	618,241
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東注資	-	-	-	-	-	-	-	-	-	-	-	-	117	-	117	117	
Deemed partial disposal of a subsidiary	被視為出售附屬公司股份權益	-	-	-	-	-	-	-	-	-	-	-	-	(50)	-	(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	73	
At 31 March 2010 as restated	於二零一零年三月三十一日(經重列)	314,035	109,628	37,138	(3,688)	-	(82)	12,635	9,413	3,556	-	55,968	78,395	616,998	918	465	1,383	618,381
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	-	-	270	-	-	-	-	270	18	-	18	288	
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	-	-	-	-	-	1,321	-	-	-	-	-	1,321	-	-	-	1,321	
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	-	-	(41,216)	(41,216)	(2,698)	-	(2,698)	(43,914)	
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	-	-	-	-	-	1,321	270	-	-	-	(41,216)	(39,625)	(2,680)	-	(2,680)	(42,305)	
		314,035	109,628	37,138	(3,688)	-	(82)	13,956	9,683	3,556	-	55,968	37,179	577,373	(1,762)	465	(1,297)	576,076
Capital reorganisation (note 31)	股本重組(附註31)	(235,527)	-	-	-	-	-	-	-	-	-	235,527	-	-	-	-	-	
Issue of shares upon open offer (note 31)	公開發售時發行股份(附註31)	62,807	12,562	-	-	-	-	-	-	-	-	-	75,369	-	-	-	75,369	
Expenses in relation to open offer	有關公開發售之開支	-	(2,780)	-	-	-	-	-	-	-	-	-	(2,780)	-	-	-	(2,780)	
Issue of warrants (note 33)	發行認股權證(附註33)	-	-	-	-	-	-	-	-	1,550	-	-	1,550	-	-	-	1,550	
Issue of share upon exercise of share options	行使購股權時發行股份	6,209	5,972	-	-	-	-	-	-	-	-	-	12,181	-	-	-	12,181	
Issue of shares upon exercise of warrants	行使認股權證時發行股份	3,000	7,200	-	-	-	-	-	-	(300)	-	-	9,900	-	-	-	9,900	
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東注資	-	-	-	-	-	-	-	-	-	-	-	-	59	-	59	59	
Deemed partial disposal of a subsidiary	被視為出售附屬公司股份權益	-	-	-	-	50	-	-	-	-	-	-	50	(50)	-	(50)	-	
Recognition of equity-settled share-based payments	確認以權益結算以股份支付之付款	-	-	-	-	-	-	-	1,040	-	-	-	1,040	-	98	98	1,138	
At 31 March 2011	於二零一一年三月三十一日	150,524	132,582	37,138	(3,688)	50	(82)	13,956	9,683	4,596	1,250	291,495	37,179	674,683	(1,753)	563	(1,190)	673,493

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the Year Ended 31 March 2011
截至二零一一年三月三十一日止年度

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 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	(43,074)	(75,712)
Adjustments for:	調整：		
Share of profits of associates	應佔聯營公司溢利	(291)	(472)
Amortisation of product development costs	產品發展成本攤銷	-	260
Release of prepaid lease payments	撥回預付租賃款項	121	121
Depreciation of property, plant and equipment	物業、廠房及設備折舊	39,975	47,380
Increase in fair value of investment properties	投資物業之公平價值增加	(61,381)	(37,134)
Decrease (increase) in fair value of investments held for trading	持作買賣之投資之公 平價值減少(增加)	129	(5,476)
Increase in fair value of derivative financial instruments	衍生金融工具之 公平價值增加	(96)	(2,451)
Decrease (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 公平價值減少(增加)	12	(71)
Impairment loss recognised in respect of available-for-sale investments	已確認可供出售投資之減值虧損	6	2
Dividend income from available-for-sale investments	可供出售之投資之股息收益	-	(255)
Dividend income from investments held for trading	持作買賣之投資之股息收益	(162)	(161)
Share-based payments	以股份支付之付款	1,138	73
Interest expense	利息開支	8,081	10,692
Interest income	利息收益	(81)	(162)
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	-	168
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	5,890	11,291
Allowance for doubtful debts	呆賬撥備	1,161	2,005
Impairment loss recognised in respect of other receivables	其他應收款項確認 之減值虧損	680	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
Effect of foreign exchange rate change on inter-company balances	集團公司往來賬匯率 變動之影響	(997)	134

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the Year Ended 31 March 2011
截至二零一一年三月三十一日止年度

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Operating cash flows before movements in working capital	營運資金變動前之營運產生現金流	(48,889)	(44,655)
(Increase) decrease in inventories	存貨(增加)減少	(25,355)	65,462
(Increase) decrease in debtors, deposits and prepayments	應收賬項、按金及預付款項(增加)減少	(70,732)	35,092
Decrease (increase) in investments held for trading	持作買賣之投資減少(增加)	11,496	(1,446)
(Increase) decrease in derivative financial instruments	衍生金融工具(增加)減少	(179)	2,676
(Increase) 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(增加)減少	(29)	866
Increase (decrease) in creditors and accrued charges	應付賬項及應計費用增加(減少)	6,988	(40,448)
Cash (used in) generated from operations	營運(所用)產生之現金	(126,700)	17,547
Dividend received from investments held for trading	持作買賣投資之股息收益	162	161
Hong Kong Profits Tax refunded	香港利得稅退回	240	3,674
Taxation in other jurisdictions paid	其他司法區稅項支出	(1,854)	(518)
Taxation in other jurisdictions refunded	其他司法區稅項退回	-	314
Net cash (used in) from operating activities	經營業務(所用)所得之現金淨額	(128,152)	21,178
Cash flows from investing activities	投資活動之現金流		
Dividend received from an associate	已收聯營公司股息	289	369
Interest received	已收利息	81	162
Purchase of property, plant and equipment	購買物業、廠房及設備	(6,678)	(18,840)
Increase in amounts due from associates	應收聯營公司賬項增加	(20)	(65)
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
Dividend received from available-for-sale investments	可供出售之投資之股息收益	-	255
Net cash (used in) from investing activities	投資業務(所用)所得之現金淨額	(6,328)	67,461

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the Year Ended 31 March 2011
截至二零一一年三月三十一日止年度

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash flows from financing activities	融資活動之現金流		
Proceeds from issue of shares upon open offer	公開發售時發行股份所得款項	75,369	–
Net proceeds from (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所得款項(還款)淨額	71,257	(19,946)
Other loan raised	所籌集之其他貸款	35,300	–
Proceeds from issue of shares upon exercise of share options	行使購股權時發行股份所得款項	12,181	–
Proceeds from issue of shares upon exercise of warrants	行使認股權證時發行股份所得款項	9,900	–
Proceeds from issue of warrants	發行認股權證所得款項	1,550	–
Net proceeds from (payment of) debt factoring loans	債權貼現貸款所得款項(支付)淨額	1,084	(28,323)
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東注資	59	117
Net repayment of short term loans	短期貸款還款淨額	(46,417)	(47,324)
Repayment of bank loan	償還銀行貸款	(27,281)	(11,109)
Interest on bank and other borrowings paid	已付銀行及其他貸款利息	(8,081)	(10,692)
Expenses in relation to open offer	有關公開發售之開支	(2,780)	–
Net cash from (used in) financing activities	融資活動所得(所用)之現金淨額	122,141	(117,277)
Net decrease in cash and cash equivalents	現金及現金等值項目之減少淨額	(12,339)	(28,638)
Cash and cash equivalents at beginning of the year	年初現金及現金等值項目	80,222	103,572
Effect of exchange difference	匯兌差額之影響	1,285	5,288
Cash and cash equivalents at end of the year	年終現金及現金等值項目	69,168	80,222
Represented by:	代表：		
Bank balances and cash	銀行結存及現金	69,168	80,440
Bank overdrafts	銀行透支	–	(218)
		69,168	80,222

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

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”)/CHANGES IN ACCOUNTING POLICIES

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”).

HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions
HKFRS 3 (as revised in 2008)	Business combinations
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets
HKAS 27 (as revised in 2008)	Consolidated and separate financial statements
HKAS 32 (Amendments)	Classification of rights issues
HKAS 39 (Amendments)	Eligible hedged items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009

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」）／會計政策變動

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
香港財務報告準則第3號（二零零八年經修訂）	業務合併
香港會計準則第12號（修訂本）	遞延稅項：相關資產之回收
香港會計準則第27號（二零零八年經修訂）	綜合及獨立財務報告
香港會計準則第32號（修訂本）	供股分類
香港會計準則第39號（修訂本）	合資格對沖項目
香港財務報告準則（修訂本）	二零零九年頒佈之香港財務報告準則之改進

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

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

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners
HK – INT 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

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.

HKAS 27 (as revised in 2008) “Consolidated and separate financial statements”

The application of HKAS 27 (as revised in 2008) has resulted in changes in the Group’s accounting policies for changes in ownership interests in subsidiaries of the Group.

Specifically, the revised standard has affected the Group’s accounting policies regarding changes in the Group’s ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, when appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under HKAS 27 (as revised in 2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

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」)/會計政策變動(續)

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(作為二零零八年頒佈之香港財務報告準則之一部份改進)
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
香港–詮釋第5號	財務報告之呈列–借款人對包含按按要求償還條款之定期貸款之分類

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。

香港會計準則第27號(二零零八年經修訂)「綜合及獨立財務報告」

應用香港會計準則第27號(二零零八年經修訂)導致本集團有關於本集團附屬公司之擁有權權益變動之會計政策發生變動。

具體而言，該經修訂準則影響本集團關於本集團於其附屬公司之擁有權權益變動(不會導致失去控制權)之會計政策。於過往年度，在香港財務報告準則並無明確規定之情況下，於現有附屬公司之權益增加按收購附屬公司之相同方式處理，並確認商譽或議價購買收益(如適用)。而對於並無導致失去控制權之現有附屬公司權益減少，已收取代價與非控股權益之調整間之差額於損益確認。根據香港會計準則第27號(二零零八年經修訂)，所有該等增加或減少均於權益中處理，對商譽或損益並無影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

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

HKAS 27 (as revised in 2008) “Consolidated and separate financial statements” (CONT'D)

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised standard requires the Group to derecognise all assets, liabilities and non-controlling interests at their carrying amounts and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

These changes have been applied prospectively from 1 April 2010 in accordance with the relevant transitional provisions.

The application of the revised standard has affected the accounting for the Group's deemed disposal of partial interest in The Singing Machine Company, Inc. (“SMC”) in the current year. During the year, SMC issued 249,999 shares to certain employees of the Group. The issue of shares diluted the shareholding held by the Company from 52.21% to 51.86%. Since the non-controlling interests are sharing a net liability of SMC, the non-controlling interests decreased by HK\$50,000 upon the deemed disposal of partial interest. The change in policy has resulted in the gain on deemed disposal of partial interest of HK\$50,000 being recognised directly in equity, instead of profit or loss. Therefore, the change in accounting policy has resulted in a decrease in the loss for the year of HK\$68,000 (after offsetting with the derecognition of goodwill of HK\$118,000).

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」)/會計政策變動(續)

香港會計準則第27號(二零零八年經修訂)「綜合及獨立財務報告」(續)

當任何交易、事件或其他情況導致本集團失去附屬公司之控制權時，該經修訂準則規定本集團須以賬面值終止確認所有資產、負債及非控股權益，同時確認已收代價之公平價值。任何於該前附屬公司之剩餘權益則於控制權失去當日以公平價值確認。由此產生的差額計入損益內的收益或虧損。

此等變更已根據相關過渡性條文由二零一零年四月一日起提前採納。

應用該經修訂準則已影響本集團於本年度視為出售The Singing Machine Company, Inc. (「SMC」)部份權益之會計方法。本年度內，SMC向本集團若干僱員發行249,999股股份。發行股份令本公司持有之股權由52.21%攤薄至51.86%。鑒於非控股權益分佔SMC之負債淨額，非控股權益於視為出售部份權益後減少50,000港元。由於該項政策改變，視為出售部份權益之收益50,000港元直接於權益而非損益內確認。因此，該項會計政策改變導致本年度虧損減少68,000港元(與終止確認商譽118,000港元抵銷後)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

For the year ended 31 March 2011
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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGES IN ACCOUNTING POLICIES (CONT’D)

HKAS 27 (as revised in 2008) “Consolidated and separate financial statements” (CONT’D)

HKAS 27 (as revised in 2008) also requires total comprehensive income and expense of a subsidiary to be attributable to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Accordingly, the non-controlling interests of certain subsidiaries share total comprehensive expense of HK\$2,964,000 during the year and resulted in a decrease in the non-controlling interests of the same amount at 31 March 2011.

In addition, under HKAS 27 (as revised in 2008), the definition of non-controlling interest has been changed. Specifically, under the revised standard, non-controlling interest is defined as the equity in a subsidiary not attributable, directly or indirectly, to a parent. The application of the revised standard has resulted in share option reserve relating to the employee share option plan of SMC being included as part of non-controlling interests in the consolidated statement of financial position and consolidated statement of changes in equity. Previously, such share option reserve was presented separately in the consolidated statement of financial position and consolidated statement of changes in equity.

Amendments to HKAS 12 “Income taxes”

Amendments to HKAS 12 titled “Deferred tax: Recovery of underlying assets” have been applied in advance of their effective date (annual periods beginning on or after 1 April 2012). Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 “Investment property” are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances.

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」)/會計政策變動(續)

香港會計準則第27號(二零零八年經修訂)「綜合及獨立財務報告」(續)

香港會計準則第27號(二零零八年經修訂)亦規定，附屬公司之全面收益及開支總額須歸屬於本公司擁有人及非控股權益，即使這會導致非控股權益產生虧蝕。因此，本年度若干附屬公司之非控股權益分佔全面開支總額2,964,000港元，並導致二零一一年三月三十一日之非控股權益減少相同金額。

此外，香港會計準則第27號(二零零八年經修訂)改變了非控股權益之定義。具體而言，於該經修訂準則下，非控股權益定義為附屬公司權益不可直接或間接歸屬於母公司。應用該經修訂準則後，與SMC僱員購股權計劃相關之購股權儲備計入綜合財務狀況報表及綜合權益變動表之非控股權益項下。此前，該購股權儲備於綜合財務狀況報表及綜合權益變動表中獨立呈列。

香港會計準則第12號(修訂本)「所得稅」

香港會計準則第12號(修訂本)「遞延稅項：相關資產之回收」已於生效日期(於二零一二年四月一日或之後開始之年度期間)之前應用。根據此修訂，按照香港會計準則第40號「投資物業」以公平價值模式計量之投資物業是假設可透過出售收回，除非此項假設在某些情況下被駁回。

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

Amendments to HKAS 12 “Income taxes” (CONT'D)

The Group’s investment properties that are measured using the fair value model have been presumed to be recovered through sale for the purpose of measuring deferred tax liabilities and deferred tax assets in respect of such properties. This resulted in deferred tax liabilities being decreased by HK\$2,011,000 and HK\$4,264,000 as at 1 April 2009 and 31 March 2010 respectively, with the corresponding adjustment being recognised in other property revaluation reserve (regarding the deferred taxation in respect of revaluation of leasehold properties for own use upon transfer to investment properties) and accumulated profits.

In the current year, no deferred tax has been provided for in respect of changes in fair value of such investment properties, whereas previously deferred tax liabilities were provided for in relation to the changes in fair value of such investment properties. The application of the amendments has resulted in loss for the year being decreased by HK\$2,447,000 after considering the reversal of deferred tax assets in relation to tax losses of respective entities, realisation of which was no longer probable.

HK – INT 5 “Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause”

HK – INT 5 “Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause” clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time (“repayment on demand clause”) should be classified by the borrower as current liabilities. The Group has applied HK – INT 5 for the first time in the current year. HK – INT 5 requires retrospective application.

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」)/會計政策變動(續)

香港會計準則第12號(修訂本)「所得稅」(續)

為計量有關物業之遞延稅項負債及遞延稅項資產，本集團之投資物業均採用假設可透過出售收回之公平價值模式計量，並使二零零九年四月一日及二零一零年三月三十一日之遞延稅項負債分別減少2,011,000港元及4,264,000港元，而相應之調整已於其他物業重估儲備(有關於轉撥至投資物業後重估自用租賃物業之遞延稅項)及累計溢利中確認。

於本年度，本集團並無為該等投資物業之公平價值變動撥提遞延稅項，然而以往曾就該等投資物業之公平價值變動撥提遞延稅項負債。本集團應用此修訂，令本年度虧損減少2,447,000港元(經考慮有關實體不再可能變現之稅項虧損之遞延稅項資產之回撥)。

香港詮釋第5號「財務報告之呈列—借款人對包含按要求償還條款之定期貸款之分類」

香港詮釋第5號「財務報告之呈列—借款人對包含按要求償還條款之定期貸款之分類」闡明，包含給予貸款人隨時收回貸款之無條件權利之條款(「按要求償還條款」)之定期貸款，應由借款人分類為流動負債。本集團已於本年度首次應用香港詮釋第5號。香港詮釋第5號規定須追溯應用。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGES IN ACCOUNTING POLICIES (CONT’D)

HK – INT 5 “Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause” (CONT’D)

In order to comply with the requirements set out in HK – INT 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans was determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK – INT 5, term loans with a repayment on demand clause are classified as current liabilities.

As a result, bank loans that contain a repayment on demand clause with the aggregate carrying amounts of HK\$23,782,000 have been reclassified from non-current liabilities to current liabilities as at 1 April 2009. These bank loans have been fully repaid. The application of HK – INT 5 has had no impact on the reported profit or loss for the current and prior years.

Amendments to HKAS 17 “Leases”

As part of Improvements to HKFRSs issued in 2009, HKAS 17 “Leases” has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

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」)/會計政策變動(續)

香港詮釋第5號「財務報告之呈列—借入人對包含按要償還條款之定期貸款之分類」(續)

為遵守香港詮釋第5號之規定，本集團已變更劃分包含按要償還條款之定期貸款之會計政策。以往，該等定期貸款乃根據貸款協議所載之協定預定還款日期進行分類。根據香港詮釋第5號，包含按要償還條款之定期貸款乃劃分為流動負債。

因此，於二零零九年四月一日，包含按要償還條款之總賬面值為23,782,000港元之銀行貸款已由非流動負債重新分類為流動負債。該等銀行貸款已全數償還。應用香港詮釋第5號對本年度及過往年度呈報之損益並無影響。

香港會計準則第17號(修訂本)「租賃」

作為二零零九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「租賃」就租賃土地之分類作出修訂。在香港會計準則第17號修訂前，本集團須將租賃土地分類為經營租賃並於綜合財務狀況報表將租賃土地呈列為預付租賃款項。香港會計準則第17號(修訂本)刪除了該項規定。該等修訂要求租賃土地應按香港會計準則第17號所列之一般原則分類，即按租賃資產所有權之所有相關風險及回報是否已大致上轉至承租人為基準。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGES IN ACCOUNTING POLICIES (CONT’D)

Amendments to HKAS 17 “Leases” (CONT’D)

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 April 2010 based on information that existed at the inception of the leases. After reassessment, the directors of the Company concluded that no reclassification was necessary.

Summary of the effects of the above changes in accounting policies

The effects of changes in accounting policies described above on the results for current and prior years by line items are as follows:

		2011 二零一一年 HK\$’000 千港元	2010 二零一零年 HK\$’000 千港元
Decrease in loss on disposal of partial interests in a subsidiary (offsetting with the derecognition of goodwill of HK\$118,000)	出售附屬公司部份權益之虧損減少(對銷剔除確認商譽118,000港元)	68	–
Decrease in taxation	稅項減少	2,447	1,663
Decrease in loss for the year	本年度虧損減少	2,515	1,663

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」)/會計政策變動(續)

香港會計準則第17號(修訂本)「租賃」(續)

根據香港會計準則第17號(修訂本)之過渡條文，本集團對於二零一零年四月一日尚未到期之租賃土地之分類，根據其訂立租約時存在之資料重新評估。經重新評估後，本公司董事斷定毋須重新分類。

概述上述會計政策變動之影響

上述會計政策變動對本年度及上年度業績影響如下：

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")/CHANGES IN ACCOUNTING POLICIES (CONT'D)

Summary of the effects of the above changes in accounting policies (CONT'D)

The effects of the above changes in accounting policies on the financial positions of the Group as at 1 April 2009 and 31 March 2010 are as follows:

		1.4.2009		31.3.2010			
		(Originally stated)	Adjustments	(Restated)	(Originally stated)	Adjustments	(Restated)
		二零零九年		二零零九年	二零一零年		二零一零年
		四月一日		四月一日	三月三十一日		三月三十一日
		(以往列賬)	調整	(經重列)	(以往列賬)	調整	(經重列)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Deferred tax liabilities	遞延稅項負債	(5,821)	2,011	(3,810)	(4,467)	4,264	(203)
Other property revaluation reserve	其他物業重估儲備	2,007	-	2,007	12,045	590	12,635
Accumulated profits	累計溢利	142,211	2,011	144,222	74,721	3,674	78,395
Total effects on equity	對股本之總影響	144,218	2,011	146,229	86,766	4,264	91,030

The effects of the above changes in accounting policies on the Group's basic and diluted loss per share for the current and prior years are as follows:

		Impact on basic and diluted loss per share	
		對每股基本及攤薄虧損之影響	
		2011	2010
		二零一一年	二零一零年
		HK cents	HK cents
		港仙	港仙
Figures before adjustments	調整前數字	(3.38)	(7.35)
Adjustments arising from changes in the Group's accounting policies in relation to:	本集團會計政策變動而產生之相關調整：		
Changes in ownership interests in a subsidiary	於附屬公司所有權權益之變動	0.01	-
Deferred tax for investment properties	投資物業遞延稅項	0.19	0.18
Figures after adjustments	調整後數字	(3.18)	(7.17)

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」)/會計政策變動(續)

概述上述會計政策變動之影響(續)

上述會計政策變動對本集團於二零零九年四月一日及二零一零年三月三十一日之財務狀況影響如下：

上述會計政策變動對本年度及以往年度本集團每股基本及攤薄虧損之影響如下：

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)/CHANGES IN ACCOUNTING POLICIES (CONT’D)

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKFRS 7 (Amendments)	Disclosures – Transfers of financial assets ³
HKFRS 9	Financial instruments ⁵
HKFRS 10	Consolidated financial statements ⁵
HKFRS 11	Joint arrangements ⁵
HKFRS 12	Disclosure of interests in other entities ⁵
HKFRS 13	Fair value measurement ⁵
HKAS 24 (Revised)	Related party disclosures ⁴
HKAS 27 (Revised 2011)	Separate financial statements ⁵
HKAS 28 (Revised 2011)	Investments in associates and joint ventures ⁵
HK(IFRIC) – INT 14 (Amendments)	Prepayments of a minimum funding requirement ⁴
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments ²

- 1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
- 2 Effective for annual periods beginning on or after 1 July 2010.
- 3 Effective for annual periods beginning on or after 1 July 2011.
- 4 Effective for annual periods beginning on or after 1 January 2011.
- 5 Effective for annual periods beginning on or after 1 January 2013.

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」)/會計政策變動(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香港財務報告準則。

香港財務報告準則(修訂本)	二零一零年香港財務報告準則之改進 ¹
香港財務報告準則第7號(修訂本)	披露－轉讓金融資產 ³
香港財務報告準則第9號	金融工具 ⁵
香港財務報告準則第10號	綜合財務報告 ⁵
香港財務報告準則第11號	合營安排 ⁵
香港財務報告準則第12號	披露其他實體權益 ⁵
香港財務報告準則第13號	公平價值計量 ⁵
香港會計準則第24號(經修訂)	關連人士披露 ⁴
香港會計準則第27號 (二零一一年經修訂)	獨立財務報告 ⁵
香港會計準則第28號 (二零一一年經修訂)	於聯營公司及合營公司之投資 ⁵
香港(國際財務報告詮釋委員會)一詮釋第14號(修訂本)	最低資金要求之預付款項 ⁴
香港(國際財務報告詮釋委員會)一詮釋第19號	以股本工具抵銷金融負債 ²

- 1 於二零一零年七月一日或二零一一年一月一日(按適用)或之後開始之年度期間生效。
- 2 於二零一零年七月一日或之後開始之年度期間生效。
- 3 於二零一一年七月一日或之後開始之年度期間生效。
- 4 於二零一一年一月一日或之後開始之年度期間生效。
- 5 於二零一三年一月一日或之後開始之年度期間生效。

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

HKFRS 9 “Financial instruments” (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 “Financial instruments” (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement” are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

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」)/會計政策變動(續)

香港財務報告準則第9號「金融工具」(於二零零九年十一月頒佈)引進有關金融資產分類及計量之新規定。香港財務報告準則第9號「金融工具」(於二零一零年十一月經修訂)增加有關金融負債及終止確認之規定。

根據香港財務報告準則第9號，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，其後均須按攤銷成本或公平價值計量。特別是，目的為收取合約現金流量之業務模式內所持有，且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於其後會計期間結束時按攤銷成本計量。所有其他債項投資及權益性投資均於其後會計期間結束時按公平價值計量。

就金融負債而言，主要變動乃與指定為按公平價值計入損益之金融負債有關。特別是，根據香港財務報告準則第9號，就指定為按公平價值計入損益之金融負債而言，因金融負債信貸風險有變而導致其公平價值變動之金額乃於其他全面收益內呈列，除非於其他全面收益呈列該負債信貸風險變動之影響會產生或增加損益之會計錯配則作別論。因金融負債信貸風險而導致其公平價值變動其後不會重新分類至損益。過往，根據香港會計準則第39號，指定為按公平價值計入損益之金融負債之全部公平價值變動金額均於損益中呈列。

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

HKFRS 9 is effective for annual periods beginning on or after 1 April 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 31 March 2014 and that the application of the new standard may affect the amounts reported in respect of the Groups' available-for-sale equity investments which are currently measured at cost less impairment and will be measured at fair value upon adoption. In addition, the application of the new standard may affect the amounts reported in respect of the Group's derivative financial instruments for which currently the entire amount of the change in fair value was presented in profit or loss and will be accounted for under new requirements.

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」)/會計政策變動(續)

香港財務報告準則第9號將於二零一三年四月一日或之後開始之年度期間生效(可提前應用)。

董事預計，香港財務報告準則第9號將於本集團截至二零一四年三月三十一日止財政年度之綜合財務報告中採納，而應用該項新準則或會對本集團可供出售權益性投資之呈報金額造成影響，該等投資現時按成本減去減值計量，並將於採納該準則後按公平價值計量。此外，應用該項新準則可能對本集團衍生金融工具之呈報金額造成影響，該等工具之全部公平價值變動金額現時於損益呈列，並將根據新規定入賬。

本公司董事預期，應用其他新增及經修訂準則、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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綜合財務報告附註

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截至二零一一年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that 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.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

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。

於附屬公司之非控股權益與本集團之應佔附屬公司權益分開呈列。

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For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of consolidation (CONT'D)

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 April 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries on or after 1 April 2010

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. 主要會計政策(續)

綜合賬目基準(續)

分配全面收益總額至非控股權益

附屬公司之全面收益及開支總額須歸屬於本公司擁有人及非控股權益，即使這會導致非控股權益產生虧蝕。於二零一零年四月一日之前，倘非控股權益所適用之虧損超過非控股權益於該附屬公司之權益，惟倘非控股權益須承擔具約束性責任及有能力作出額外投資以彌補虧損則除外，否則該差額將撥歸於本集團之權益中對銷。

本集團於現有附屬公司之擁有權權益之變動

於二零一零年四月一日或之後本集團於現有附屬公司之擁有權權益之變動

倘本集團於附屬公司之擁有權權益變動並無導致本集團失去對該等附屬公司之控制權，則此權益變動將會以股本交易入賬。本集團之權益及非控股權益之賬面值乃作出調整，以反映彼等於附屬公司之相關權益變動。經調整之非控股權益金額與已支付或已收取代價之公平價值間之任何差額乃直接於權益確認，並歸於本公司擁有人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of consolidation (CONT'D)

Changes in the Group's ownership interests in existing subsidiaries (CONT'D)

Changes in the Group's ownership interests in existing subsidiaries on or after 1 April 2010 (CONT'D)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i. e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 "Financial instruments: Recognition and measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Changes in the Group's ownership interests in existing subsidiaries prior to 1 April 2010

Increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. For decreases in interests in subsidiaries, regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss.

3. 主要會計政策(續)

綜合賬目基準(續)

本集團於現有附屬公司之擁有權權益之變動(續)

於二零一零年四月一日或之後本集團於現有附屬公司之擁有權權益之變動(續)

倘本集團失去對一間附屬公司之控制權，則於出售時之損益乃以下列兩項之差額計算：(i)所收取代價之公平價值及任何保留權益公平價值之總和，及(ii)附屬公司先前之資產(包括商譽)及負債及任何非控股權益之賬面值。倘附屬公司之若干資產按重估金額或公平價值計量，而相關累計損益已於其他全面收益確認並於權益累計，則早前於其他全面收益確認及於權益累計之金額將會以猶如本公司已直接出售相關資產之方式入賬(即重新分類至損益或直接轉撥至保留溢利)。於失去控制權當日仍保留於前附屬公司之任何投資公平價值，則根據香港會計準則第39號「金融工具：確認及計量」，將被視為就其後入賬而言初步確認之公平價值，或(如適用)於聯營公司或共同控制實體之投資之初步確認成本。

於二零一零年四月一日之前本集團於現有附屬公司之擁有權權益之變動

增加於現有附屬公司之權益與收購附屬公司之處理方式相同，商譽或議價購入收益於適用時確認。就於附屬公司之權益(不論有關出售事項是否將導致本集團失去對附屬公司之控制權)減少而言，已收代價與對非控股權益之調整之差額乃於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business combinations that took place prior to 1 April 2010

Acquisition of businesses was accounted for using the purchase method. The cost of the acquisition was 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 met the relevant conditions for recognition were generally recognised at their fair value at the acquisition date.

Goodwill arising on acquisition was recognised as an asset and initially measured at cost, being the excess of the cost of the acquisition over the Group's interest in the recognised amounts of the identifiable assets, liabilities and contingent liabilities recognised. If, after assessment, the Group's interest in the recognised amounts of the acquiree's identifiable assets, liabilities and contingent liabilities exceeded the cost of the acquisition, the excess was recognised immediately in profit or loss.

The non-controlling interest in the acquiree was initially measured at the non-controlling interest's proportionate share of the recognised amounts of the assets, liabilities and contingent liabilities of the acquiree.

Business combinations achieved in stages were accounted for as separate steps. Goodwill was determined at each step. Any additional acquisition did not affect the previously recognised goodwill.

3. 主要會計政策(續)

於二零一零年四月一日之前進行之業務合併

收購業務以購買法入賬。收購成本乃按所給予之資產、已產生或承擔之負債及本集團為交換被收購方控制權而發行之股本工具於交易日期之總公平價值，加業務合併直接應佔任何成本計算。符合相關確認條件之被收購方之可識別資產、負債及或然負債於收購日一般按其公平價值確認。

收購產生之商譽(即收購成本超出本集團於所確認之可識別資產、負債及或然負債已確認金額之權益之部份)確認為資產且最初按成本計算。倘重估後本集團於被收購方之可識別資產、負債及或然負債已確認金額之權益超過收購成本，則超出之部份立即於損益確認。

於被收購方之非控股權益最初按非控股權益按比例分佔被收購方之資產、負債及或然負債之已確認金額計算。

分階段進行之業務合併乃分步入賬，每步均會確認商譽。任何額外收購並無影響先前已確認之商譽。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goodwill

Goodwill arising on acquisition prior to 1 April 2001 continues to be held in reserves, and will be charged to the retained 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 combination. 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)

商譽

於二零零一年四月一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，從保留溢利中扣除。

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合併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 disposal of the relevant cash-generating unit, the attributable amount of goodwill 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 initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, from part of the Group's net investment in the associates), the Group discontinues recognising its share of further losses. Additional losses are 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, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

3. 主要會計政策(續)

商譽(續)

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初步確認，並於其後調整以確認本集團應佔聯營公司之損益及其他全面收益。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(包括實質構成本集團於聯營公司之淨投資其中部份之任何長期權益)，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，方確認額外虧損。

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，計入該項投資之賬面值。

本集團應佔可識別資產、負債及或然負債之公平淨值超出收購成本之差額(重估後)即時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment in associates (CONT'D)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

From 1 April 2010 onwards, upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. 主要會計政策 (續)

於聯營公司之投資 (續)

香港會計準則第39號之規定予以應用，以釐定是否需要就本集團於聯營公司之投資確認任何減值虧損。如有必要，該項投資之全部賬面值(包括商譽)會根據香港會計準則第36號「資產減值」作為單獨資產進行減值測試，方法是比較其可收回金額(即使用價值與公平價值減出售成本之較高者)與賬面值。任何已確認之減值構成該項投資之賬面值之一部份。有關減值虧損之任何撥回乃根據香港會計準則第36號確認，惟以該項投資之可收回金額其後增加為限。

自二零一零年四月一日起，倘出售聯營公司會導致本集團失去對該聯營公司之重大影響力，則任何保留之投資會按當日之公平價值計量，並以其根據香港會計準則第39號首次確認為金融資產之公平價值作其公平價值。釐定出售聯營公司之損益時會計入先前保留權益應佔該聯營公司賬面值與其公平價值之間之差額。此外，本集團會將先前在其他全面收益就該聯營公司確認之所有金額入賬，基準與該聯營公司直接出售相關資產或負債之基準相同。因此，倘該聯營公司先前於其他全面收益確認之損益會於出售相關資產或負債時重新分類至損益，則本集團會於失去對該聯營公司之重大影響力時將收益或虧損由權益重新分類至損益(作為重新分類調整)。

倘一集團實體與其聯營公司交易，則與該聯營公司交易所產生之損益僅會在於聯營公司之權益與本集團無關之情況下，才會在本集團之綜合財務報告確認。

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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 fair value 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)，乃按成本值或公平價值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 and after taking into account of the estimated residual value.

Depreciation is recognised so as 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，故毋須按規定期重估本集團按一九九五年九月三十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。於一九九五年九月三十日前，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之成本值經計及估計剩餘價值後，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已確認以按其估計可用年期，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)

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)

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.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in other property revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to accumulated profits.

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。

倘物業、廠房及設備項目由於可證明其用途已不再自用而成為投資物業，該項目於轉撥日期之賬面值與公平價值之任何差額於其他全面收益內確認，並於其他物業重估儲備累計。倘資產其後出售或廢棄，相關重估儲備將直接轉撥至累計溢利。

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金融工具組合的一部份，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)可於初步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嵌入式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 instrument

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。

金融負債及股本工具

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開支之方法。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 instruments (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.

The proceeds from issue of warrants classified as equity instruments are recognised in equity (warrant reserve). At the time when the warrants are exercised, the amount previously recognised in the warrant reserve will be transferred to share premium.

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)

金融負債及股本工具 (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。

發行分類為股本工具之認股權證之所得款項於權益(認股權證儲備)確認。認股權證獲行使時，先前於認股權證儲備確認之金額將轉撥至股份溢價。

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 in its entirety, 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 in other comprehensive income and accumulated in equity 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所有權之絕大部份風險及回報轉移，則金融資產將剔除確認。於全面剔除確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收益確認及於權益累計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所有權之絕大部份風險及回報，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.

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 activities (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。

研究及開發支出

研究活動之支出於產生期間確認為開支。

倘及僅倘以下所有事項均獲證實，則會確認開發活動(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份資產時將予調低。

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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.

For the purposes of measuring deferred tax liabilities for investment properties that are measured using the fair value model in accordance with HKAS 40, such properties are presumed to be recovered through sale.

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。

就計量按照香港會計準則第40號以公平價值模式計量之投資物業之遞延稅項負債而言，有關物業是假設可透過出售收回。

租約

凡將資產所有權之絕大部份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)

Leases (CONT'D)

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

3. 主要會計政策(續)

租約(續)

租賃土地及樓宇

倘租約包括土地及樓宇部份，本集團根據屬於每一部份所有權之絕大部份風險及回報是否已轉移至本集團而獨立評估每部份分類為融資租約或經營租約。特別是在土地及樓宇之間所分配之最低租賃款項(包括任何一次性預付款)，乃按於租約最初時，租約之土地部份及樓宇部份之租賃權益之相對公平價值之比例而分配。

倘能可靠地分配租賃款項，則列為經營租約之租賃土地權益將作為「預付租賃款項」於綜合財務狀況報表列賬，並按租約年期以直線法攤銷，惟根據公平價值模式被分類及入賬列為投資物業之權益則除外。在租賃款項不能在土地及樓宇部份之間作可靠分配之情況下，整份租約一般被分類為融資租約，並作為物業、廠房及設備入賬，除非兩部份均明確為經營租約，在此情況下，整份租約被分類為經營租約。

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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二零零九年四月一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(「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 2011, the carrying amount of inventories is HK\$345,183,000 (31 March 2010: HK\$325,718,000 and 1 April 2009: HK\$402,471,000), net of allowance for obsolete and slow-moving inventories of HK\$46,021,000 (31 March 2010: HK\$43,221,000 and 1 April 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 2011, the carrying amount of goodwill is HK\$26,484,000 (31 March 2010: HK\$26,484,000 and 1 April 2009: HK\$26,541,000). Details of the recoverable amount calculation are disclosed in note 18.

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment, in accordance with the relevant accounting policies. The recoverable amounts of property, plant and equipment have been determined based on value in use calculations. These calculations and valuations require the use of judgment and estimates on future operating cash flows and discount rates adopted. Where the actual cash flows is different from the original estimate, a material change in the amount of impairment may arise.

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。於二零一一年三月三十一日，存貨之賬面值為345,183,000港元(二零一零年三月三十一日：325,718,000港元及二零零九年四月一日：402,471,000港元)，已扣除陳舊及滯銷存貨撥備46,021,000港元(二零一零年三月三十一日：43,221,000港元及二零零九年四月一日：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。於二零一一年三月三十一日，商譽賬面值為26,484,000港元(二零一零年三月三十一日：26,484,000港元及二零零九年四月一日：26,541,000港元)。有關可收回金額計算法之詳情於附註18披露。

物業、廠房及設備減值

本集團每年根據相關會計政策評估物業、廠房及設備有否出現任何減值跡象。物業、廠房及設備之可收回金額按照使用價值釐定。該等計算及估值須對未來營運現金流量及所採用之貼現率作出判斷及估計。倘實際現金流量有別於原先估計，則減值數額或會產生重大變動。

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

Income taxes

As at 31 March 2011, 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\$377,472,000 (31 March 2010: HK\$298,801,000 and 1 April 2009: HK\$236,555,000) 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

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided by each operating division.

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

4. 估計不確定因素之主要來源 (續)

所得稅

於二零一一年三月三十一日，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377,472,000港元(二零一零年三月三十一日：298,801,000港元及二零零九年四月一日：236,555,000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

分類資料針對各經營分部所交付貨品或所提供服務之種類，乃向本公司執行董事(即主要經營決策者)報告，以供其分配資源及評估分類業績之用。

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、影像產品、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。

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5. SEGMENT INFORMATION (CONT'D)

Segment revenue and results

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

5. 分類資料(續)

分部收入及業績

按本集團可申報經營分部之收入(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 2011	截至二零一一年 三月三十一日止年度			
TURNOVER	營業額	637,633	-	637,633
SEGMENT RESULTS	分部業績	(90,594)	117	(90,477)
Interest income	利息收益			81
Unallocated income	未分配收益			4,858
Unallocated expenses	未分配開支			(10,836)
Increase in fair value of investment properties	投資物業之公平價值增加			61,381
Finance costs	融資成本			(8,081)
Loss before taxation	除稅前虧損			(43,074)

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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 2010	截至二零一零年 三月三十一日止年度			
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)

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

可申報經營分部之會計政策與附註3所述之本集團之會計政策相同。分部業績指各經營分部之業績，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、利息收益、可供出售之投資之股息收益、租金收益及融資成本。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 operating segments is as follows:

5. 分類資料(續)

分部資產及負債

按本集團可申報經營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 2011	於二零一一年三月三十一日			
ASSETS	資產			
Segment assets	分部資產	766,302	7,690	773,992
Unallocated corporate assets	未分配公司資產			308,660
Consolidated total assets	合計總資產			1,082,652
LIABILITIES	負債			
Segment liabilities	分部負債	151,767	-	151,767
Unallocated corporate liabilities	未分配公司負債			257,392
Consolidated total liabilities	合計總負債			409,159
At 31 March 2010 (Restated)	於二零一零年三月三十一日 (經重列)			
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			224,290
Consolidated total liabilities	合計總負債			369,344
At 1 April 2009 (Restated)	於二零零九年四月一日 (經重列)			
ASSETS	資產			
Segment assets	分類資產	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	分類負債	184,658	619	185,277
Unallocated corporate liabilities	未分配公司負債			334,507
Consolidated total liabilities	合計總負債			519,784

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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 HK\$'000 千港元	Securities trading 證券買賣 HK\$'000 千港元	Consolidated 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 2011	截至二零一一年三月三十一日止年度		
Additions of property, plant and equipment	增購物業、廠房及設備	6,678	6,678
Increase in fair value of derivative financial instruments	衍生金融工具之公平價值增加	–	(96)
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	–	12
Decrease in fair value of investments held for trading	持作買賣之投資之公平價值減少	–	129
Release of prepaid lease payments	預付租賃款項撥回	121	–
Depreciation of property, plant and equipment	物業、廠房及設備折舊	39,975	–
Allowance for doubtful debts	呆賬撥備	1,161	–
Allowance for obsolete and slow-moving inventories	陳舊及滯銷之存貨撥備	5,890	–
Impairment loss recognised in respect of other receivables	其他應收款項確認之減值虧損	680	–

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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)

		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	截至二零一零年 三月三十一日止年度			
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)

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

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Investment properties	投資物業	208,442	145,350
Interest in associates	應佔聯營公司權益	8,176	8,174
Increase in fair value of investment properties	投資物業之公平價值增加	61,381	37,134
Interest expense	利息開支	8,081	10,692

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洲、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 Year ended 31 March 來自外部客戶之收入 截至三月三十一日止年度		Non-current assets (note) 非流動資產(附註)		
		2011 二零一一年 HK\$'000 千港元	2010 二零一零 HK\$'000 千港元	31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元
United States of America	美國	515,876	470,094	3,523	6,849	8,444
Europe	歐洲	51,072	144,107	-	-	-
Canada	加拿大	50,072	107,434	-	185	301
Mainland China	中國大陸	-	1,864	143,575	157,830	178,825
Japan and Korea	日本及韓國	-	379	-	-	-
Hong Kong	香港	9,704	235	303,622	256,570	275,382
Other countries	其他國家	10,909	14,149	-	-	77
		637,633	738,262	450,720	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:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Customer A ¹	客戶A ¹	168,782	131,485
Customer B ¹	客戶B ¹	157,738	N/A不適用 ²
Customer C ¹	客戶C ¹	N/A不適用 ²	127,525
Customer D ¹	客戶D ¹	N/A不適用 ²	80,294

- ¹ Revenue from sales of electronic products.
² The corresponding revenue did not contribute over 10% of the total sales of the Group for the relevant years.

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 來自銷售電子產品之收入。
² 相關收入並未達到本集團於相關年度收入總額之10%以上。

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6. OTHER INCOME

6. 其他收入

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Other income includes:	其他收入包括：		
Commission	佣金	267	753
Dividend income from available-for-sale investments	可供出售之投資之股息收益	-	255
Dividend income from investments held-for-trading	持作買賣之投資之股息收益	162	161
Exchange gain, net	匯兌收益，淨額	1,119	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	81	162
Loss on disposal of property, plant and equipment	出售物業、廠房及設備 之虧損	-	(168)
Rental income (note)	租金收益(附註)	4,858	4,879
Sale of scrap materials	廢料銷售收益	454	839
Write-back of accrued changes	應計費用撥回	4,306	-

Note: Outgoings of HK\$29,000 (2010: HK\$182,000) were incurred resulting in net rental income of HK\$4,829,000 (2010: HK\$4,697,000).

附註：29,000港元(二零一零年：182,000港元)為租金收益淨額4,829,000港元(二零一零年：4,697,000港元)所產生之開支。

7. FINANCE COSTS

7. 融資成本

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 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	8,081	10,692

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8. LOSS BEFORE TAXATION

8. 除稅前虧損

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 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	1,161	2,005
Allowance for obsolete and slow-moving inventories	陳舊及滯銷之存貨撥備	5,890	11,291
Amortisation of product development costs (included in administrative expenses)	產品發展成本攤銷(計入行政費用的)	-	260
Auditors' remuneration	核數師酬金	3,351	3,854
Depreciation of property, plant and equipment	物業、廠房及設備折舊	39,975	47,380
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)	6	2
Impairment loss recognised in respect of other receivables	其他應收賬款確認之減值虧損	680	7,767
Minimum lease payments under operating leases in respect of rented premises	根據已承租物業經營租約支付之最低租金	9,033	6,653
Release of prepaid lease payments	預付租賃款項撥回	121	121
Research and development costs (note (a))	研究及開發成本(附註(a))	29,050	35,477
Staff costs including directors' remuneration (note (b))	員工成本，包括董事酬金(附註(b))	94,517	101,081

Notes:

附註：

(a) The research and development costs included staff costs of HK\$5,628,000 (2010: HK\$6,833,000).

(a) 研究及開發成本包括員工成本5,628,000港元(二零一零年：6,833,000港元)。

(b) The staff costs for the year included retirement benefits scheme contributions of HK\$802,000 (2010: HK\$1,359,000) and share-based payments of HK\$1,138,000 (2010: HK\$73,000).

(b) 本年度之員工成本包括退休福利計劃供款802,000港元(二零一零年：1,359,000港元)及以股份支付之付款1,138,000港元(二零一零年：73,000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:

For the year ended 31 March 2011

		Fees	Salaries and other short term employee benefits 薪金及其他短期僱員福利	Retirement benefits scheme contributions 退休福利計劃供款	Total emoluments
	袍金	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	–	5,000	12	5,012
Lau Sak Kai, Anthony	劉錫淇	–	850	12	862
Lau Sak Yuk, Andy	劉錫澳	–	715	12	727
Lau Chu Lan, Carol (note)	劉翠蓮(附註)	–	449	8	457
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	何厚鏘	50	–	–	50
Chan Chak Chung	陳澤仲	50	–	–	50
Chuck Winston Calptor	卓育賢	50	–	–	50
		200	7,014	44	7,258

Note: Appointed on 23 July 2010.

9. 董事及僱員酬金

本集團已付各董事之酬金詳情如下：

截至二零一一年三月三十一日止年度

附註：於二零一零年七月二十三日獲委任。

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

For the year ended 31 March 2010

9. 董事及僱員酬金(續)

截至二零一零年三月三十一日止年度

		Salaries and other short term employee benefits 薪金及 其他短期 僱員福利	Retirement benefits scheme contributions 退休福利 計劃供款	Total emoluments
	Fees			
	袍金	其他短期 僱員福利	退休福利 計劃供款	酬金總額
	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	–	12	6,437
Lau Sak Kai, Anthony	劉錫淇	–	12	1,025
Lau Sak Yuk, Andy	劉錫澳	–	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	何厚鏘	50	–	50
Chan Chak Chung	陳澤仲	50	–	50
Chuck Winston Calptor	卓育賢	50	–	50
	200	8,328	36	8,564

No performance related incentive payments were paid to the directors of the Company for each of the two years ended 31 March 2011.

截至二零一一年三月三十一日止兩個年度各年，概無向本公司董事支付任何績效獎勵付款。

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

Employees

The five highest paid individuals of the Group included three (2010: three) directors, details of whose remuneration are set out above. The emoluments of the remaining two (2010: two) highest paid employees are as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Salaries and other short term employee benefits	薪金及其他短期僱員福利	2,230	2,397
Retirement benefits scheme contributions	退休福利計劃供款	12	24
		2,242	2,421

Emoluments of these employees were within the following bands:

		Number of employees 僱員人數	
		2011 二零一一年	2010 二零一零年
HK\$500,001 – HK\$1,000,000	500,001港元 – 1,000,000港元	1	–
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	1	2

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(二零一零年: 三名)董事, 有關彼等酬金之詳情已於上文披露, 其餘兩名(二零一零年: 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

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (經重列)
The charge (credit) comprises:	稅項支出(抵免)包括：		
Hong Kong Profits Tax	香港利得稅		
Current year	本年度	-	60
Overprovision in prior years	過往年度超額撥備	(23)	(88)
		(23)	(28)
Taxation in other jurisdictions	其他司法區之稅項		
Current year	本年度	1,514	754
Underprovision in prior years	過往年度少提撥備	45	13
		1,559	767
Deferred taxation (note 30)	遞延稅項(附註30)	(696)	(934)
		840	(195)

Hong Kong Profits Tax is calculated at 16.5% (2010: 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%(二零一零年：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：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (經重列)
Loss before taxation	除稅前虧損	(43,074)	(75,712)
Tax credit at the domestic income tax rate of 16.5% (2010: 16.5%)	按本地所得稅稅率16.5% (二零一零年：16.5%) 計算之稅項抵免	(7,107)	(12,492)
Tax effect of share of profits of associates	應佔聯營公司溢利之稅項影響	(48)	(78)
Tax effect of expenses not deductible for taxation purposes	不可扣稅費用之稅項影響	4,310	7,719
Tax effect of income not taxable for taxation purposes	毋須課稅收益之稅項影響	(10,159)	(6,254)
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	10	567
Tax effect of tax losses not recognised	未確認稅務虧損之稅項影響	15,246	11,215
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	(2,265)	(1,004)
Under(over)provision in prior years	過往年度少提(超額)撥備	22	(75)
Others	其他	831	207
Taxation for the year	本年度稅項	840	(195)

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11. DIVIDENDS

The directors have resolved not to recommend a dividend for the year ended 31 March 2011 (2010: nil).

12. LOSS PER SHARE

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

11. 股息

董事議決不建議派發截至二零一一年三月三十一日止年度之股息(二零一零年：無)。

12. 每股虧損

每股基本及攤薄虧損乃根據以下資料計算：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (經重列)
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	(41,216)	(65,827)
		Number of shares 股份數目	
		2011 二零一一年	2010 二零一零年 (Restated) (經重列)
Weighted average number of shares for the purpose 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	1,295,292,468	918,553,929

The calculation of diluted loss per share 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.

計算每股攤薄虧損時乃假設並無行使尚未行使之購股權，皆因有關行使將導致兩個年度之每股虧損減少，且該等購股權之行使價高於股份之平均市價。

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13. INVESTMENT PROPERTIES

13. 投資物業

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 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	145,350	91,916
Transfer from leasehold properties under property, plant and equipment	轉撥自物業、廠房及設備下 之租賃物業	1,711	16,300
Increase in fair value	公平價值增加	61,381	37,134
At end of the year	於年結日	208,442	145,350
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	190,800	130,900
Long leases outside Hong Kong	在香港以外以長期租約持有	17,642	14,450
		208,442	145,350

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 recent market prices for similar properties in similar locations and conditions.

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 2011, the carrying amount of such property interests amounted to HK\$208,442,000 (31 March 2010: HK\$145,350,000 and 1 April 2010: 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。該估值乃參考類似地點及條件之同類物業的近期市價後達致。

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。於二零一一年三月三十一日，該等物業權益之賬面值為208,442,000港元(二零一零年三月三十一日：145,350,000港元及二零一零年四月一日：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	Motor vehicles	Plant and machinery	Construction in progress	Total
		租賃物業	電腦設備	傢俬、裝置 及設備	汽車	廠房及機器	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
COST OR VALUATION	成本值或估值							
At 1 April 2009	於二零零九年四月一日	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	於二零一零年三月三十一日	100,770	29,924	103,342	11,254	580,607	-	825,897
Additions	添置	-	9	467	650	5,552	-	6,678
Transfer to investment properties (note)	轉撥至投資物業(附註)	(424)	-	-	-	-	-	(424)
At 31 March 2011	於二零一一年三月三十一日	100,346	29,933	103,809	11,904	586,159	-	832,151
Comprising:	包括：							
At cost	成本值	79,246	29,933	103,809	11,904	586,159	-	811,051
At valuation - 1991	估值—一九九一年	21,100	-	-	-	-	-	21,100
		100,346	29,933	103,809	11,904	586,159	-	832,151
DEPRECIATION	折舊							
At 1 April 2009	於二零零九年四月一日	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	於二零一零年三月三十一日	16,834	23,045	90,045	9,039	449,282	-	588,245
Provided for the year	本年折舊	1,544	1,433	2,693	477	33,828	-	39,975
Eliminated on transfer	轉撥時撇銷	(34)	-	-	-	-	-	(34)
At 31 March 2011	於二零一一年三月三十一日	18,344	24,478	92,738	9,516	483,110	-	628,186
CARRYING VALUES	賬面值							
At 31 March 2011	於二零一一年三月三十一日	82,002	5,455	11,071	2,388	103,049	-	203,965
At 31 March 2010	於二零一零年三月三十一日	83,936	6,879	13,297	2,215	131,325	-	237,652
At 1 April 2009	於二零零九年四月一日	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 each of the two years ended 31 March 2010 and 2011, 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\$1,321,000 (2010: 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 on a straight line basis 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 and after taking into account of the estimated residual value.

Depreciation is provided to write off the cost of other property, plant and equipment, other than construction in progress and leasehold properties, 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：截至二零一零年及二零一一年三月三十一日止兩個年度各年，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1,321,000港元(二零一零年：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以直線基準按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(如屬較短期)租約所餘年期計算攤銷及考慮到估計剩餘價值。

其他物業、廠房及設備(在建工程及租賃物業除外)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:

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元
Long leases in Hong Kong	在香港以長期租約持有	20,253	20,529	26,621
Medium term leases outside Hong Kong	在香港以外 以中期租約持有	61,749	63,407	64,700
		82,002	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 2011 of HK\$20,253,000 (31 March 2010: HK\$20,529,000 and 1 April 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 2011 would have been stated at HK\$13,888,000 (31 March 2010: HK\$14,406,000 and 1 April 2009: HK\$19,567,000).

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一九九一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。倘租賃物業於二零一一年三月三十一日賬面值為20,253,000港元(二零一零年三月三十一日：20,529,000港元及二零零九年四月一日：26,621,000港元)按成本值減累計折舊及累計減值虧損列賬，租賃物業於二零一一年三月三十一日之賬面淨值將為13,888,000港元(二零一零年三月三十一日：14,406,000港元及二零零九年四月一日：19,567,000港元)。

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15. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise:

	31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 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	3,774	3,895	65,062
Analysed for reporting purposes as: 就申報目的分析為：			
Current asset 流動資產	121	121	1,386
Non-current asset 非流動資產	3,653	3,774	63,676
	3,774	3,895	65,062

15. 預付租賃款項

本集團之預付租賃款項包括：

16. PRODUCT DEVELOPMENT COSTS

		HK\$'000 千港元
COST 成本值		
At 1 April 2009, 31 March 2010 and 31 March 2011 於二零零九年四月一日、二零一零年三月三十一日及二零一一年三月三十一日		1,732
AMORTISATION 攤銷		
At 1 April 2009 於二零零九年四月一日		1,472
Charge for the year 年度扣除		260
At 31 March 2010 and 31 March 2011 於二零一零年三月三十一日及二零一一年三月三十一日		1,732
CARRYING VALUE 賬面值		
At 31 March 2011 and 31 March 2010 於二零一一年三月三十一日及二零一零年三月三十一日		–
At 31 March 2009 於二零零九年三月三十一日		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		
At 1 April 2009	於二零零九年四月一日	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 and 31 March 2011	於二零一零年三月三十一日及 二零一一年三月三十一日	28,053
IMPAIRMENT		
At 1 April 2009, 31 March 2010 and 31 March 2011	於二零零九年四月一日、二零一零年三月三十一日 及二零一一年三月三十一日	(1,569)
CARRYING VALUE		
At 31 March 2011 and 31 March 2010	於二零一一年三月三十一日及 二零一零年三月三十一日	26,484
At 31 March 2009	於二零零九年三月三十一日	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 (31 March 2010: HK\$26,484,000 and 1 April 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 (31 March 2010: HK\$8,111,000, HK\$17,665,000 and HK\$708,000 and 1 April 2009: HK\$8,111,000, HK\$17,722,000 and HK\$708,000), respectively.

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(二零一零年三月三十一日：26,484,000港元及二零零九年四月一日：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(二零一零年三月三十一日：8,111,000港元、17,665,000港元及708,000港元以及二零零九年四月一日：8,111,000港元、17,722,000港元及708,000港元)。

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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 and extrapolates cash flows for another five years based on 0% growth rate. The rate used to discount the forecast cash flows is 7.98% (2010: 7.55%). As the recoverable amount of the relevant CGUs exceeds the carrying value of goodwill, no impairment loss is recognised.

19. INTEREST IN ASSOCIATES

	31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元
Cost of investment in associates, 於聯營公司投資成本， unlisted 非上市	9,310	9,310	9,310
Share of post-acquisition profits, 應佔收購後溢利， net of dividend received 扣除已收股息	(1,134)	(1,136)	(1,239)
	8,176	8,174	8,071

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審閱商譽減值，以及根據0%增長率推算另外五年之現金流量。用於計算預測現金流量之貼現率為7.98%（二零一零年：7.55%）。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

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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
				2011 二零一一年	2010 二零一零年	
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 (31 March 2010: HK\$3,779,000 and 1 April 2009: HK\$3,779,000) arising on acquisition of an associate in prior year.

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(二零一零年三月三十一日：3,779,000港元及二零零九年四月一日：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:

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元
Total assets	資產總值	31,750	31,220	24,545
Total liabilities	負債總額	(19,025)	(18,660)	(12,344)
Net assets	資產淨值	12,725	12,560	12,201
Share of net assets	應佔資產淨值	4,397	4,395	4,292
Turnover	營業額	148,376	136,907	
Profit for the year	本年度溢利	986	1,589	
Share of profits and other comprehensive income of associates	應佔聯營公司溢利及其他全面收益	291	472	

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：

20. AVAILABLE-FOR-SALE INVESTMENTS

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 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	26,690
Less: Impairment losses recognised	減：已確認減值虧損	(2,650)	(2,650)	(2,650)
		24,040	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
		24,040	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	24,040	24,046	24,048

20. 可供出售之投資

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20. AVAILABLE-FOR-SALE INVESTMENTS (CONT'D)

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% (2010: 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 2011, the directors reviewed the recoverability of its carrying amount of HK\$23,000,000 (31 March 2010: HK\$23,000,000 and 1 April 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.

20. 可供出售之投資(續)

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% (二零一零年：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。於二零一一年三月三十一日，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(二零一零年三月三十一日：23,000,000港元及二零零九年四月一日：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		
		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元	31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 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:	下列各項之購買沖銷票據：						
- equity securities listed in Hong Kong	- 於香港上市之股本證券	1	3	258	-	-	-
- equity securities listed outside Hong Kong	- 於香港境外上市之股本證券	19	-	540	-	-	-
		20	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	於香港境外上市之股本證券之選擇權	-	-	-	-	(275)	(50)
		20	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

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元
Raw materials	原材料	103,624	98,974	116,511
Work in progress	在製品	7,290	6,936	7,581
Finished goods	製成品	234,269	219,808	278,379
		345,183	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\$532,743,000 (2010: HK\$610,322,000).

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

於本年度，於綜合全面收益表確認為支出之存貨成本達532,743,000港元(二零一零年：610,322,000港元)。

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

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元
Trade debtors	應收貿易賬項	111,780	66,135	102,003
Deposits with securities brokers	證券經紀之按金	5,523	4,785	3,034
Advances to suppliers	墊款予供應商	20,574	15,385	30,585
Prepayments and other receivables	預付款項及其他應收款項	46,261	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
		184,138	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:

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元
0 – 30 days	0–30日	75,387	37,640	67,376
31 – 60 days	31–60日	9,132	5,802	5,002
61 – 90 days	61–90日	2,707	4,690	9,338
Over 90 days	超過90日	24,554	18,003	20,287
		111,780	66,135	102,003

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.

本集團給予其貿易客戶之平均賒賬期介乎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。

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

Included in the Group's trade debtors are debtors with aggregate carrying amount of HK\$27,785,000 (31 March 2010: HK\$22,320,000 and 1 April 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:

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元
31 – 60 days	31 – 60日	544	–	711
61 – 90 days	61 – 90日	2,687	4,317	–
Over 90 days	超過90日	24,554	18,003	20,287
		27,785	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)

本集團之應收貿易賬項包括賬面總值27,785,000港元(二零一零年三月三十一日:22,320,000港元;二零零九年四月一日: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素質良好且無拖欠記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:

	31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元
31 – 60 days	544	–	711
61 – 90 days	2,687	4,317	–
Over 90 days	24,554	18,003	20,287
	27,785	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貿易應收賬項一般可收回。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

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At beginning of the year	年初	30,271	30,872
Impairment losses recognised on debtors	已確認應收賬項之減值虧損	1,161	2,005
Amount written off	撇銷金額	(175)	(2,606)
At end of the year	年終	31,257	30,271

Included in the allowance for doubtful debts are individually impaired trade debtors with an aggregated balance of HK\$29,198,000 (31 March 2010: HK\$28,212,000 and 1 April 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 (31 March 2010: HK\$2,059,000 and 1 April 2009: HK\$2,059,000) was individually impaired.

Included in trade debtors are debts discounted with recourse amounting to HK\$73,911,000 (31 March 2010: HK\$24,215,000 and 1 April 2009: HK\$3,310,000) and factored debtors amounting to HK\$1,084,000 (31 March 2010: nil and 1 April 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

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At beginning of the year	30,271	30,872
Impairment losses recognised on debtors	1,161	2,005
Amount written off	(175)	(2,606)
At end of the year	31,257	30,271

呆賬撥備包括個別已減值之應收貿易賬項，總結餘為29,198,000港元(二零一零年三月三十一日：28,212,000港元；二零零九年四月一日：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(二零一零年三月三十一日：2,059,000港元；二零零九年四月一日：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73,911,000港元(二零一零年三月三十一日：24,215,000港元；二零零九年四月一日：3,310,000港元)及已貼現應收賬項1,084,000港元(二零一零年三月三十一日：零港元；二零零九年四月一日：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

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 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	479	3,473	1,253
Equity securities listed outside Hong Kong	於香港境外上市之股本證券	1,773	10,404	5,702
		2,252	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% (2010: 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(二零一零年：0.01厘)之短期銀行存款。

27. CREDITORS AND ACCRUED CHARGES

27. 應付賬項及應計費用

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元
Trade creditors	應付貿易賬項	96,140	92,621	120,323
Royalty and withholding tax payable	應付專利費及預扣稅	16,820	15,181	15,488
Other creditors and accrued expenses	其他應付賬項及應計開支	38,807	36,977	49,416
		151,767	144,779	185,227

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27. CREDITORS AND ACCRUED CHARGES (CONT'D) 27. 應付賬項及應計費用(續)

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：

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元
0 – 30 days	0–30日	34,823	18,684	29,264
31 – 60 days	31–60日	14,723	16,859	16,914
61 – 90 days	61–90日	2,912	2,032	19,641
Over 90 days	超過90日	43,682	55,046	54,504
		96,140	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。

28. BORROWINGS

28. 借貸

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 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	70,257	48,696	89,547
Short term loans	短期貸款	72,780	119,197	166,521
Loans related to bills discounted with recourse	有關具追索權貼現票據之貸款	73,911	24,215	3,310
Bank loan	銀行貸款	–	27,281	38,390
Debt factoring loans	債權貼現貸款	1,084	–	28,323
Other loan	其他貸款	35,300	–	–
		253,332	219,389	326,091
Analysed as:	分析：			
Secured	有抵押	74,995	25,613	32,879
Unsecured	無抵押	178,337	193,776	293,212
		253,332	219,389	326,091

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28. BORROWINGS (CONT'D)

The other loan is unsecured, interest free and repayable on demand. The remaining borrowings as at 31 March 2010 and 2011 are repayable on demand or within one year.

Except for the other loan as mentioned above, the Group's borrowings are floating-rate borrowings which are interest bearing at a range from 2.0% to 3.7% (2010: 1.1% to 3.7%) per annum. Interest is repriced every month.

29. BANK OVERDRAFTS

At 31 March 2010, the Group's bank overdrafts bore interest at floating-rate. The interest was charged at an average interest rate of 5.0% 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)

其他貸款為無抵押、免息及須於要求時償還。於二零一零年及二零一一年三月三十一日，餘下借貸須於要求時或一年內償還。

除上述其他貸款外，本集團之借貸為浮息借貸，按年利率2.0厘至3.7厘(二零一零年：1.1厘至3.7厘)計息。有關利息於每月重新定價。

29. 銀行透支

於二零一零年三月三十一日，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 tax depreciation	Tax losses	Others	Total
		加速稅項折舊	稅項虧損	其他	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 April 2009 (Restated)	於二零零九年四月一日(經重列)	(9,150)	5,147	6,111	2,108
Credit (charge) to profit or loss	計入(扣自)損益	2,848	759	(2,673)	934
At 31 March 2010 (Restated)	於二零一零年三月三十一日(經重列)	(6,302)	5,906	3,438	3,042
Credit (charge) to profit or loss	計入(扣自)損益	128	(130)	698	696
A 31 March 2011	於二零一一年三月三十一日	(6,174)	5,776	4,136	3,738

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:

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 (Restated) 千港元 (經重列)	1.4.2009 二零零九年 四月一日 HK\$'000 (Restated) 千港元 (經重列)
Deferred tax assets	遞延稅項資產	3,943	3,245	5,918
Deferred tax liabilities	遞延稅項負債	(205)	(203)	(3,810)
		3,738	3,042	2,108

The Group has not recognised deferred tax asset in respect of tax losses of HK\$377,472,000 (31 March 2010: HK\$298,801,000 and 1 April 2009: HK\$236,555,000) due to the unpredictability of future profit streams. Included in the unrecognised tax losses are losses of HK\$115,099,000 (31 March 2010: HK\$122,420,000 and 1 April 2009: HK\$184,072,000) that will expire in the years of 2012 to 2030 (2010: 2011 to 2030), 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 HK\$15,084,000 (31 March 2010: HK\$11,463,000 and 1 April 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377,472,000港元(二零一零年三月三十一日：298,801,000港元及二零零九年四月一日：236,555,000港元)確認遞延稅項資產。未確認稅項虧損包括115,099,000港元(二零一零年三月三十一日：122,420,000港元及二零零九年四月一日：184,072,000港元)將於二零一二年至二零三零年(二零一零年：二零一一年至二零三零年)到期之虧損，其他稅項虧損可無限結轉。

根據中國新法例，由二零零八年一月一日起，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15,084,000港元(二零一零年三月三十一日：11,463,000港元及二零零九年四月一日：8,410,000港元)計提撥備。

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31. SHARE CAPITAL

31. 股本

		Nominal value per share 每股面值 HK\$ 港元	Number of ordinary shares 普通股數目	HK\$'000 千港元
Authorised:	法定股本：			
At 1 April 2009 and 31 March 2010	於二零零九年四月一日及 二零一零年三月三十一日	0.40	1,250,000,000	500,000
Increase on capital reorganisation	股本重組後增加		3,750,000,000	–
At 31 March 2011	於二零一一年三月三十一日	0.10	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足股本：			
At 1 April 2009 and 31 March 2010	於二零零九年四月一日及 二零一零年三月三十一日	0.40	785,088,828	314,035
Capital reorganisation	股本重組		–	(235,527)
Issue of shares upon open offer	因公開發售而發行股份	0.10	628,071,062	62,807
Issue of shares upon exercise of share options	因行使購股權而發行股份	0.10	62,086,400	6,209
Issue of shares upon exercise of warrants (note 33)	因行使認股權證而發行股份 (附註33)	0.10	30,000,000	3,000
At 31 March 2011	於二零一一年三月三十一日	0.10	1,505,246,290	150,524

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.

根據本公司於二零一零年六月二十三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」）。股本重組於二零一零年六月二十三日正午五時正完成後，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。股本減少所產生之進賬已計入本公司實繳盈餘賬。

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31. SHARE CAPITAL (CONT'D)

Pursuant to an ordinary resolution passed at the same special general meeting of the Company referred to 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.

The new shares issued during the year rank pari passu in all respects with the then existing shares in issue.

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.

31. 股本(續)

根據上文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」)。公開發售已於二零一零年七月二十一日完成，並發行628,071,062股發售股份。公開發售之所得款項為本集團日常運提供額外營運資金。

年內已發行之新股份於各方面均與當時已有之已發行股份享有同等地位。

32. 購股權計劃

本公司之購股權計劃

本公司已於二零零二年九月十二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。

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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 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.

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	Exercise price*	Number of share options			Exercised during the year	Outstanding at end of the year
		Outstanding at beginning of the year	Adjustment*	Outstanding at end of the year		
授出日期	行使價* HK\$ 港元	尚未行使 年初	調整*	本年度內 已行使	本年度末 尚未行使	
For the year ended 31 March 2011	截至二零一一年三月三十一日止年度					
5 January 2006	二零零六年一月五日	0.1903	12,000,000	44,126,400	(56,126,400)	-
13 November 2006	二零零六年十一月十三日	0.3100	2,000,000	7,354,400	(3,000,000)	6,354,400
4 January 2007	二零零七年一月四日	0.3549	220,000	808,984	-	1,028,984
1 February 2007	二零零七年二月一日	0.3677	40,000	147,088	-	187,088
7 March 2007	二零零七年三月七日	0.4126	3,000,000	11,031,600	-	14,031,600
			17,260,000	63,468,472	(59,126,400)	21,602,072
Exercisable at the end of the year	於本年度末可行使					21,602,072
Weighted average exercise price (HK\$)	加權平均行使價(港元)		0.2453	0.2453	0.1964	0.3793

* The number of share options and the corresponding exercise prices had been adjusted as a result of the open offer as detailed in note 31.

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。

舊計劃已於二零零七年九月十一日屆滿，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：

* 由於附註31所詳述之公開發售，購股權數目及相應之行使價已予調整。

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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 HK\$ 港元	於年初 尚未行使	年內失效	於年終 尚未行使	
For the year ended 31 March 2010	截至二零一零年三月三十一日止年度				
2 November 2004	二零零四年十一月二日	0.814	500,000	(500,000)	-
5 January 2006	二零零六年一月五日	0.89	12,000,000	-	12,000,000
13 November 2006	二零零六年十一月十三日	1.45	2,000,000	-	2,000,000
4 January 2007	二零零七年一月四日	1.66	220,000	-	220,000
1 February 2007	二零零七年二月一日	1.72	40,000	-	40,000
7 March 2007	二零零七年三月七日	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

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

No share options have been granted to the directors of the Company pursuant to the Old Scheme for the years ended 31 March 2011 and 2010.

32. 購股權計劃(續)

本公司之購股權計劃(續)

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 HK\$ 港元	於年初 尚未行使	年內失效	於年終 尚未行使	
For the year ended 31 March 2010	截至二零一零年三月三十一日止年度				
2 November 2004	二零零四年十一月二日	0.814	500,000	(500,000)	-
5 January 2006	二零零六年一月五日	0.89	12,000,000	-	12,000,000
13 November 2006	二零零六年十一月十三日	1.45	2,000,000	-	2,000,000
4 January 2007	二零零七年一月四日	1.66	220,000	-	220,000
1 February 2007	二零零七年二月一日	1.72	40,000	-	40,000
7 March 2007	二零零七年三月七日	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

以上購股權由授出日期起五年內行使。

截至二零一一年及二零一零年三月三十一日止年度，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 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.

32. 購股權計劃(續)

本公司之購股權計劃(續)

本公司於二零零八年一月十五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，不得超過新計劃於二零零八年一月十五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:

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 Exercise at beginning price* of the year 年初 尚未行使	Adjustment* 調整*	Granted during the year 本年度內 已授出	Exercised during the year 本年度內 已行使	Outstanding at end of the year 本年度末 尚未行使
For the year ended 31 March 2011	截至二零一一年三月 三十一日止年度						
23 January 2008	二零零八年一月二十三日	0.2228	150,000	551,580	-	-	701,580
28 January 2008	二零零八年一月二十八日	0.2053	346,000	1,272,311	-	(760,000)	858,311
15 October 2008	二零零八年十月十五日	0.0855	500,000	1,838,600	-	-	2,338,600
12 August 2010	二零一零年八月十二日	0.1880	-	-	2,500,000	(2,200,000)	300,000
31 August 2010	二零一零年八月三十一日	0.1880	-	-	12,000,000	-	12,000,000
			996,000	3,662,491	14,500,000	(2,960,000)	16,198,491
Exercisable at the end of the year	於本年度末可行使						16,198,491
Weighted average exercise price (HK\$)	加權平均行使價(港元)		0.1478	0.1478	0.1880	0.1924	0.1756

* The number of share options and the corresponding exercise prices had been adjusted as a result of the open offer as detailed in note 31.

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：

* 由於附註31所詳述之公開發售，購股權數目及相應之行使價已予調整。

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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 and at end of the year
授出日期		行使價 HK\$ 港元	於年初及年終 尚未行使之 購股權數目
For the year ended 31 March 2010	截至二零一零年三月 三十一日止年度		
23 January 2008	二零零八年一月二十三日	1.042	150,000
28 January 2008	二零零八年一月二十八日	0.96	346,000
15 October 2008	二零零八年十月十五日	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

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 for the years ended 31 March 2011 and 2010.

Total consideration received during the year from employees for taking up the options granted amounted to HK\$14 (2010: nil).

32. 購股權計劃(續)

本公司之購股權計劃(續)

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 HK\$ 港元	於年初及年終 尚未行使之 購股權數目
For the year ended 31 March 2010	截至二零一零年三月 三十一日止年度		
23 January 2008	二零零八年一月二十三日	1.042	150,000
28 January 2008	二零零八年一月二十八日	0.96	346,000
15 October 2008	二零零八年十月十五日	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

以上購股權由授出日期起十年內行使並即時歸屬。

截至二零一一年及二零一零年三月三十一日止年度，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14港元(二零一零年：無)。

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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	12.8.2010	31.8.2010
授出日期	二零一零年 八月十二日	二零一零年 八月三十一日

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)	0.0705	0.0720
Share price (HK\$)	股價(港元)	0.1880	0.1870
Exercise price (HK\$)	行使價(港元)	0.1880	0.1880
Expected volatility	預計波幅	55.7%	57.6%
Expected option life (years)	預計購股權期限(年)	3	3
Expected dividend yield	預期股息率	0%	0%
Risk-free interest rate	無風險利率	0.5%	0.5%

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.

The Group recognised total expense of HK\$1,040,000 (2010: nil) for the year in relation to share options granted by the Company.

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。

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。

本集團於年內就本公司授出之購股權確認之開支總額為1,040,000港元(二零一零年：無)。

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32. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 51.86% (2010: 52.21%) 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. 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51.86% (二零一零年: 52.21%) 權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權計劃

SMC購股權計劃已於二零零一年九月六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)。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於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，認購價則將不低於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 51.86% (2010: 52.21%) owned subsidiary of the Company (CONT'D)

The movements of the share options granted to a director of the Company and employees of the Group pursuant to the SMC Scheme were as follows:

32. 購股權計劃(續)

本公司持有51.86% (二零一零年：52.21%) 權益之附屬公司The Singing Machine Company, Inc. (「SMC」)之購股權計劃(續)

根據SMC計劃向本公司一名董事及本集團之僱員所授出購股權之變動載列如下：

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 年初 尚未行使	Granted during the year 本年度 內已授出	Forfeited during the year 本年度 內已沒收	Outstanding at end of the year 本年度末 尚未行使	
For the year ended 31 March 2011	截至二零一一年 三月三十一日止年度					
31 December 2002	二零零二年十二月三十一日	9.00	5,500	–	(1,500)	4,000
19 December 2003	二零零三年十二月十九日	1.97	5,710	–	(830)	4,880
6 February 2004	二零零四年二月六日	1.54	6,500	–	–	6,500
26 February 2004	二零零四年二月二十六日	1.36	20,000	–	–	20,000
29 March 2004	二零零四年三月二十九日	1.20	20,000	–	–	20,000
29 November 2004	二零零四年十一月二十九日	0.75	40,000	–	–	40,000
1 December 2004	二零零四年十二月一日	0.77	20,000	–	–	20,000
9 May 2005	二零零五年五月九日	0.60	57,000	–	(23,000)	34,000
31 March 2006	二零零六年三月三十一日	0.32	60,000	–	–	60,000
10 April 2006	二零零六年四月十日	0.33	52,000	–	(10,000)	42,000
31 March 2007	二零零七年三月三十一日	0.93	60,000	–	–	60,000
31 March 2008	二零零八年三月三十一日	0.45	120,000	–	–	120,000
31 March 2009	二零零九年三月三十一日	0.11	120,000	–	–	120,000
31 March 2010	二零一零年三月三十一日	0.03	60,000	–	–	60,000
29 October 2010	二零一零年十月二十九日	0.06	–	520,000	–	520,000
31 March 2011	二零一一年三月三十一日	0.04	–	60,000	–	60,000
			646,710	580,000	(35,330)	1,191,380
Exercisable at the end at the year	於本年度末可行使					611,380
Weighted average exercise price (US\$)	加權平均行使價(美元)		0.56	0.06	0.91	0.31
Holders of the share options are analysed as follows:	購股權持有人 分析如下：					
Director	董事		40,000	–	–	40,000
Employees	僱員		606,710	580,000	(35,330)	1,151,380
			646,710	580,000	(35,330)	1,191,380

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32. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 51.86% (2010: 52.21%) owned subsidiary of the Company (CONT'D)

32. 購股權計劃(續)

本公司持有51.86% (二零一零年：52.21%) 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 本年度內已授出	Forfeited during the year 本年度內已沒收	Outstanding at end of the year 本年度末尚未行使	
For the year ended 31 March 2010	截至二零一零年 三月三十一日止年度					
5 September 2000	二零零零年九月五日	2.04	5,550	–	–	
31 December 2002	二零零二年十二月三十一日	9.00	19,000	–	5,500	
19 December 2003	二零零三年十二月十九日	1.97	13,680	–	5,710	
6 February 2004	二零零四年二月六日	1.54	6,500	–	6,500	
26 February 2004	二零零四年二月二十六日	1.36	20,000	–	20,000	
29 March 2004	二零零四年三月二十九日	1.20	20,000	–	20,000	
29 November 2004	二零零四年十一月二十九日	0.75	40,000	–	40,000	
1 December 2004	二零零四年十二月一日	0.77	20,000	–	20,000	
9 May 2005	二零零五年五月九日	0.60	112,000	–	57,000	
6 June 2005	二零零五年六月六日	0.76	30,000	–	–	
31 March 2006	二零零六年三月三十一日	0.32	60,000	–	60,000	
10 April 2006	二零零六年四月十日	0.33	186,485	–	52,000	
31 March 2007	二零零七年三月三十一日	0.93	60,000	–	60,000	
31 March 2008	二零零八年三月三十一日	0.45	120,000	–	120,000	
3 October 2008	二零零八年十月三日	0.14	300,000	–	–	
31 March 2009	二零零九年三月三十一日	0.11	120,000	–	120,000	
31 March 2010	二零一零年三月三十一日	0.03	–	60,000	60,000	
			1,133,215	60,000	(546,505)	646,710
Exercisable at the end at the year	於本年度末可行使					586,710
Weighted average exercise price (US\$)	加權平均行使價(美元)		0.58	0.03	0.53	0.56
Holder of the share options are analysed as follows:	購股權持有人分析如下:					
Director	董事		40,000	–	–	40,000
Employees	僱員		1,093,215	60,000	(546,505)	606,710
			1,133,215	60,000	(546,505)	646,710

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32. SHARE OPTION SCHEMES (CONT'D)

Share option scheme of The Singing Machine Company, Inc. ("SMC"), a 51.86% (2010: 52.21%) owned subsidiary of the Company (CONT'D)

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

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		31.3.2010	29.10.2010	31.3.2011
授出日期		二零一零年 三月三十一日	二零一零年 十月二十九日	二零一一年 三月三十一日
Fair value at measurement date (US\$)	於計量日期之 公平價值(美元)	0.02	0.05	0.03
Share price (US\$)	股價(美元)	0.03	0.06	0.04
Exercise price (US\$)	行使價(美元)	0.03	0.06	0.04
Expected volatility	預計波幅	268.4%	283.9%	283.9%
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	0.4%	0.2%	0.3%

32. 購股權計劃(續)

本公司持有51.86% (二零一零年：52.21%) 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九年內行使。

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 51.86% (2010: 52.21%) 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\$98,000 (2010: HK\$73,000) for the year in relation to share options granted by SMC.

33. WARRANTS

On 10 September 2010, the Company entered into two conditional placing agreements with two independent subscribers in relation to private placing of an aggregate of 155,000,000 warrants to the subscribers at the issue price of HK\$0.01 per warrant. The proceeds from the warrant placing of HK\$1,550,000 were recorded in warrant reserve.

The warrants entitle the subscribers to subscribe for new shares at an initial subscription price of HK\$0.33 per share (subject to anti-dilutive adjustment) for a period of 12 months commencing from the date of issue of the warrants. During the year, 30,000,000 (2010: nil) new shares were issued on exercise of the warrants. Exercise in full of the remaining outstanding warrants would, under the present capital structure, result in receipt by the Company of HK\$41,250,000 in subscription monies and the issue of 125,000,000 new shares. Further details of the warrant issue are set out in the announcement of the Company dated 10 September 2010.

32. 購股權計劃(續)

本公司持有**51.86%** (二零一零年：**52.21%**) 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98,000港元(二零一零年：73,000港元)。

33. 認股權證

於二零一零年九月十日，本公司與兩名獨立認購人訂立兩份有條件配售協議，內容有關按發行價每份認股權證0.01港元向認購人私人配售合共155,000,000份認股權證。認股權證配售之所得款項1,550,000港元已計入認股權證儲備。

認股權證賦予認購人權利，可於認股權證發行日期起計12個月期間按初步認購價每股0.33港元認購新股份(可進行反攤薄調整)。年內，因認股權證獲行使已發行30,000,000股(二零一零年：無)新股份。根據現有股本架構，悉數行使餘下尚未行使之認股權證，將導致本公司收取41,250,000港元之認購款項及發行125,000,000股新股份。發行認股權證之進一步詳情載於本公司日期為二零一零年九月十日之公佈。

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34. 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 owners 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.

35. FINANCIAL INSTRUMENTS

Categories of financial instruments

		31.3.2011 二零一一年 三月三十一日 HK\$'000 千港元	31.3.2010 二零一零年 三月三十一日 HK\$'000 千港元	1.4.2009 二零零九年 四月一日 HK\$'000 千港元
Financial assets	金融資產			
Available-for-sale investments	可供出售之投資	24,040	24,046	24,048
Investments held for trading	持作買賣之投資	2,252	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	20	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)	237,408	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	369,651	315,600	457,477

34. 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)及本公司擁有人應佔權益(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。檢討之一部份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。

35. 金融工具

金融工具的類別

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35. FINANCIAL INSTRUMENTS (CONT'D)

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.

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:

35. 金融工具(續)

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／應付聯營公司賬項、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。

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：

		2011		2010	
		二零一一年		二零一零年	
		Assets	Liabilities	Assets	Liabilities
		資產	負債	資產	負債
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Canadian dollars	加拿大元	5	–	61	–
Euro	歐元	41	146	92	–
Hong Kong dollars	港元	264,512	551,956	249,799	424,969
Japanese yen	日圓	200	–	2,464	1,398
Macao pataca	澳門元	–	–	4,339	–
Renminbi	人民幣	16,036	201	50	22
Singapore dollars	新加坡元	–	–	1,021	–
Swiss Franc	瑞郎	214	–	223	–
United States dollars	美元	382,323	176,165	257,304	41,498

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35. 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 Hong Kong dollars, Renminbi, 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 Hong Kong dollars, Renminbi 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, Renminbi and Macao pataca strengthen 5% against each group; 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 Renminbi, 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.

35. 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港元、人民幣、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港元、人民幣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。以下正值表明人民幣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。當人民幣、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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35. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (CONT'D)

Currency risk (CONT'D)

Sensitivity analysis (CONT'D)

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Hong Kong dollars	港元	(14,372)	(8,759)
Renminbi	人民幣	792	1
Macao pataca	澳門元	-	217

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.

35. 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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35. 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 2011 would increase/decrease by HK\$910,000 (2010: HK\$892,000). 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.

35. 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，則本集團截至二零一一年三月三十一日止年度之虧損會增加／減少910,000港元(二零一零年：892,000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未按公平價值計量。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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35. 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 2011 would decrease/increase by HK\$114,000 (2010: HK\$680,000) 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 2011 and 2010 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.

35. 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%，則截至二零一一年三月三十一日止年度之虧損會減少/增加114,000港元(二零一零年：680,000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

倘訂約各方於二零一一年及二零一零年三月三十一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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35. 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 96% (2010: 73%) of the Group's total trade debtors as at 31 March 2011. The Group also has concentration of credit risk by customers as 35% (2010: 24%) and 44% (2010: 31%) 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 settled on a net basis, undiscounted net cash outflows are presented.

35. 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。於二零一一年三月三十一日，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96% (二零一零年：73%)。由於本集團之應收貿易賬項總額中之35% (二零一零年：24%) 及44% (二零一零年：31%) 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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35. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (CONT'D)

Liquidity risk (CONT'D)

Liquidity and interest risk tables

35. 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

		Effective interest rate	Repayable on demand	Less than 1 month	1-3 months	3 months to 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	HK\$'000 千港元	HK\$'000 千港元
2011	二零一一年							
Non-derivative financial liabilities	非衍生金融負債							
Creditors and accrued charges	應付賬項及應計費用	-	29,117	42,173	42,220	-	113,510	113,510
Amounts due to associates	應付聯營公司賬項	-	2,809	-	-	-	2,809	2,809
Borrowings	借貸	2.6	35,300	67,353	125,953	25,830	254,436	253,332
			67,226	109,526	168,173	25,830	370,755	369,651
2010	二零一零年							
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	66,634	-	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	161,606	5,015	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

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35. 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.

35. 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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35. 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).

35. 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 2011

於二零一一年三月三十一日

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Investments held for trading	持作買賣之投資	2,252	–	2,252
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	–	20	20
		2,252	20	2,272

At 31 March 2010

於二零一零年三月三十一日

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Total 總計 HK\$'000 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

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35. FINANCIAL INSTRUMENTS (CONT'D)

Fair value (CONT'D)

Fair value measurements recognised in the consolidated statement of financial position (CONT'D)

There were no transfers between Level 1 and 2 during both years.

35. 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)

於兩個年度內，第一級與第二級之間並無任何轉移。

36. DEEMED PARTIAL DISPOSAL OF A SUBSIDIARY

During the year ended 31 March 2010, SMC issued an aggregate of 136,362 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, net of attributable goodwill of HK\$57,000. 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.

36. 被視為出售附屬公司部份權益

截至二零一零年三月三十一日止年度，SMC已發行合共136,362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港元及應佔商譽淨值57,000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。

37. CAPITAL COMMITMENTS

37. 資本承擔

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 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	
	287	706

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38. 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:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within one year	一年內	8,041	8,290
In the second to fifth years inclusive	第二至第五年(首尾兩年包括在內)	9,879	17,567
		17,920	25,857

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 (2010: 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:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within one year	一年內	3,007	4,653
In the second to fifth years inclusive	第二至第五年(首尾兩年包括在內)	332	2,510
		3,339	7,163

These properties have committed tenants for terms ranging from one to two years (2010: one to two years).

38. 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至五年(二零一零年：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至兩年不等(二零一零年：一至兩年)。

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39. 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:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 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	75,301	24,339
Investments held for trading	持作買賣之投資	385	4,989
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
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	1,130	2,806

40. 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. 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：

40. 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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41. RELATED PARTY TRANSACTIONS

The Group entered into the following 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 (2010: HK\$15 million).
- (b) The Group maintained current accounts with associates. Their balances as at 31 March 2011 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 of HK\$900,000 (2010: HK\$1,307,000) to certain close family members of Mr. Lau Sak Hong, Philip, a director of the Company, as employees of the Group.
- (d) Compensation of key management personnel

Details of the remuneration of key management personnel, who are the executive directors, during the year are set out in note 9.

41. 關連人士交易

本集團訂立以下關連人士交易。

- (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(二零一零年: 15,000,000港元)。
- (b) 本集團與聯營公司有往來賬項。於二零一一年三月三十一日, 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為900,000港元(二零一零年: 1,307,000港元)。
- (d) 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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42. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries are as follows:

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
			2011 二零一一年	2010 二零一零年	
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
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
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

42. 主要附屬公司

本公司之主要附屬公司詳情如下：

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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
			2011 二零一一年	2010 二零一零年	
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/ 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
			2011 二零一一年	2010 二零一零年	
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
			2011 二零一一年	2010 二零一零年	
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 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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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
			2011 二零一一年	2010 二零一零年	
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
Starlight Electronics USA Inc.	United States of America 美國	US\$10,000 10,000美元	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
			2011 二零一一年	2010 二零一零年	
The Singing Machine Company, Inc. ("SMC")**	United States of America 美國	US\$378,357 (2010: USA375,857) 378,357美元 (二零一零年: 375,857美元)	51.86%	52.21%	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
			2011 二零一一年	2010 二零一零年	
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。

** The common stock of SMC is quoted on the Over-the-Counter bulletin board.

** SMC之普通股在場外交易議價板報價。

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.

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份。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。

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.

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					2011
		截至三月三十一日止年度					
		2007	2008	2009	2010	2011	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
		二零零七年	二零零八年	二零零九年	二零一零年	二零一一年	
		千港元	千港元	千港元	千港元	千港元	
					(Restated)	(經重列)	
RESULTS	業績						
Turnover	營業額	2,434,241	2,199,033	1,281,062	738,262	637,633	
Profit (loss) before taxation	除稅前溢利(虧損)	119,906	64,025	(118,408)	(75,712)	(43,074)	
Taxation	稅項	(9,715)	(18,531)	(1,280)	195	(840)	
Profit (loss) for the year	本年度溢利(虧損)	110,191	45,494	(119,688)	(75,517)	(43,914)	
Attributable to:	下列人士應佔：						
Owners of the Company	本公司擁有人	105,196	45,914	(110,186)	(65,827)	(41,216)	
Non-controlling interests	非控股權益	4,995	(420)	(9,502)	(9,690)	(2,698)	
		110,191	45,494	(119,688)	(75,517)	(43,914)	
		At 31 March					
		於三月三十一日					
		2007	2008	2009	2010	2011	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		二零零七年	二零零八年	二零零九年	二零一零年	二零一一年	
		千港元	千港元	千港元	千港元	千港元	
					(Restated)	(經重列)	
ASSETS AND LIABILITIES	資產與負債						
Total assets	資產總值	1,432,998	1,474,310	1,197,492	987,725	1,082,652	
Total liabilities	負債總額	620,648	674,534	521,795	369,344	409,159	
		812,350	799,776	675,697	618,381	673,493	
Equity attributable to owners of the Company	本公司擁有人應佔權益	797,117	781,739	665,100	616,998	674,683	
Non-controlling interests	非控股權益	15,233	18,037	10,597	1,383	(1,190)	
		812,350	799,776	675,697	618,381	673,493	

The financial information for the year ended 31 March 2010 has been restated to reflect the effect of early adoption of Amendments to HKAS 12 titled "Deferred tax: Recovery of underlying assets" issued by the Hong Kong Institute of Certified Public Accountants. The financial information for the three years ended 31 March 2007, 2008 and 2009 has not been adjusted.

於截至二零一零年三月三十一日止年度之財務資料已經重列，以反映提早採納香港會計師公會頒布之香港會計準則第12號「遞延稅項：收回相關資產」之修訂之影響。截至二零零七年、二零零八年及二零零九年三月三十一日止三個年度之財務資料並無進行調整。

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
中國廣州市番禺石基鎮岐山路8號 221及36地段	63,968	商業 Commercial	100%	長年期租約 Long leases
中國廣州市番禺石基鎮岐山社區 荔新大道2號富臨苑一座506至508室	3,162	住宅 Residential	100%	長年期租約 Long leases

STARLITE

Starlight International Holdings Ltd

升岡國際有限公司