



INNO-TECH HOLDINGS LIMITED 匯創控股有限公司*

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock Code : 8202
股份代號 : 8202



05/06

ANNUAL REPORT 年報

* For identification purposes only
* 僅供識別

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This report, for which the directors of Inno-Tech Holdings Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to Inno-Tech Holdings Limited. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded bases and assumption that are fair and reasonable.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板為帶有高投資風險之公司提供上市之市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市之公司可因其新興性質及該等公司經營業務之行業或國家而帶有風險。有意投資之人士應瞭解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他經驗豐富投資者。

由於創業板上市之公司屬於新興性質，在創業板買賣之證券可能會較於聯交所主板買賣之證券承受較大市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板發布資料之主要方法為在聯交所為創業板而設之互聯網網頁刊登。上市公司毋須在憲報指定報章刊登付款公布披露資料。因此，有意投資人士應注意彼等須瀏覽創業板網頁，以便取得創業板上市發行人之最新資料。

聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部份內容而產生或因依據該等內容而引致之任何損失承擔任何責任。

本報告乃遵照聯交所創業板證券上市規則（「創業板上市規則」）之規定而提供有關 Inno-Tech Holdings Limited（匯創控股有限公司）之資料，Inno-Tech Holdings Limited（匯創控股有限公司）各董事願共同及個別對本報告承擔全部責任。各董事經作出一切合理查詢後，確認就彼等所深知及確信：(i) 本報告所載資料在各重大方面均屬準確及完整，且無誤導成分；(ii) 本報告並無遺漏任何其他事宜致使其所載任何聲明產生誤導；及(iii) 本報告內表達之一切意見乃經審慎周詳考慮後始行作出，並以公平合理之基準和假設為依據。

CONTENTS

目 錄



		<i>Page</i> 頁次
Corporate Information	公司資料	2
Five-year Financial Summary	五年財務概要	4
Chairman's Statement	主席報告	6
Management Discussion and Analysis	管理層之論述及分析	9
Directors and Senior Management Profile	董事及高級管理人員之履歷	13
Report of the Directors	董事會報告	18
Corporate Governance Report	企業管治報告	34
Report of the Auditors	核數師報告	40
Consolidated Income Statement	綜合損益表	42
Consolidated Balance Sheet	綜合資產負債表	43
Balance Sheet	資產負債表	45
Consolidated Statement of Changes in Equity	綜合權益變動表	46
Consolidated Cash Flow Statement	綜合現金流量表	47
Notes to the Financial Statements	財務報表附註	49

CORPORATE INFORMATION

公 司 資 料

BOARD OF DIRECTORS

Ms. Wong Yuen Yee (*Chairman*)
 Mr. Wong Yao Wing, Robert (*Deputy Chairman*)
 Mr. Wong Kwok Sing
 Mr. Lam Shiu San
 Mr. Wong Tak Leung, Charles*
 Ms. Wu Wai Yee, Annis*
 (*Resigned on 20 February 2006*)
 Ms. Ho Chui Yin, Liwina*
 Mr. Lai Ying Sum* (*Appointed on 3 March 2006*)

* *Independent non-executive Directors*

COMPLIANCE OFFICER

Mr. Wong Yao Wing, Robert

AUTHORISED REPRESENTATIVES

Mr. Wong Yao Wing, Robert
 Ms. Wong Yuen Yee

COMPANY SECRETARY

Ms. Wu Wai Yee, Annis
 (*Appointed on 20 February 2006*)
 Mr. Li Kar Fai, Peter, CPA
 (*Resigned on 20 February 2006*)

QUALIFIED ACCOUNTANT

Ms. Wu Wai Yee, Annis
 (*Appointed on 20 February 2006*)

AUDIT COMMITTEE MEMBERS

Mr. Wong Tak Leung, Charles
 (*Chairman of audit committee*)
 Ms. Ho Chui Yin, Liwina
 Mr. Lai Ying Sum
 (*Appointed on 3 March 2006*)
 Ms. Wu Wai Yee, Annis*
 (*Resigned on 20 February 2006*)

AUDITORS

PCP CPA Limited

董事會

黃婉兒女士 (主席)
 黃祐榮先生 (副主席)
 黃國聲先生
 林兆樂先生
 王德良先生*
 胡惠儀女士*
 (*於二零零六年二月二十日辭任*)
 何翠賢女士*
 黎應森先生*
 (*於二零零六年三月三日獲委任*)

* 獨立非執行董事

法規主任

黃祐榮先生

法定代表

黃祐榮先生
 黃婉兒女士

公司秘書

胡惠儀女士
 (*於二零零六年二月二十日獲委任*)
 李嘉輝先生
 (*於二零零六年二月二十日辭任*)

合資格會計師

胡惠儀女士
 (*於二零零六年二月二十日獲委任*)

審核委員會成員

王德良先生
 (*審核委員會主席*)
 何翠賢女士
 黎應森先生
 (*於二零零六年三月三日獲委任*)
 胡惠儀女士*
 (*於二零零六年二月二十日辭任*)

核數師

華德匡成會計師事務所有限公司

CORPORATE INFORMATION

公 司 資 料

LEGAL ADVISER TO THE COMPANY

Troutman Sanders (as to Hong Kong Laws)
Conyers Dill & Pearman (as to Bermuda Laws)

PRINCIPAL BANKERS

HSH Nordbank Hong Kong Branch
Equitable PCI BANK, INC.
Wing Lung Bank Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 2303
Tung Wai Commercial Building
109-111 Gloucester Road
Wanchai
Hong Kong

COMPANY WEBSITE

<http://www.it-holdings.com>

Note: Information contained in this website does not form part of this annual report.

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

The Bank of Bermuda Limited
6 Front Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

GEM STOCK CODE

8202

本公司之法律顧問

長盛律師事務所(香港法律)
Conyers Dill & Pearman(百慕達法律)

主要往來銀行

德國北方銀行香港分處
建南銀行
永隆銀行

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

總辦事處及主要營業地點

香港
灣仔
告士打道109-111號
東惠商業大廈
2303室

公司網址

<http://www.it-holdings.com>

*附註：*載於此網站之資料並非為本年報之一部份。

主要股份登記及過戶處

The Bank of Bermuda Limited
6 Front Street
Hamilton HM 11
Bermuda

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心四十六樓

創業板股份代號

8202

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

		Year ended 31 March 截至三月三十一日止年度				
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Turnover	營業額	90,955	78,716	30,440	25,655	19,461
Cost of sales	銷售成本	(69,669)	(56,282)	(7,031)	(4,278)	(2,161)
Gross profit	毛利	21,286	22,434	23,409	21,377	17,300
Other revenue	其他收入	1,108	416	139	115	1
Research and development expenses	研究及開發開支	-	(872)	(94)	(492)	(240)
Marketing and promotion expenses	市場推廣及宣傳開支	(1,406)	(1,213)	(4,226)	(2,957)	(1,013)
Administrative expenses	行政開支	(19,615)	(8,995)	(11,259)	(8,205)	(3,059)
Profit from operations	經營溢利	1,373	11,770	7,969	9,838	12,989
(Loss)/profit attributable to shareholders	股東應佔 (虧損) / 溢利	(5,708)	5,661	4,324	7,563	10,882
Dividends	股息	-	-	-	-	-
(Loss)/earnings per share - Basic	每股 (虧損) / 盈利 - 基本	(1.94 cent) 仙	2.23 cents 仙	1.8 cents 仙	3.38 cents 仙	5.66 cents 仙

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要



		As at 31 March				
		於三月三十一日				
		2006	2005	2004	2003	2002
		二零零六年	二零零五年	二零零四年	二零零三年	二零零二年
		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
			(restated)			
			(重列)			
Total assets	總資產	133,791	140,072	101,616	52,514	18,589
Total liabilities	總負債	(81,218)	(93,740)	(65,086)	(21,250)	(6,031)
Shareholders' funds	股東資金	52,573	46,332	36,530	31,264	12,558
Non-current assets	非流動資產	46,139	37,398	28,794	16,122	2,104
Current assets	流動資產	87,652	102,674	72,822	36,392	16,485
Current liabilities	流動負債	(66,727)	(80,227)	(51,104)	(19,087)	(5,712)
Non-current liabilities	非流動負債	(14,491)	(13,513)	(13,982)	(2,163)	(319)

CHAIRMAN'S STATEMENT

主席報告

TO OUR SHAREHOLDERS

On behalf of the board of Directors (the "Board") of Inno-Tech Holdings Limited (the "Company"), I am pleased to present to you the audited consolidated financial statements of the Company and its subsidiaries (together the "Group") for the year ended 31 March 2006.

For the year ended 31 March 2006, the Group's business continued to maintain a satisfactory growth. The annual turnover amounted to HK\$90,955,000, representing 15.55% higher than that of the same period last year in the amount of HK\$78,716,000. The loss attributable to shareholders were HK\$5,708,000 as compared to that of the same period last year in the amount of net profit of HK\$5,661,000. Basic loss per share were HK 1.94 cents as compared to the amount of HK 2.23 cents of the same period last year.

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2006.

BUSINESS REVIEW

The Group's turnover is mainly derived from selling the products for i-Panel and Adbus, the provision of Internet design for residential communities and the software application solution services in the PRC, and continues to remain a favorable performance during the year. The Group's business growth is primarily due to its increasing market competitiveness, with the continuing strong economy growth in China and Hong Kong and the flourishing real estate market of China.

In order to enhance the market competitiveness of i-Panel that is the Group's flag-product, the Group continuously strengthen the functions of i-Panel. As the i-Panel had incorporated successfully the functions of the Group's another product, Adbus, the new i-Panel was well received by the market with the larger application fields. As a result of many famous high-class housing projects and commercial building used such

致本集團股東

本人謹代表 Inno-Tech Holdings Limited (「匯創控股有限公司」) (「本公司」) 董事會 (「董事會」) 欣然提呈本公司及其附屬公司 (統稱「本集團」) 截至二零零六年三月三十一日止年度之經審核綜合財務報表。

截至二零零六年三月三十一日之年度，本集團業務繼續保持令人滿意的增長，全年營業額 90,955,000 港元，較去年同期 78,716,000 港元，上升 15.55%。股東應佔虧損 5,708,000 港元，去年同期純利 5,661,000 港元。每股基本虧損為 1.94 港仙，去年同期每股基本盈利 2.23 港仙。

董事不建議派發截至二零零六年三月三十一日止年度之末期股息。

業務回顧

在國內銷售 i-Panel 及 Adbus 產品，提供社區聯網設計，以及軟件應用解決方案供應商服務為集團主要的營業來源，年度內繼續有理想表現。市場競爭力提昇，加上中國和香港的經濟強勁增長，國內房地產市場蓬勃發展，成為本集團業務上升的主要原因。

為加強主要產品 i-Panel 之市場競爭力，本集團不斷強化產品之應用功能，由於已成功結合本集團之另一產品 Adbus 之功能，令新的 i-Panel 產品更受到市場歡迎，應用範圍更為廣泛，國內眾多著名之高級屋苑及商廈均採購此一產品，使本集團上年度營業額有顯著的增長。不過，智能家居

CHAIRMAN'S STATEMENT

主席報告

product, the Group's turnover recorded a remarkable growth in the previous year. However, the intelligent home electronic application products were facing the increasing market competitiveness, the Group had to sell the new products by a very competitive price in order to maintain the market share, the gross profit margin of the product did not increase, and remained the similar level over that of the same period last year.

To strengthen the Group's profit basis, the Group had expanded actively its business scope in the past year, of which applied electronic software application solutions into medical services in the PRC. For developing this aspect of business, the Group established early Pro-Innovative Holding Ltd., to explore proactively the business opportunity in the medical services industry. Currently, it has achieved a satisfactory progress. Also, the Group had formed Parentech China Limited with Parentech Inc., and Parentech China had achieved initially a desirable performance in the production and sale of Nature's Cradle Series for infant, and thus laid a well-rounded foundation for the Group's expansion into medical market and high consumption healthcare market.

PROSPECTS AND OUTLOOK

As China maintains its rapid economy growth, with the year-by-year increase in per capita GDP, the people have more and more eager demand for house, and higher demand for housing quality. Therefore, the Group's business still has a considerable development potential in the future. The Chinese government often adopts different measures to curb the real estate market in order to prevent from excess speculation. However, it is believed that these measures are for the purpose of stabilizing the real estate market, and more beneficial to the future development of the market. It is expected that they will not affect the Group's business in the future.

The Chinese government has opened gradually its medical service market since September 2001, and this

電子應用產品市場競爭日益加劇，為保持市場佔有率，本集團以極具競爭力之價格銷售新產品，故此產品之毛利率未因而上升，僅維持過去相若之水平。

為鞏固集團之盈利基礎，本集團過去一年來積極擴闊業務範圍，把電子軟件應用解決方案結合於國內醫療服務方面。為發展這方面之業務，較早前成立一間名為Pro-Innovative Holding Ltd.，積極在醫療服務行業探求商機，目前進展令人滿意。而本集團與Parentech Inc合營的中國銀籃(香港)有限公司，在生產及銷售Nature's Cradle嬰兒產品系列方面，初步取得理想表現，為本集團進駐內地醫療及高消費保健市場打下基礎。

前景展望

在中國經濟持續高增長，人均產值每年遞增的大好形勢下，國民對住屋需求愈來愈殷切，住屋質素要求亦愈來愈高，因此，本集團未來業務還有很大的發展空間。中國政府經常採取不同的措施壓抑房地產市道，避免出現過份投機炒賣，然而，相信這些措施目的僅是穩定樓市，對市場未來的發展更加有利，預期本集團未來的業務將不會因而受到影響。

中國政府自二零零一年九月開始，逐步開放醫療服務市場，令醫療服務蓬

CHAIRMAN'S STATEMENT

主席報告

has enabled the medical services to make a thriving development. The increasing demand for medical services level procures the relevant industries have more and more eager demand for electronic technology application. Our Board had had insight into this opportunity, it had proactively arranged for developing electronic technology application solutions in medical service industry in the past year, and achieved a certain result. The Group will increase further its capital contribution in the industry in the forthcoming year. We are confident of the new business's future development.

Moreover, the Group also intends to expand its business into other areas, such as the hospital management services, medical healthcare products market and medical project investment. Under the foundation laid by our continuous efforts in the past two years, the Group believes that it will be able to achieve a brilliant fruit in the future.

Facing the pressures for the rising global interest rate and the increasing borrowing cost, and the Group still requires more capital to meet its future development. As a result, the Board does not recommend payment of a dividend for the year to retain more cash flows for the purpose of further development, and considers it is in the best interest of the Company and Shareholders.

I on behalf of the Board would like to express my thanks to the management and all other colleagues for their hard work and the contribution over the year. And, to our shareholders and business partners I would like to give them my heartfelt appreciation for their unrelenting support.

Wong Yuen Yee
Chairman

Hong Kong, 26 June 2006

勃發展，國民對醫療服務水平的要求不斷提高，促使行業對電子科技應用技術需求愈加殷切。本集團董事局早已洞悉此一機遇，年來積極部署在醫療服務業中發展電子科技應用解決方案，而且取得一定之成果，未來一年將會加大這方面的投資力度，本集團對有關新業務之發展前景充滿信心。

此外，本集團亦擬把業務擴展至醫院管理服務、醫療保健產品市場拓展以及醫療項目投資等不同的領域，本集團深信過去兩年不斷努力所奠下的基礎，未來將可得到豐碩的成果。

面對目前全球利率不斷上升，借貸成本持續增加的壓力，加上本集團未來發展仍需大量資金投入，故此本年度不派發股息，以保留更多現金作發展用途，實為對公司及股東最佳之做法。

過去一年，管理層及所有同事對本集團作出之努力及貢獻，本人謹代表董事會致以衷心謝意，並感激各股東及業務夥伴長期以來鼎力的支持。

主席
黃婉兒

香港，二零零六年六月二十六日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之論述及分析

BUSINESS REVIEW

For the year ended 31 March 2006, the Group's audited consolidated turnover amounted to approximately HK\$90,955,000 (2005: HK\$78,716,000). The Directors considered the performance of the Group to be satisfactory.

The Group recorded a net loss of approximately HK\$5,708,000 for the year ended 31 March 2006 (2005 (restated): net profit of HK\$5,661,000). The net loss was mainly due to change of accounting policies of one time written off of share-based payment of HK\$2.46 million and intangible assets written off of HK\$5.05 million in administration expenses. Basic loss per share for the year ended 31 March 2006 was HK1.94 cents (2005 (restated): earnings per share of HK2.23 cents).

The Group is a software application solutions provider engaged in the provision of intranet design for residential communities and e-property management software application consulting services based on the application of the i-Panel and its integrated hardware and software in the People's Republic of China (the "PRC").

During the year ended 31 March 2006, the Group has continued with the development of the application software and hardware of the ApBus product line and the brand Apbus was accredited as "中國十大家居智能產品優秀品牌" (the Top 10 recommended brand for Intelligent Home Products) in China. During the year, ApBus product line has obtained certification for ISO 9001.

For the year ended 31 March 2006, turnover amounted to HK\$90,955,000, representing an increase of 15.55% compared to the same period of the previous year. To widen its income base, the Group is looking for opportunities to expand to other sectors to which it can provide its services. The Group had expanded to the production of home-automation products during the year. The home-automation products of the Group are not only applicable in residential properties but also other industries such as office units, hospitals and clinics, schools and some recreational areas, as well.

業務回顧

截至二零零六年三月三十一日止年度，本集團之經審核綜合營業額約為90,955,000港元（二零零五年：78,716,000港元）。董事認為本集團之表現將令人滿意。

於截至二零零六年三月三十一日止年度，本集團錄得虧損淨額約5,708,000港元（二零零五年（重列）：純利5,661,000港元）。虧損淨額主要由於會計政策變動中的一次性撇銷以股份為基礎之支出2,460,000港元及撇銷無形資產5,050,000港元在行政費用中所致。即截至二零零六年三月三十一日止年度之每股基本虧損為1.94港仙（二零零五年（重列）：每股盈利2.23港仙）。

本集團為軟件應用解決方案供應商，主要在中華人民共和國（「中國」）從事提供住宅區內聯網設計及憑藉應用i-Panel及其整合軟硬件提供電子物業管理軟件應用諮詢服務之業務。

於截至二零零六年三月三十一日止年度，本集團繼續開發ApBus產品系列之應用軟件及硬件，而品牌Apbus榮獲「中國十大家居智能產品優秀品牌」獎項。於本年度，ApBus產品系列已獲得ISO 9001證書。

於截至二零零六年三月三十一日止年度，營業額達90,955,000港元，較上年度同期增長約15.55%。為了擴闊其收入基礎，本集團正尋求機會，以擴展其他可以提供其服務之行業。本集團於年內已擴充至家居自動化產品。除住宅物業外，本集團家居自動化產品亦可應用於辦公室單位、醫院及診所、學校及若干康樂方面。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之論述及分析

MATERIAL ACQUISITIONS AND DISPOSALS OF INVESTMENTS DURING THE YEAR

Save as disclosed in the announcement dated 22 December 2005 relating to the acquisition of certain properties for an aggregate consideration of HK\$6,100,000, there were no material acquisitions and disposals of investments by the Group during the year ended 31 March 2006.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group is financially healthy in terms of its liquidity and net debt position. As at 31 March 2006, the net current assets of the Group were at a healthy level of approximately HK\$20,925,000 (2005: HK\$22,447,000). Out of the current assets as at 31 March 2006, approximately HK\$25,845,000 (2005: HK\$41,504,000) were pledged deposits and cash and bank balances. The current ratio of the Group as at 31 March 2006 and 31 March 2005 were 131% and 128% respectively. As at 31 March 2006, bank overdrafts and short term bank borrowings and convertible notes in aggregate amounted to approximately HK\$45,638,000 (2005: HK\$63,038,000). Net debt (i.e. total bank borrowings and convertible notes less cash and cash equivalent and pledged deposits) as at 31 March 2006 is approximately HK\$29,785,000 (2005: HK\$30,713,000) and accordingly net debt gearing ratio (i.e. net debt/net assets) as at 31 March 2006 and 31 March 2005 were 56.7% and 66.3% respectively.

Capital Structure

On 24 September 2003, the Company had successfully placed redeemable convertible notes in the aggregate principal amounts of HK\$8,000,000 due on 24 September 2006. Details of convertible notes have been disclosed in the Company's circular to shareholders dated 29 September 2003.

In April 2005 and March 2006, the Company had placed 42,000,000 and 30,000,000 ordinary shares to independent third parties, respectively and raised gross proceeds of HK\$8,100,000 for general working capital purpose.

本年度重大投資收購事項及出售事項

除誠如二零零五年十二月二十二日發表之公佈所披露，按總代價6,100,000港元收購若干物業外，本集團於截至二零零六年三月三十一日止年度內並無進行任何重大收購事項及出售事項。

財務回顧

流動資金及財務資源

就流動資金及負債淨額水平而言，本集團財政穩健。於二零零六年三月三十一日，本集團之流動資產淨額約為20,925,000港元（二零零五年：22,447,000港元）之健康水平。於二零零六年三月三十一日之流動資產中，約25,845,000港元（二零零五年：41,504,000港元）為有抵押存款及現金及銀行結餘。本集團於二零零六年三月三十一日及二零零五年三月三十一日之流動比率分別為131%及128%。於二零零六年三月三十一日，銀行透支及短期銀行借貸及可換股票據合共約為45,638,000港元（二零零五年：63,038,000港元）。於二零零六年三月三十一日之負債淨額（即銀行借貸與可換股票據總額減現金及現金等價物及有抵押存款）約為29,785,000港元（二零零五年：30,713,000港元），因此，於二零零六年三月三十一日及二零零五年三月三十一日之負債淨額比率（即負債淨額除以資產淨額）分別為56.7%及66.3%。

資本架構

於二零零三年九月二十四日，本公司已成功配售於二零零六年九月二十四到期之總本金額為8,000,000港元之可贖回可換股票據。該等可換股票據之詳情已於本公司於二零零三年九月二十九日向股東發出之通函內披露。

於二零零五年四月及二零零六年三月，本公司分別向獨立第三者配售42,000,000股及30,000,000股普通股，籌得所得款項總額8,100,000港元作一般營運資金用途。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之論述及分析

On 12 August 2005, the Group has placed a series of 7.5% redeemable convertible notes due in 2008 for the aggregate principal amount of HK\$6.3 million. Details of which were set out in the announcement made by the Company dated 15 August 2005. The proceeds from the issue of the 2008 convertible notes in the amount of HK\$6.3 million has been fully utilized to finance the research and development of the product series of home intelligent automated system using the patented technology and i-Panel.

Pursuant to an ordinary resolution passed at a special general meeting of the Company held on 6 February 2006, every two issued and unissued shares of HK\$0.01 each were consolidated into one new share of HK\$0.02 each with effect from 7 February 2006.

Foreign Currency Risk

During the year ended 31 March 2006, the majority of the Group's income and expenses was denominated in Hong Kong dollar while an insignificant portion of expenses was denominated in Renminbi or United States dollar. As at 31 March 2006, the Group had an outstanding foreign exchange contract of USD300,000 (2005: USD300,000).

Charges on Group's Assets

Bank deposits of HK\$25,000,000 (2005: HK\$40,000,000) as at 31 March 2006 have been pledged against banking facilities granted to the Group.

Contingent Liabilities

There were no significant contingent liabilities of the Group during the year ended 31 March 2006 (2005: Nil).

PROSPECTS

In the next financial year, the Group will develop its business by adopting a dual strategy in lieu of the previous single strategy. That is, the Group will continue to strengthen its original business and at the same time expand into woman and child medical services, and expand to the medical industry for provision of electronic medical software application and support services.

於二零零五年八月十二日，本集團已配售一系列二零零八年到期7.5厘可贖回可換股票據，該等票據之總本金額達6,300,000港元。有關詳情載於本公司於二零零五年八月十五日發表之公佈內。發行二零零八年可換股票據之所得款項6,300,000港元已被悉數動用，以便為研究及開發使用專利技術的家用智能自動化系統及i-Panel產品系列提供資金。

根據本公司於二零零六年二月六日舉行之股東特別大會上通過之普通決議案，每兩股每股面值0.01港元之已發行及未發行股份合併為一股每股面值0.02港元之新股份，自二零零六年二月七日起生效。

外匯風險

於截至二零零六年三月三十一日止年度，本集團之大部份收入及開支均以港元列值，而僅有一小部份開支以人民幣或美元列值。於二零零六年三月三十一日，本集團有未平倉外匯合約300,000美元（二零零五年：300,000美元）。

集團資產抵押

於二零零六年三月三十一日，為數25,000,000港元（二零零五年：40,000,000港元）之銀行存款已抵押予銀行以為本集團提供一般銀行融資。

或然負債

截至二零零六年三月三十一日止年度，本集團並無重大或然負債（二零零五年：無）。

展望

新的財政年度中，本集團之業務將從過去的單一主線發展轉為雙線平衡發展，一方面鞏固原有之業務，另一方面則投資於婦幼醫療服務，透過此一平台提供醫療電子軟件應用及支援服務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之論述及分析

The Group will continue to enhance the application functions of its core product, i-Panel, and to broaden its customers base. Further, the Group will also enhance its sales team to expand its sales networks. In the previous year, the Group was awarded “中國十大家居智能產品優秀品牌” (the Top 10 recommended brand for Intelligent Home Products) by “YST(H.K.) Information International Intelligent Building Magazine” and “中國智能家居行業聯盟” (China Intelligent Home Industry Alliance), demonstrating that the growing popularity of Group’s products are well received by the market. With the growing popularity of intelligent and environmental-friendly design style in the PRC, the Board optimistically expects that the demand for the Group’s intelligent products in the domestic construction industry will continue to grow.

As the second limb of the Group’s dual strategy, the Group will look for and explore opportunities to expand into woman and child medical services and its ancillary services. Further, the Group will explore more high-tech medical products through its established sales networks to further enhance its operation performance. The Board is confident of the Group’s development potential for the new business.

EMPLOYEES

The average number of employees (including Directors) was 14 for the year ended 31 March 2006 (2005: 15), and the total remuneration for the year ended 31 March 2006 was approximately HK\$10,167,000 (2005: HK\$6,296,000). Other benefits provided by the Group to the employees include MPF, medical coverage and share-based payments.

SEGMENTAL INFORMATION

Details of segmental information of the Group are set out in note 7 to the financial statements.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2006 (2005: Nil) and no interim dividend was paid during the year (2005: Nil).

本集團將繼續投入資源，加強核心產品i-Panel之應用功能，冀能開拓新的客戶來源。另外亦會加強銷售隊伍，擴大銷售網絡。去年本集團榮獲《香港亞視通國際智能建築》及「中國智能家居行業聯盟」頒發中國十大家居智能產品優秀品牌，反映出市場對本集團產品的歡迎，加上國內建築採取智能及環保設計已成主流，故此董事局樂觀預期國內建築物對本集團之智能產品需求將持續增加。

至於新業務拓展方面，本集團將可能透過換股、合作、收購等多種不同方式投資於婦幼醫療相關之服務及配套服務，另外，亦會發掘更多高新醫療科技產品，透過本集團已建立的網絡銷售，進一步提升集團之營業表現，董事局對本集團新業務擴展之潛力極具信心。

僱員

截至二零零六年三月三十一日止年度，平均之僱員數目(包括董事)為14人(二零零五年：15人)，而截至二零零六年三月三十一日止年度之酬金總額約為10,167,000港元(二零零五年：6,296,000港元)。本集團向僱員提供之其他福利包括強積金、醫療保險及以股份為基礎之支出。

分類資料

本集團分類資料之詳情見財務報表附註7。

股息

董事並不建議派發截至二零零六年三月三十一日止年度之末期股息(二零零五年：零)，而本公司亦無於本年度內派發任何中期股息(二零零五年：零)。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員之履歷

DIRECTORS

Ms. Wong Yuen Yee, aged 44 MBA, BSoSc (Hon) HKU

Chairman and Executive Director

Ms. Wong is one of the founders of the Group. Ms. Wong is the sister of Mr. Wong Kwok Sing, who is the chief operation officer and executive Director. Ms. Wong is responsible for formulating and monitoring the Group's overall strategic plan and development. Ms. Wong graduated from The University of Hong Kong with a bachelor of social sciences degree in 1984 and a master degree in business administration in 1993. Ms. Wong has over 16 years of experience in property development and management in both the PRC and Hong Kong. She worked as a general manager in Plotio Holdings Limited for the period from 1985 to 1991. She was the executive director and board consultant of Soundwill Holdings Limited in Hong Kong for the periods from 1993 to 1997 and from 1997 to 1998 respectively.

Mr. Wong Yao Wing, Robert, aged 48 MBA HKU

Deputy Chairman, Executive Director and Compliance Officer

Mr. Wong is responsible for the Group's corporate management and strategic planning for the Group's overall business. He graduated from The University of Hong Kong with a master degree in business administration in 1993. Mr. Wong has over 21 years of experience in the field of information technology and 8 years of experience in lecturing at The Hong Kong Polytechnic University, and has also been working in commercial sectors for over 11 years as senior management. He also has ample knowledge of software development and project management in various industries and has acquired substantial business and technical knowledge in telecommunication, internet, e-commerce and networking. Prior to joining the Group, Mr. Wong was the president of HealthAnswers Asia Pte Ltd., and the founder and managing director of Expert System Co., Ltd. and Expert System Solution Ltd.. Mr. Wong joined the Group in January 2001.

董事

黃婉兒女士，44歲 MBA, BSoSc (Hon) HKU

主席兼執行董事

黃女士乃本集團創辦人之一。黃女士乃營運總監兼執行董事黃國聲先生之胞姊。黃女士負責制定及監控本集團之整體策略規劃及發展。黃女士畢業於香港大學，分別於一九八四年及一九九三年獲頒社會科學學士學位及工商管理碩士學位，於中國及香港物業發展及管理方面擁有逾十六年經驗。彼於一九八五年至一九九一年期間任職百利好集團有限公司董事總經理，另分別於一九九三年至一九九七年及一九九七年至一九九八年期間擔任香港金朝陽集團有限公司之執行董事及董事會顧問。

黃祐榮先生，48歲 MBA HKU

副主席、執行董事兼法規主管

黃先生負責本集團之公司管理及本集團整體業務之策略規劃。彼於一九九三年畢業於香港大學，獲頒工商管理碩士學位，於資訊科技範疇擁有超過二十一年經驗，曾於香港理工大學授課八年，並曾於商界出任管理高層職位超過十一年。彼於多個行業的軟件開發及項目管理擁有豐富知識，亦於電訊、互聯網、電子商貿及網絡方面累積廣泛商業及技術知識。在加入本集團前，黃祐榮先生為 HealthAnswers Asia Pte Ltd.之總裁及顯良系統有限公司與 Expert System Solution Ltd.之創辦人兼董事總經理。黃祐榮先生於二零零一年一月加盟本集團。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員之履歷

Mr. Wong Kwok Sing, aged 42

Executive Director, Chief Executive Officer and Chief Operation Officer

Mr. Wong is one of the founders of the Group. Mr. Wong is responsible for the Group's daily operation and customer services, and sale and marketing activities for promoting the Group's products and services. Mr. Wong graduated from Shue Yan College with a higher diploma in business administration in 1986. Mr. Wong has about 17 years of experience in the IT industry and extensive experience in marketing, research and business development in the Asia Pacific Region. Prior to joining the Group, Mr. Wong was the executive officer of Bell Technology Ltd. with principal duties relating to system design, computer networking, Internet services and computer products trading for the period from 1989 to 1998. He was the sales supervisor of Caripac Ltd. with main responsibility regarding system design and Smart Home solution. In addition, he played a major role in business development, particularly in the PRC market, whilst working with Bell Technology Ltd. and Caripac Ltd.. Mr. Wong was one of the founders of the portal "www.b66.com" in 1996. Mr. Wong is the brother of Ms. Wong Yuen Yee, who is the chairman and an executive Director.

Mr. Lam Shiu San, aged 33

Executive Director and Chief Technology Officer

Mr. Lam is responsible for monitoring the hardware and software development of the Group. He is also in charge of all the technical issue of the Group's projects. Prior to joining the Group, Mr. Lam was the technical director of NetTrend Computer for the period from 1997 to 2000 and was the technical manager of Bell Technology Limited for the period from 1993 to 1997. He has approximately 13 years of experience in software development, network infrastructure design, system administration and portal site development. He was also one of the founders of the portal "www.b66.com". Mr. Lam holds a Certificate of Computer and Communication Engineering and a Microsoft Certificated Professional + Internet and is a Microsoft Certificated Systems Engineer. Mr. Lam joined the Group in July 2000.

黃國聲先生，42歲

執行董事、行政總裁兼營運總監

黃先生乃本集團創辦人之一，負責本集團日常業務及客戶服務，以及推廣本集團產品及服務之銷售及市場推廣活動。黃先生於一九八六年畢業於樹仁學院，獲頒工商管理高級文憑。黃先生於資訊科技業累積約十七年經驗，並於亞太區市場推廣、調查及業務發展方面擁有豐富經驗。於加盟本集團前，彼曾於一九八九年至一九九八年間擔任貝爾科技有限公司之執行主任，主要負責系統設計、電腦網絡、互聯網服務及電腦產品貿易。彼亦曾任職佳駿有限公司銷售主管，專責系統設計及聰明家居方案。此外，彼於任職貝爾科技有限公司及佳駿有限公司期間積極參與業務發展工作，尤其是中國市場方面。黃先生於一九九六年創辦「www.b66.com」入門網站(彼為創辦人之一)。黃先生乃主席兼執行董事黃婉兒女士之胞弟。

林兆榮先生，33歲

執行董事兼技術總監

林先生負責監控本集團軟硬件開發，亦主管本集團項目所有技術事宜。加入本集團前，林先生曾於一九九七年至二零零零年間任職 NetTrend Computer 技術董事，及於一九九三年至一九九七年間擔任貝爾科技有限公司之技術經理。彼於軟件開發、網絡基建設計、系統管理及入門網站開發方面擁有約十三年經驗，亦為入門網站「www.b66.com」創辦人之一。林先生持有電腦及通訊工程證書及 Microsoft Certificated Professional + Internet 證書，並為微軟認可系統工程師。彼於二零零零年七月加盟本集團。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員之履歷

Mr. Wong Tak Leung, Charles, aged 56 BSc HKU
Independent Non-Executive Director and Audit Committee Member

Mr. Wong graduated from The Hong Kong University in 1972 with a bachelor degree of Science and became a Solicitor of the Supreme Court of Hong Kong in 1976, a solicitor of the Supreme Court of England & Wales in 1978, Barrister & Solicitor of the Supreme Court of Victoria, Australia in 1983, a Notary Public since 1987, Advocate & Solicitor of Supreme Court of Republic of Singapore in 1990. Mr. Wong is currently a partner of Messrs. Lo, Wong & Tsui, Solicitors. Mr. Wong has served as a Temporary Deputy Registrar of the High Court and he is also an Assistant Chief Commissioner of the Scout Association of Hong Kong. He was appointed as an independent non-executive Director in February 2004.

Ms. Ho Chui Yin, Liwina, aged 43 MSc HKU
Independent Non-Executive Director and Audit Committee Member

Ms. Ho is a member of the Royal Institution of Chartered Surveyors, member of Hong Kong Institute of Surveyors, member of Chartered Institute of Arbitrators and associate member of Hong Kong Institute of Arbitrators. Ms. Ho obtained a professional diploma in Quantity Surveying from The Hong Kong Polytechnic University (then known as Hong Kong Polytechnic) in 1988 and a degree in Master of Science in Construction Project Management from The University of Hong Kong in 1997. Ms. Ho is currently a resident Quantity Surveyor to Widnell Ltd. Prior to her current position, Ms. Ho has worked for various property developers and surveyor firms since 1988. She was appointed as an independent non-executive Director in September 2004.

王德良先生，56歲 BSc HKU
獨立非執行董事兼審核委員會成員

王先生於一九七二年取得香港大學理學士學位，一九七六年成為香港最高法院律師，一九七八年獲得英格蘭及威爾斯最高法院律師資格，一九八三年獲得澳洲維多利亞省最高法院大律師及律師資格，自一九八七年起擔任公證人，並於一九九零年成為新加坡共和國最高法院之代訟人及律師。王先生現為盧王徐律師事務所之合夥人。王先生亦為高等法院暫委副司法常務官及香港童軍總會助理香港總監。彼於二零零四年二月獲委任為獨立非執行董事。

何翠賢女士，43歲 MSc HKU
獨立非執行董事兼審核委員會成員

何女士為皇家特許測量師學會會員、香港測量師學會會員、英國仲裁員學會會員及香港仲裁員學會會員。何女士於一九八八年取得香港理工大學（當時名為香港理工學院）之工料測量專業文憑，並於一九九七年取得香港大學之建築工程管理理學碩士學位。何女士現為駐Widnell Ltd之物料測量師。在此之前，彼自一九八八年起曾任職於多家地產發展商及測量師行。彼於二零零四年九月委任為獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員之履歷

Mr. Lai Ying Sum, aged 43 MBA Edin., MSc CUHK, LLB Lond.

Independent Non-Executive Director and Audit Committee Member

Mr. Lai was appointed as independent non-executive director and a member of the Audit Committee of the Company on 3 March 2006. Mr. Lai is the proprietor of Sam Lai & Co., a CPA firm in Central. Mr. Lai was admitted respectively as member and fellow member of the Association of Chartered Certified Accountants in 1994 and 1999. He has over 15 years of experience in auditing and advising different companies. Mr. Lai holds two master degrees, an MBA degree from the University of Edinburgh and a Master of Science Degree in Business Economics from the Chinese University of Hong Kong. Mr. Lai also holds a Bachelor Degree of Laws from the University of London and is a member of the Taxation Institute of Hong Kong.

SENIOR MANAGEMENT

Ms. Wong Yuen Man, Alice, aged 40 BSc Indiana

Director of Human Resources and Communications

Ms. Wong is the sister of Ms. Wong Yuen Yee of the Company, who is the chairman and an executive Director. She is responsible for human resources, administration and external communications. Ms. Wong graduated from Indiana State University in Indiana, US with a bachelor degree in public relations. She has approximately 11 years of experience in the field of communications and human resources. Ms. Wong has worked for 9 years with American Consulate General in Hong Kong and has handled the visit of US Secretary of State and President Clinton in 1997 and 1998 respectively. Prior to joining the Group, she worked for Adler Planetarium in Chicago, US. Ms. Wong joined the Group in September 2000.

黎應森先生，43歲 MBA Edin., MSc CUHK, LLB Lond.

獨立非執行董事兼審核委員會成員

黎先生於二零零六年三月三日獲委任為獨立非執行董事兼審核委員會成員，彼為中環一家會計師行黎應森會計師事務所之獨自經營人。黎先生分別於一九九四年及一九九九年成為香港會計師公會之會員及資深會員。彼於審計及向不同公司提供意見方面具備逾15年經驗。黎先生持有University of Edinburgh頒發之工商管理碩士學位及香港中文大學頒發之理學(商業經濟)碩士學位。此外，黎先生持有倫敦大學法學士學位，並為香港稅務學會會員。

高級管理人員

黃婉雯女士，40歲 BSc Indiana

人力資源及傳訊總監

黃女士乃本公司主席兼執行董事黃婉兒女士之胞妹。彼負責人力資源、行政及對外傳訊。黃女士畢業於美國印第安那州Indiana State University，獲頒公共關係學士學位，於傳訊及人力資源方面擁有約十一年經驗。彼曾於駐香港美國總領事館任職九年，曾分別處理一九九七年及一九九八年美國國務卿及克林頓總統訪港事宜。在加入本集團前，彼任職於美國芝加哥艾德勒天文館(Adler Planetarium)。黃女士於二零零零年九月加盟本集團。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員之履歷



Ms. Wu Wai Yee, Annis, aged 50 AHKICPA

Company Secretary

Ms. Wu was appointed as Company Secretary and resigned as an independent non-executive director and member of the Audit Committee of the Company on 20 February 2006. Ms. Wu is the director of Annis Wu & Associates Limited which engages in financial advisory services. She has over 14 years of experience in banking, financial consulting and auditing with foreign banks, local regulatory body and international accounting firms, such as PricewaterhouseCoopers, ABN AMBRO Bank and the Securities and Futures Commission. Ms. Wu holds a higher diploma in accountancy and is an associate member of the Hong Kong Institute of Certified Public Accountants. She was appointed as an independent non-executive Director from November 2001 to February 2006.

胡惠儀女士，50歲，AHKICPA

公司秘書

胡女士於二零零六年二月二十日獲委任為公司秘書，並辭任本公司之獨立非執行董事兼審核委員會成員。胡女士為Annis Wu & Associates Limited之董事，該公司從事財務顧問服務業務。彼於外國銀行、本地監管機構與國際會計公司如羅兵咸永道會計師事務所、荷蘭銀行及證券及期貨事務監察委員會累積逾十四年銀行、財務諮詢及核數經驗。胡女士持有會計高級文憑，並為香港會計師公會會員。彼於二零零一年十一月至二零零六年二月期間獲委任為獨立非執行董事。

REPORT OF THE DIRECTORS

董事會報告

The Directors are pleased to submit their report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 17 to the financial statements.

There were no significant changes in the nature of the Company's principal activities during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2006 are set out on page 42 of the annual report.

The Directors do not recommend the payment of a final dividend in respect of the year ended 31 March 2006. No interim dividend has been paid by the Company during the year.

FIXED ASSETS

Details of movements in fixed assets of the Group are set out in note 14 to the financial statements.

SHARE CAPITAL

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

RESERVES

Details of movements in the reserves of the Group and the Company are set out in note 33 to the financial statements.

CONNECTED TRANSACTIONS

Related party transactions entered by the Group during the year ended 31 March 2006, which do not constitute connected transactions under the GEM Listing Rules are disclosed in note 35 to the financial statements.

董事欣然提呈董事會報告連同本公司及其附屬公司（「本集團」）截至二零零六年三月三十一日止年度之經審核財務報表。

主要業務

本公司為一家投資控股公司。其附屬公司之主要業務載於財務報表附註17。

本集團之主要業務性質於本年度並無任何重大變動。

業績及股息

本集團截至二零零六年三月三十一日止年度之業績載於本年報第42頁。

董事不建議派發截至二零零六年三月三十一日止年度之末期股息，本公司亦無於本年度內派付中期股息。

固定資產

本集團固定資產之變動詳情載於財務報表附註14。

股本

本公司股本之變動詳情載於財務報表附註31。

儲備

本集團及本公司儲備之變動詳情載於財務報表附註33。

關連交易

於截至二零零六年三月三十一日止年度內，本集團曾訂立而並不構成屬根據創業板上市規則規定之關連交易之關連方交易於財務報表附註35中披露。

REPORT OF THE DIRECTORS

董 事 會 報 告

DIRECTORS

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

Executive Directors:

Ms. Wong Yuen Yee
Mr. Wong Yao Wing, Robert
Mr. Wong Kwok Sing
Mr. Lam Shiu San

Independent non-executive Directors:

Mr. Wong Tak Leung, Charles
Ms. Ho Chui Yin, Liwina
Mr. Lai Ying Sum
(appointed on 3 March 2006)
Ms. Wu Wai Yee, Annis
(resigned on 20 February 2006)

In accordance with Bye-law 86 and 87 of the Company's Bye-laws, Mr. Lai Ying Sum and Mr. Lam Shiu San will retire at the forthcoming annual general meeting. Ms. Wong Yuen Yee has voluntarily agreed to retire at the forthcoming annual general meeting. As all of them are eligible, they will offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

Each of Ms. Wong Yuen Yee, Mr. Wong Kwok Sing, Mr. Lam Shiu San and Mr. Wong Yao Wing, Robert, all of whom are executive Directors, has entered into a service contract with the Company. Each service contract is two years duration commencing on 1 April 2002 and shall continue thereafter until terminated by either party giving to the other not less than three months' prior written notice expiring not earlier than the date of expiry of the said initial fixed term of two years. As at the Latest Practicable Date, none of these service contracts have been terminated by either party.

董事

年內及在本報告刊發日期在任之董事如下：

執行董事：

黃婉兒女士
黃祐榮先生
黃國聲先生
林兆樂先生

獨立非執行董事：

王德良先生
何翠賢女士
黎應森先生
(於二零零六年三月三日獲委任)
胡惠儀女士
(於二零零六年二月二十日辭任)

根據本公司之細則第86及第87條之規定，黎應森先生及林兆樂先生將於應屆股東週年大會上退任。黃婉兒女士已自願同意於應屆股東週年大會上退任。由於彼等均合資格，故彼等將膺選連任。

董事之服務合約

黃婉兒女士、黃國聲先生、林兆樂先生及黃祐榮先生各執行董事已與本公司訂立服務合約。每份服務合約自二零零二年四月一日開始，為期兩年，其後將會自動續約，直至任何一方發出不少於三個月之事先書面通知終止，屆滿日期不得早於上述兩年初步固定任期屆滿前。於最後可行日期，概無任何一方終止該等服務合約。

REPORT OF THE DIRECTORS

董事會報告



No service contract has been entered into between the Company and the independent non-executive Directors. However, the Board has approved the statutory compensation of the independent non-executive directors on 31 March 2006.

Save as disclosed, none of the Directors has entered into any service agreements with any member of the Group.

DIRECTORS' EMOLUMENTS

Details of the Directors' emoluments are set out in note 11 to the financial statements.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Biographical details of the Directors and senior management of the Group are set out on pages 13 and 17 of this annual report.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' emoluments and of the five highest paid individuals in the Group are set out in Note 11 to the financial statements.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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 subsisted at the end of the year or at any time during the year.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of Mr. Wong Tak Leung, Charles, and Ms. Ho Chui Yin, Liwina, Mr. Lai Ying Sum an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company still considers the independent non-executive Directors to be independent.

本公司與獨立非執行董事概無訂立任何服務合約。惟董事會已於二零零六年三月三十一日批准獨立非執行董事之法定報酬。

除所披露者外，董事概無與本集團任何成員公司訂立任何服務協議。

董事酬金

董事酬金詳情載於財務報表附註11。

董事及高級管理人員履歷

本集團董事及高級管理人員之履歷詳情載於本年報第13至17頁。

董事及五名最高薪人士之酬金

本集團董事及五名最高薪人士之酬金詳情載於財務報表附註11。

董事於重大合約之權益

本公司董事概無於由本公司或其任何附屬公司訂立而於本年度終結時或年內任何時間存在之任何重大合約中擁有重大權益。

獨立非執行董事之獨立性確認

本公司已收到王德良先生、何翠賢女士及黎應森先生根據創業板上市規則第5.09條就彼等各自之獨立性發出之年度確認，而本公司認為獨立非執行董事仍屬獨立。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME

(i) Pre-IPO Share Option Scheme

The Company's pre-IPO share option scheme ("Pre-IPO Share Option Scheme") adopted on 5 July 2002, the principal terms of which were set out in the prospectus of the Company dated 30 July 2002 (the "Prospectus"), there were 24,000,000 share options granted to the grantees. Up to 31 March 2006, no options under the Pre-IPO Share Option Scheme have been exercised and there were 1,680,000 share options have been cancelled and non-exercised. The remaining 22,320,000 share options under the Pre-IPO Share Option Scheme will lapse on 4 July 2012. Details of which were as follows:

購股權計劃

(i) 首次公開售股前購股權計劃
根據本公司於二零零二年七月五日採納之首次公開售股前購股權計劃(「首次公開售股前購股權計劃」)(主要條款載於二零零二年七月三十日刊發之本公司售股章程(「售股章程」))，本公司向承授人授出24,000,000份購股權。截至二零零六年三月三十一日為止，概無首次公開售股前購股權計劃項下購股權獲行使，並有1,680,000份購股權獲註銷而未有行使。首次公開售股前購股權計劃之其餘22,320,000份購股權將於二零一二年七月四日失效。有關詳情如下：

	Date of grant	Number of share options					Option period	Exercise price per share
		Outstanding as at 1 April 2005	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2006		
	授出日期	於二零零五年四月一日尚未行使	年內授出	年內行使	年內失效	於二零零六年三月三十一日尚未行使	購股權期限	每股行使價
Directors 董事	5 July 2002 二零零二年七月五日	9,600,000	-	-	-	9,600,000	5 July 2002 to 4 July 2012 自二零零二年七月五日至二零一二年七月四日	HK\$0.28 0.28港元
Employees 僱員	5 July 2002 二零零二年七月五日	12,720,000	-	-	-	12,720,000	5 July 2002 to 4 July 2012 自二零零二年七月五日至二零一二年七月四日	HK\$0.28 0.28港元
Total 總計		22,320,000	-	-	-	22,320,000		

Details of the Pre-IPO share options granted to certain Directors are stated in page 118 of this report.

授予若干董事之首次公開售股前購股權之詳情載於本報告第118頁。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (Continued)

(ii) Post-IPO Share Option Scheme

Pursuant to a written resolution passed by the sole shareholder of the Company on 5 July 2002, the Company conditionally adopted the share option scheme, the principal terms of which are set out in the section head "Share Option Schemes" on Appendix IV of the Prospectus ("Post-IPO Share Option Scheme"). Up to 31 March 2006, there were 52,385,000 share options granted to the grantees and there were 18,725,000 shares options under the Post-IPO Share Option Scheme have been exercised and no options has been cancelled. The remaining 16,660,000 share options and 17,000,000 share options under the Post-IPO Share Option Scheme will lapse on 5 January 2014 and 19 September 2015 respectively. Details of which were as follows:

購股權計劃(續)

(ii) 首次公開售股後購股權計劃

根據本公司唯一股東於二零零二年七月五日通過之書面決議案，本公司有條件採納購股權計劃（「首次公開售股後購股權計劃」），其主要條款載於售股章程附錄四「購股權計劃」一節。截至二零零六年三月三十一日為止，本公司授予承授人 52,385,000 份購股權及有 18,725,000 份首次公開售股後購股權計劃項下之購股權獲行使，並無購股權獲註銷。首次公開售股後購股權計劃之其餘 16,660,000 份購股權及 17,000,000 份購股權將分別於二零一四年一月五日及二零一五年九月十九日失效。有關詳情如下：

Number of share options
購股權數目

	Date of grant	Outstanding	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding	Option period	Exercise price per share
		as at 1 April 2005				as at 31 March 2006		
	授出日期	尚未行使	年內授出	年內行使	年內失效	尚未行使	購股權期限	每股行使價
Directors	6 January 2004	9,514,000	-	-	-	9,514,000	6 January 2004 to 5 January 2014	HK\$0.22
董事	二零零四年一月六日						自二零零四年一月六日至二零一四年一月五日	0.22港元
	20 September 2005	-	11,600,000	-	-	11,600,000	20 September 2005 to 19 September 2015	HK\$0.114
	二零零五年九月二十日						自二零零五年九月二十日至二零一五年九月十九日	0.114港元

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (Continued)

(ii) Post-IPO Share Option Scheme (Continued)

購股權計劃(續)

(ii) 首次公開售股後購股權計劃(續)

		Number of share options 購股權數目						
	Date of grant 授出日期	Outstanding as at 1 April 2005 於二零零五年四月一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Outstanding as at 31 March 2006 於二零零六年三月三十一日 尚未行使	Option period 購股權期限	Exercise price per share 每股行使價
Employees 僱員	6 January 2004 二零零四年一月六日	7,146,000	-	-	-	7,146,000	6 January 2004 to 5 January 2014 自二零零四年一月六日至二零零四年一月五日	HK\$0.22 0.22港元
	20 September 2005 二零零五年九月二十日	-	17,000,000	11,600,000	-	5,400,000	20 September 2005 to 19 September 2015 自二零零五年九月二十日至二零一五年九月十九日	HK\$0.114 0.114港元
Total 總計		16,660,000	28,600,000	11,600,000	-	33,660,000		

Details of the Post-IPO share options granted to certain Directors are stated in page 119 of this report.

授予若干董事之首次公開售股後購股權之詳情載於本報告第119頁。

REPORT OF THE DIRECTORS

董事會報告

INTERESTS OF THE DIRECTORS OR CHIEF EXECUTIVES IN THE SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2006, the interests or short position of the Directors in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV and Section 347 of the SFO (including interests or short positions which is taken or deemed to have taken under such provisions of the SFO); or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or as required, pursuant to Rules 5.40 to 5.58 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange are as follows:

(a) Interests in the Company

董事或行政總裁於本公司及其聯營公司股本之權益

於二零零六年三月三十一日，董事於本公司及任何聯營公司（定義見證券及期貨條例第XV部）之股份、相關股份及債券中根據證券及期貨條例第XV部第7及第8分部及第347條須知會本公司及聯交所之股份及淡倉之權益（包括彼等各自根據證券及期貨條例之該等規定而被視作或當作持有之權益及淡倉）；或根據證券及期貨條例第352條規定存置之登記冊記錄之股份及淡倉之權益；或按規定根據創業板上市規則第5.40至第5.58條有關董事進行證券交易之規定而須知會本公司及聯交所之股份及淡倉之權益如下：

(a) 於本公司之權益

Name of Director 董事姓名	Number of ordinary shares held 所持普通股數目					Aggregate 總權益	Percentage of the Company's issued share capital 所持權益 概約百分比
	Personal Interests 個人權益	Family Interests 家族權益	Corporate Interests 公司權益	Other Interests 其他權益			
Ms. Wong Yuen Yee (note 1) 黃婉兒女士 (附註1)	-	-	97,362,000	-	97,362,000	29.06%	
Mr. Wong Kwok Sing (note 1) 黃國聲先生 (附註1)	-	-	97,362,000	-	97,362,000	29.06%	
Mr. Wong Yao Wing, Robert (note 1) 黃祐榮先生 (附註1)	-	-	97,362,000	-	97,362,000	29.06%	
Mr. Lam Shiu San (note 1) 林兆樂先生 (附註1)	-	-	97,362,000	-	97,362,000	29.06%	
Ms. Wu Wai Yee, Annis (note 2) 胡惠儀女士 (附註2)	-	-	1,800,000	-	1,800,000	0.54%	

REPORT OF THE DIRECTORS

董事會報告

INTERESTS OF THE DIRECTORS OR CHIEF EXECUTIVES IN THE SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

(a) Interests in the Company (Continued)

Notes:

1. The 185,724,000 Shares are held by Multiturn Trading Limited, which is beneficially owned as to 31.21%, 30.9%, 30.9% and 6.99% by Ms. Wong Yuen Yee, Mr. Wong Kwok Sing, Mr. Wong Yao Wing, Robert and Mr. Lam Shiu San, respectively. Accordingly each of Ms. Wong Yuen Yee, Mr. Wong Kwok Sing, Mr. Wong Yao Wing, Robert and Mr. Lam Shiu San is deemed to be interested in the 97,362,000 Shares held by Multiturn Trading Limited under the SFO.
2. Winly Group Ltd owns 1,800,000 Shares and is owned by Ms. Wu Wai Yee, Annis, a former independent non-executive Director, and Ms. To Po Yim in equal share. Accordingly, Ms. Wu Wai Yee, Annis is deemed to be interested in the 1,800,000 Shares held by Winly Group Limited under the SFO. Ms. Wu Wai Yee, Annis resigned as an independent non-executive director of the Company on 20 February 2006.

Save as disclosed, as at 31 March 2006, none of Directors or chief executives of the Company has any interests or short position in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which is taken or deemed to have under such provisions of the SFO); or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or as required, pursuant to Rules 5.40 to 5.58 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

董事或行政總裁於本公司及其聯營公司股本之權益 (續)

(a) 於本公司之權益 (續)

附註：

1. 該185,724,000股股份由Multiturn Trading Limited持有，該公司分別由黃婉兒女士、黃國聲先生、黃祐榮先生及林兆樂先生實益擁有31.21%、30.9%、30.9%及6.99%權益。因此，根據證券及期貨條例，黃婉兒女士、黃國聲先生、黃祐榮先生及林兆樂先生被視為於Multiturn Trading Limited持有之97,362,000股股份中擁有權益。
2. Winly Group Ltd擁有1,800,000股股份，該公司由一前獨立非執行董事胡惠儀女士及杜寶賢女士按同等比例擁有。因此，根據證券及期貨條例，胡惠儀女士被視為於Winly Group Limited持有之1,800,000股股份中擁有權益。胡惠儀女士於二零零六年二月二十日辭任本公司獨立非執行董事。

除上文所披露者外，於二零零六年三月三十一日，董事或本公司之行政總裁概無於本公司及任何聯營公司（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之任何股份權益或淡倉（包括根據證券及期貨條例之該等規定而被視作或當作持有之權益及淡倉）；或根據證券及期貨條例第352條規定存置之登記冊記錄擁有任何股份及淡倉之權益或淡倉；或按規定根據創業板上市規則第5.40至第5.58條有關董事進行證券交易之規定而須知會本公司及聯交所擁有任何股份及淡倉之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

INTERESTS OF THE DIRECTORS OR CHIEF EXECUTIVES IN THE SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

(b) Pre-IPO Share Option Scheme

Details of the share options granted to certain Directors pursuant to the Pre-IPO Share Option Scheme as at 31 March 2006 are as follows:

	Date of grant 授出日期	Number of share options 購股權數目				Outstanding as at 31 March 2006 於二零零六年三月三十一日 尚未行使	Option period 購股權期限	Exercise price per share 每股行使價
		Outstanding as at 1 April 2005 於二零零五年四月一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效			
Ms. Wong Yuen Yee 黃婉兒女士	5 July 2002 二零零二年七月五日	2,400,000	-	-	-	2,400,000	5 July 2002 to 4 July 2012 自二零零二年七月五日至二零零二年七月四日	HK\$0.28 0.28港元
Mr. Wong Kwok Sing 黃國聲先生	5 July 2002 二零零二年七月五日	2,400,000	-	-	-	2,400,000	5 July 2002 to 4 July 2012 自二零零二年七月五日至二零零二年七月四日	HK\$0.28 0.28港元
Mr. Wong Yao Wing, Robert 黃祐榮先生	5 July 2002 二零零二年七月五日	2,400,000	-	-	-	2,400,000	5 July 2002 to 4 July 2012 自二零零二年七月五日至二零零二年七月四日	HK\$0.28 0.28港元
Mr. Lam Shiu San 林兆樂先生	5 July 2002 二零零二年七月五日	2,400,000	-	-	-	2,400,000	5 July 2002 to 4 July 2012 自二零零二年七月五日至二零零二年七月四日	HK\$0.28 0.28港元
Total 總計		9,600,000	-	-	-	9,600,000		

Up to the Latest Practicable Date, no share options under the Pre-IPO Share Option Scheme have been exercised.

董事或行政總裁於本公司及其聯營公司股本之權益(續)

(b) 首次公開售股前購股權計劃

截至二零零六年三月三十一日，根據首次公開售股前購股權計劃授予若干董事之購股權之詳情如下：

直至最後可行日期，並無根據首次公開售股前購股權計劃行使購股權。

REPORT OF THE DIRECTORS

董事會報告

INTERESTS OF THE DIRECTORS OR CHIEF EXECUTIVES IN THE SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

董事或行政總裁於本公司及其聯營公司股本之權益(續)

(c) Post-IPO Share Option Scheme

Details of the share options granted to certain Directors pursuant to the Post-IPO Share Option Scheme as at 31 March 2006 are as follows:

(c) 首次公開售股後購股權計劃

截至二零零六年三月三十一日，根據首次公開售股後購股權計劃授予若干董事之購股權之詳情如下：

	Date of grant	Number of share options					Option period	Exercise price per share
		Outstanding as at 1 April 2005	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2006		
		於二零零五年四月一日 授出日期	年內授出	年內行使	年內失效	於二零零六年三月三十一日 尚未行使	購股權期限	每股行使價
Ms. Wong Yuen Yee 黃婉兒女士	6 January 2004 二零零四年一月六日	2,378,500	-	-	-	2,378,500	6 January 2004 to 5 January 2014 自二零零四年一月六日至 二零一四年一月五日	HK\$0.22 0.22港元
	20 September 2005 二零零五年九月二十日	-	2,900,000	-	-	2,900,000	20 September 2005 to 19 September 2015 自二零零五年九月二十日至 二零一五年九月十九日	HK\$0.114 0.114港元
Mr. Wong Kwok Sing 黃國聲先生	6 January 2004 二零零四年一月六日	2,378,500	-	-	-	2,378,500	6 January 2004 to 5 January 2014 自二零零四年一月六日至 二零一四年一月五日	HK\$0.22 0.22港元
	20 September 2005 二零零五年九月二十日	-	2,900,000	-	-	2,900,000	20 September 2005 to 19 September 2015 自二零零五年九月二十日至 二零一五年九月十九日	HK\$0.114 0.114港元

REPORT OF THE DIRECTORS

董事會報告

INTERESTS OF THE DIRECTORS OR CHIEF EXECUTIVES IN THE SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

董事或行政總裁於本公司及其聯營公司股本之權益(續)

(c) Post-IPO Share Option Scheme (Continued)

(c) 首次公開售股後購股權計劃(續)

	Date of grant 授出日期	Number of share options 購股權數目				Outstanding as at 31 March 2006 於二零零六年三月三十一日 尚未行使	Option period 購股權期限	Exercise price per share 每股行使價
		Outstanding as at 1 April 2005 於二零零五年四月一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效			
Mr. Wong Yao Wing, Robert 黃祐榮先生	6 January 2004 二零零四年一月六日	2,378,500	-	-	-	2,378,500	6 January 2004 to 5 January 2014 自二零零四年一月六日至二零零四年一月五日	HK\$0.22 0.22港元
	20 September 2005 二零零五年九月二十日	-	2,900,000	-	-	2,900,000	20 September 2005 to 19 September 2015 自二零零五年九月二十日至二零一五年九月十九日	HK\$0.114 0.114港元
Mr. Lam Shiu San 林兆燊先生	6 January 2004 二零零四年一月六日	2,378,500	-	-	-	2,378,500	6 January 2004 to 5 January 2014 自二零零四年一月六日至二零零四年一月五日	HK\$0.22 0.22港元
	20 September 2005 二零零五年九月二十日	-	2,900,000	-	-	2,900,000	20 September 2005 to 19 September 2015 自二零零五年九月二十日至二零一五年九月十九日	HK\$0.114 0.114港元
Total 總計		9,514,000	11,600,000	-	-	21,114,000		

Up to 31 March 2006, no share option under the Post-IPO Share Option Scheme either was exercised or was lapsed held by the executive directors.

截至二零零六年三月三十一日止，首次公開售股後購股權計劃下並無由執行董事持有之購股權獲行使或失效。

REPORT OF THE DIRECTORS 董事會報告

INTERESTS OF THE DIRECTORS OR CHIEF EXECUTIVES IN THE SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

(c) Post-IPO Share Option Scheme (Continued)

Save as disclosed above, as at 31 March 2006, none of the Directors or their associates as well as the chief executives of the Group had any interests or short positions in the Shares and underlying Shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by the Directors as referred to in Rules 5.40 to 5.58 of the GEM Listing Rules. During the reporting period, there were no debt securities issued by the Group.

(d) Directors' and chief executives' rights to acquire Shares or debt securities

Save as disclosed above, as at 31 March 2006, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debt securities, including debentures, of the Company or any other corporation, and neither the Directors and chief executives of the Company, nor any of their spouse or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

董事或行政總裁於本公司及其聯營公司股本之權益(續)

(c) 首次公開售股後購股權計劃(續)

除上文所披露者外，於二零零六年三月三十一日，董事或彼等之聯繫人士以及本集團之行政總裁概無於本公司及任何聯營公司(定義見證券及期貨條例第XV部)之股份及相關股份中根據證券及期貨條例第352條規定存置之登記冊記錄擁有任何股份及淡倉之權益；或按規定根據創業板上市規則第5.40至第5.58條有關董事進行證券交易之規定而須知會本公司及聯交所擁有任何股份及淡倉之權益。報告期間，本集團概無發行債務證券。

(d) 董事及行政總裁收購股份或債務證券之權利

除上文所披露者外，於二零零六年三月三十一日，本公司及其任何附屬公司概無參與任何安排，致使本公司董事可透過購買本公司或其任何其他法人團體之股份或債務證券(包括債券)而獲益，亦無任何本公司董事及行政總裁或彼等之配偶或十八歲以下之子女擁有認購本公司證券之任何權利或已行使任何該等權利。

REPORT OF THE DIRECTORS

董事會報告

INTERESTS DISCLOSEABLE UNDER THE SECURITIES AND FUTURE ORDINANCE OF SUBSTANTIAL SHAREHOLDERS

Save as disclosed hereunder, none of the Directors or chief executives of the Company is aware of any person who has any interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or are required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein; or are required, pursuant to Section 324 of the SFO, to notify the Company and the Stock Exchange; or who is expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name 名稱	Number of shares held 持有股份數目	Percentage of shareholdings 持股百分比
Multiturn Trading Limited (Note 1) (附註1)	97,362,000	29.06%
Rexy Investment Limited (Note 2) (附註2)	28,800,000	8.60%
Chan Chee Lok, Kenneth	25,000,000	7.46%

Notes:

- Multiturn Trading Limited is beneficially owned as to 31.21%, 30.9%, 30.9% and 6.99% by Ms. Wong Yuen Yee, Mr. Wong Kwok Sing, Mr. Wong Yao Wing, Robert and Mr. Lam Shiu San, respectively, all of whom are executive Directors.
- Rexy Investment Limited is a wholly-owned subsidiary of Plotio Limited, which is wholly-owned by HyComm Wireless Limited, a company listed on the Main Board of the Stock Exchange.

根據證券及期貨條例主要股東須予披露之權益

除下文所披露者外，就董事或本公司行政總裁所知，概無人士持有須根據證券及期貨條例第XV部第2及第3分部之規定須向本公司披露之股份或相關股份之權益或淡倉，或須記錄於本公司根據證券及期貨條例第336條規定存置之登記冊或須根據證券及期貨條例第324條知會本公司及聯交所之股份或相關股份之權益或淡倉，或預期直接或間接擁有附帶可於所有情況下在本集團任何成員公司股東大會上投票之權利之任何類別股本面值5%或以上權益。

附註：

- Multiturn Trading Limited由黃婉兒女士、黃國聲先生、黃祐榮先生及林兆樂先生(均為執行董事)分別實益擁有31.21%、30.9%、30.9%及6.99%權益。
- Rexy Investment Limited為Plotio Limited之全資附屬公司，而Plotio Limited為華脈無線通信有限公司之全資附屬公司。華脈無線通信有限公司於聯交所主板上市。

REPORT OF THE DIRECTORS

董事會報告

INTERESTS DISCLOSEABLE UNDER THE SECURITIES AND FUTURE ORDINANCE OF SUBSTANTIAL SHAREHOLDERS (Continued)

Save as disclosed above, as at 31 March 2006, the Directors are not aware of any other person who had interest or short position in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO.

SUBSIDIARIES

Details of the Company's subsidiaries at 31 March 2006 are set out in Note 17 to the financial statements.

CONVERTIBLE SECURITIES

On 12 August 2005, the Group has placed a series of 7.5% redeemable convertible notes due in 2008 for the aggregate principal amount of HK\$6.3 million. Details of which were set out in the announcement made by the Company dated 15 August 2005. The proceeds from the issue of the 2008 convertible notes in the amount of HK\$6 million has been fully utilized to finance the research and development of the product series of home intelligent automated system using the patented technology and i-Panel.

Apart from the share option schemes, details of which are set out above in the section headed "Share Option Scheme", the Company had placed a HK\$8,000,000, 7.5% redeemable convertible notes on 24 September 2003 and the convertible notes is due on 24 September 2006. Details of the convertible notes have been disclosed in the Company's circular to shareholders dated 29 September 2003. There had been no exercise of the convertible notes during the year ended 31 March 2006.

根據證券及期貨條例主要股東須予披露之權益(續)

除上文所披露者外，於二零零六年三月三十一日，就董事所知，概無任何人士持有須記錄於本公司根據證券及期貨條例第336條規定存置之登記冊之股份或相關股份之任何權益或淡倉。

附屬公司

本公司附屬公司於二零零六年三月三十一日之詳情載於財務報表附註17。

可換股證券

於二零零五年八月十二日，本集團已配售一系列二零零八年到期7.5厘可贖回可換股票據，該等票據之總本金額達6,300,000港元。有關詳情載於本公司於二零零五年八月十五日發表之公佈內。發行二零零八年可換股票據之所得款項6,000,000港元已被悉數動用，以便為研究及開發使用專利技術及i-Panel家用智能自動化系統之產品系列提供資金。

除購股權計劃(有關詳情載於上文「購股權計劃」一節)外，本公司於二零零三年九月二十四日配售總值8,000,000港元息率7.5厘之可贖回可換股票據，該等可換股票據於二零零六年九月二十四日到期。可換股票據之詳情已於本公司於二零零三年九月二十九日致股東之通函內披露。於截至二零零六年三月三十一日止年度內並無可換股票據獲行使。

REPORT OF THE DIRECTORS

董事會報告

SPONSOR'S INTEREST

As at the Latest Practicable Date, the Company does not have any sponsor, the previous sponsor's agreement has expired on 31 March 2005.

COMPETING INTERESTS

None of the directors or the management shareholders or any of their respective associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which causes or may cause any significant competition with the business of the Group.

LITIGATION

As at 31 March 2006, no member of the Group is engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

保薦人權益

截至最後可行日期，本公司並無任何保薦人。先前之保薦人協議於二零零五年三月三十一日屆滿。

競爭權益

本公司董事或本公司管理層股東或彼等各自之聯繫人士(定義見創業板上市規則)概無於對本集團業務構成或可能構成重大競爭之業務中擁有權益。

訴訟

於二零零六年三月三十一日，本集團成員公司概無涉及任何重大訴訟或仲裁或申索，且就董事所知，概無重大訴訟或申索乃待決或對本集團成員公司有威脅。

購買、出售或贖回證券

本公司於年內概無贖回其任何股份。本公司或其他任何附屬公司亦概無於年內購買或出售任何本公司股份。

REPORT OF THE DIRECTORS

董事會報告

AUDIT COMMITTEE

The Company established an audit committee on 5 July 2002 with terms of reference in compliance with Rule 5.23, 5.24 and 5.25 of the GEM Listing Rules. The audit committee currently comprises Mr. Wong Tak Leung, Charles, Ms. Ho Chui Yin, Liwina and Mr. Lai Ying Sum who are the independent non-executive Directors. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. The Group's audited results for the twelve months ended 31 March 2006 have been reviewed by the audit committee, which is of the opinion that the audited consolidated financial statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements in Hong Kong and that adequate disclosures have been made.

AUDITORS

A resolution to re-appoint the retiring auditors, PCP CPA Limited, is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

INNO-TECH HOLDINGS LIMITED

Wong Yuen Yee

Chairman

Hong Kong, 26 June 2006

審核委員會

本公司於二零零二年七月五日成立審核委員會，並按照創業板上市規則第5.23、5.24及5.25條訂明職權範圍。審核委員會現由獨立非執行董事王德良先生、何翠賢女士及黎應森先生組成。審核委員會之主要職責乃審核並監察本集團之財務申報程序及內部監控制度。審核委員會已審閱本集團截至二零零六年三月三十一日止十二個月之經審核業績，並認為經審核綜合財務報表合乎適用會計準則、創業板上市規則及香港法律規定，且已作出充足披露。

核數師

本公司將於應屆股東週年大會上提呈決議案重聘退任核數師華德匡成會計師事務所有限公司。

代表董事會

匯創控股有限公司

主席

黃婉兒

香港，二零零六年六月二十六日

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company recognizes that establishment and implementation of good corporate governance standards helps the group to achieve its corporate objectives and fulfill the expectations of shareholders and stakeholders effectively. Therefore, the Board of Directors (the "Board") of the Company, with effect from 1 April 2005 has fully applied the principles and complied with the requirements of the Code on Corporate Governance Practices contained in Appendix 15 of GEM Listing Rules:

- (1) Due to the practical reasons, 14 days advance notifications have not been given to all meetings of the board. Reason notifications have been given in respect of those meetings of the board where it is not practicable to give 14 days advance notification. The board will use its best endeavours to give 14 days advance notifications of board meeting to the extend practicable. (Code Provisions A1.1 and 1.1.3);
- (2) Under the present Bye-laws of the Company, the Chairman is not subject to rotation requirement. Amendments have been proposed at the forthcoming AGM to amend the Bye-laws providing for rotation of all directors, including the Chairman, once every three years (Code Provision A.4);
- (3) As at the date of this announcement, we have no formal guidelines for employees dealings in securities (Code Provision A.5.4) although a formal guideline has been adopted for directors. Actions will be taken by the board to formalize the circumstances under which employees can deal in the shares of the Company before end of the current financial year;
- (4) Actions have yet taken to review the internal control systems of the Group. The Board plans to engage an external auditor to undertake the review before the end of the current financial year and to take appropriate course of action in this regard based on the recommendation of the external auditor (Code Provision C.2.1); and
- (5) No formal schedule of matters reserved to the Board and those delegated to the management has been adopted by the Group although there are guidelines for the responsibilities and duties members of the board and members of the managements taking up different position. The Board has delegated their Human Resources Department to prepare the formal schedule for the approval of the board before the end of the current financial year (Code Provision D.1.2).
- (6) The Company did not have a Remuneration Committee. However, we have planned to set up the committee in next financial year to meet the requirement of GEM's Listing Rules.

企業管治常規

本公司認為制定及執行良好之企業管治標準有助本集團有效達成其企業目標及滿足股東期望。因此，本公司董事會自二零零五年四月一日起已全面應用該等原則及遵守創業板上市規則附錄十五所載之企業管治常規守則：

- (1) 因實際之原因，並非所有董事會會議有發出14天之提前通知。就發出14天提前通知不切實可行之該等董事會會議而言，有關原因已知會股東。董事會將盡其最大努力，在可行之情況下就董事會會議發出14天提前通知（守則條文A1.1及A1.1.3）；
- (2) 根據本公司現有公司細則，主席無須輪值退任。於應屆股東週年大會上，本公司已建議修訂公司細則，以訂明所有董事（包括主席）每三年輪值退任一次（守則條文A.4）；
- (3) 於本公佈刊發日期，儘管本公司就董事進行證券交易制定正式指引，惟並無就僱員進行證券交易制定正式指引。董事會將採取行動，以將僱員於本財政年度結束前可進行本公司股份買賣之情況制定成細則；
- (4) 本集團仍未採取行動以檢討本集團之內部控制系統。董事會計劃聘任外聘核數師，以於本財政年度結束前進行審閱工作，並根據外聘核數師之推薦意見採取此方面之適當行動（守則條文C.2.1）；及
- (5) 儘管有就董事會成員及位居不同職位之高層人員之責任及職責制定指引，惟本集團並無採納董事會預訂及委派管理人員完成之事項之正式進度表。董事會已委派本公司之人事部於本財政年度結束前編製董事會批准之正式進度表（守則條文D.1.2）。
- (6) 本公司並無薪酬委員會。然而，本公司計劃於下個財政年度成立該委員會，以符合創業板上市規則之規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code for dealing in securities of the Company by the Directors. All Directors confirmed that they complied with the required standards as set out in the Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year.

BOARD OF DIRECTORS

The Board of Directors of the Company as at the date of the annual report comprises:

<i>Executive Directors:</i>	Ms. Wong Yuen Yee Mr. Wong Kwok Sing Mr. Wong Yao Wing, Robert Mr. Lam Shiu San
<i>Independent Non-executive Directors:</i>	Mr. Wong Tak Leung, Charles Ms. Ho Chui Yin, Liwina Mr. Lai Ying Sum

The Board is responsible for the leadership and control of the Company. It also oversees the Group's business, strategic decisions and directions, and performances. The management was delegated the authority and responsibility by the Board for the general management of the Group. In addition, the Board has also delegated various responsibilities to other committees. Further details of the committees are set out in this report.

The Board has four scheduled regular meetings a year at quarterly interval and meets as and when required. During the year ended 31 March 2006, the Board held 4 regular meetings. The attendance of each Director at the board meetings during the year are as follows:

Directors	Number of attendance
Ms. Wong Yuen Yee	4/4
Mr. Wong Kwok Sing	4/4
Mr. Wong Yao Wing, Robert	4/4
Mr. Lam Shiu San	4/4
Mr. Wong Tak Leung, Charles*	4/4
Ms. Ho Chui Yin, Liwina*	4/4
Mr. Lai Ying Sum*	0/0
(Appointed on 3 March 2006)	
Ms. Wu Wai Yee, Annis*	4/4
(Resigned on 20 February 2006)	

* Independent Non-executive Directors

董事證券交易

本公司已採納創業板上市規則第5.48至5.67條之規定作為董事交易本公司證券之守則。全部董事均確定其於本年內一直遵守創業板上市規則第5.48至5.67條規定之標準。

董事會

於年報日本公司董事由下列組成：

<i>執行董事：</i>	黃婉兒女士 黃國聲先生 黃祐榮先生 林兆榮先生
<i>獨立非執行董事：</i>	王德良先生 何翠賢女士 黎應森先生

董事會負責本公司之領導及監控，並監督本集團之業務、策略決定及方向及業績表現。管理層獲董事會授以權力及責任主管本集團之日常管理。此外，董事會亦向其他委員會授以各項責任。該等委員會之進一步詳情載於本報告。

董事會每年定期舉行四次會議（按每季一次），亦會在有需要時舉行會議。於截至二零零六年三月三十一日止年度，董事會已舉行4次定期會議。董事於本年內出席董事會會議之次數如下：

董事	出席次數
黃婉兒女士	4/4
黃國聲先生	4/4
黃祐榮先生	4/4
林兆榮先生	4/4
王德良先生*	4/4
何翠賢女士*	4/4
黎應森先生*	0/0
(於二零零六年三月三日獲委任)	
胡惠儀女士*	4/4
(於二零零六年二月二十日辭任)	

* 獨立非執行董事

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

Board minutes are kept by the Company Secretary of the Company. Draft and final versions of the Board minutes are sent to the Directors for their comments and records, in both cases within a reasonable time after the meeting.

The Directors enable, upon the reasonable request, to seek independent professional advice under appropriate circumstances, at the Company's expenses, in order to discharge their responsibilities and duties under appropriate independent professional advice.

Appropriate insurance cover has been arranged in respect of legal action against its Directors.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

To ensure the compliance with the new CG code, the role of the Chairman and Chief Executive Officer of the Company has segregated since IPO of the Company. Currently, the Chairman and Chief Executive Officer of the Company is Ms Wong Yuen Yee and Mr. Wong Kwok Sing, respectively.

The Chairman's and the Chief Executive Officer's responsibility is to manage the Board and the Group's day-to-day business, respectively.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The three Independent Non-executive Directors of the Company are persons of high calibre, with academic and professional qualifications in the field of accounting and law. With their solid experience, they can provide strong support to perform their duties delegated by the Board effectively.

All Independent Non-executive Directors are considered to be independent by the Board as the Board received from each of the annual confirmation of independence as required by the GEM Listing Rules.

董事會 (續)

董事會會議紀錄由本公司秘書保存。董事會會議紀錄之草稿及定稿均已於會議後之合理時間內送交董事，以供彼等提出意見及存檔。

董事因應合理要求，可在適當情況下尋求獨立專業意見，有關費用由本公司支付，以協助其根據適當之獨立專業意見履行彼等之職責及職務。

董事已獲安排適當保險，使其面對法律訴訟時得到保障。

主席及行政總裁

為確保符合新企業管治守則，本公司主席及行政總裁之角色自本公司首次公開售股後開始分離。目前，本公司主席及首席執行官分別由黃婉兒女士及黃國聲先生擔任。

主席及首席執行官之職責分別為管理董事會及本集團之日常業務。

獨立非執行董事

本公司三位獨立非執行董事均為具備會計及法律方面學識及專業資格之人才。由於其經驗豐富，能有效地為履行其由董事會委任之職務提供強而有力之支援。

由於董事會收到按照創業板上市規則規定之年度獨立性確認書，董事會認為全部獨立非執行董事均獨立於董事會。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company did not have a Remuneration Committee. However, we have planned to set up the Committee in next financial year to meet the requirement of GEM Listing Rules.

Details of the Directors' emoluments of the Company is set out in the note 11 to the financial statements.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

According to the bye-laws of the Company (the "Bye-laws"), (i) any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office until the next Annual general meeting of the Company and shall retire and be subject to re-election and (ii) Directors holding office as the Chairman of the Board shall not be subject to retirement by rotation. Such practice deviates from the provision A.4.2 of the CG Code which requires all directors appointed to fill casual vacancy be subject to election by shareholders at the first general meeting after their appointment, and every Director, including those appointed for a specific term, be subject to retirement by rotation at least once every three years. Having reviewed the relevant Bye-Laws, the Board will propose to put forth a special resolution to amend the Bye-laws to comply with the said code provision.

董事及高級管理人員薪酬

本公司並無薪酬委員會。然而，本公司計劃於下個財政年度成立該委員會，以符合創業板上市規則之規定。

有關本公司董事薪酬之詳情載於財務報表附註11。

委任及重選董事

根據本公司之公司細則（「公司細則」），(i)獲委任填補董事會臨時空缺之董事應只擔任至下一屆股東週年大會為止，並須告退再接受重新選舉且(ii)董事會主席不需輪流退任。該做法與企業管治常規守則條文A.4.2項有所偏離，該條文要求所有為填補臨時空缺而被委任之董事應在接受委任後之首次股東大會上接受股東選舉，而每名董事（包括有指定任期的董事）應輪流退任，至少每三年一次。董事會已審核有關公司細則並提出特別議案修改公司細則，以遵守上述守則條文。

CORPORATE GOVERNANCE REPORT

企業管治報告

APPOINTMENT AND RE-ELECTION OF DIRECTORS (Continued)

The Company has no fixed terms of appointment of Independent Non-executive Directors. However, they are appointed subject of retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Bye-laws. Such practice deviates from the provision A.4.1 of the CG Code which requires that Non-executive Directors be appointed for a specific term. The Board has discussed and concluded that the current practice of appointing Independent Non-executive Directors without specific terms but otherwise subject to rotation and re-election by shareholders was fair and reasonably, and does not intend to change the current practice at the moment. Subject to the approval of the proposed amendments to the Bye-laws at the forthcoming annual general meeting. Independent Non-executive Directors will be subject to re-election once every three years.

EXTERNAL AUDITORS

For the year ended 31 March 2006, PCP CPA Limited, the existing external auditors received the following remuneration:

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Annual audit services 年度審核服務	404	240

委任及重選董事(續)

本公司並無為非執行董事制定委任固定任期，惟彼等須根據公司細則之條文，於本公司股東週年大會上輪流退任，接受重新選舉。該做法與企業管治常規守則條文A.4.1項有所偏離，該條文要求非執行董事之委任須有指定任期。董事會已進行商討並作結論，認為目前委任非執行董事時沒有訂明任期，惟他們須輪流退任，並接受股東重選之做法屬公平及合理，故目前並無意圖更改現行做法。待對公司細則之修訂建議於即將舉行的股東週年大會上獲批准後，獨立非執行董事將據此每三年重選一次。

外部核數師

於截至二零零六年三月三十一日止年度，外部核數師華德匡成會計師事務所有限公司收取下列酬金：

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE

The Audit Committee currently comprises all three Independent Non-executive Directors of the Company, namely Ms Wong Tak Leung as the Chairman and Mr. Lai Ying Sum and Ms. Ho Chui Yin, Liwina as the members, who among themselves possess management experience in the accounting and law. The attendance of each member at the meeting during the year is set out as follows:

	Number of attendance
Mr. Wong Tak Leung, Charles (<i>Chairman</i>)	4/4
Ms. Wu Wai Yee, Annis (<i>resigned on 20 February 2006</i>)	4/4
Ms. Ho Chui Yin, Liwina	4/4
Mr. Lai Ying Sum (<i>Appointed on 3 March 2006</i>)	0/0

Full minutes of Audit Committee meetings are kept by a duly appointed Secretary of the meeting. Draft and final versions of minutes of the Audit Committee meetings are sent to all members of the committee for their comments and records, in both cases within a reasonable time after the meeting.

The Audit Committee reviews the quarterly results, interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the GEM Listing Rules and the legal requirements in the review of the Company's quarterly, interim and annual reports.

審核委員會

目前本公司之審核委員會由全部三位獨立非執行董事組成，王德良先生為主席，黎應森先生及何翠賢女士為成員，彼等在會計和法律方面擁有管理經驗。各成員於本年內出席會議的次數列載如下：

董事	出席次數
王德良先生 (主席)	4/4
胡惠儀女士 (於二零零六年二月二十日辭任)	4/4
何翠賢女士	4/4
黎應森先生 (於二零零六年三月三日獲委任)	0/0

全部會議紀錄由正式任命之會議秘書記錄。審核委員會會議紀錄之草稿及定稿均已於會議後之合理時間內送交委員會全體成員，以供彼等提出意見及存檔。

審核委員會會於呈交董事會前審閱季度業績、中期及年度報告。審閱本公司之季度、中期及年度報告時，審核委員會不但會留意會計政策及慣例變動之影響，亦留意是否符合會計準則、創業板上市規則及法例規定。

AUDITORS' REPORT

核數師報告

**TO THE SHAREHOLDERS OF
INNO-TECH HOLDINGS LIMITED**
(Incorporated in Bermuda with limited liability)

We have audited the financial statements on 42 to 128 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements 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.

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the

核數師報告
致 **Inno-Tech Holdings Limited**
(匯創控股有限公司)
(在百慕達註冊成立之有限公司)
全體股東

本核數師(以下簡稱「我們」)已完成審核第42頁至第128頁所載按照香港公認會計原則編製之財務報表。

董事及核數師各自之責任

貴公司董事須編製真實和公平之財務報表。在編製該等真實和公平之財務報表時，董事必須選用適當之會計政策，並貫徹應用該等會計政策。

我們的責任是根據我們審核工作的結果，對該等財務報表發表獨立意見，並根據百慕達公司法第90條僅向股東報告。除此之外，本報告不可作任何其他用途。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

意見之基礎

我們是按照香港會計師公會頒佈之香港核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評估董事於編製該等財務報表時所作之重大估計及判斷、所釐定之會計政策是否適合 貴公司及 貴集團的具體情況，及有否貫徹運用和足夠披露該等會計政策。

我們在策劃和進行審核工作時，均以取得一切我們認為必需之資料及解釋為目標，使我們能獲得充份之憑證，就該等財務報表是不存有重大的錯誤陳述，作出合理之確定。在作出意見時，我們亦已衡量該等財務報表所載之資料在整體上是否足夠。我們相

AUDITORS' REPORT

核數師報告

financial statements. We believe that our audit provides a reasonable basis for our opinion.

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the ability of the Company and the Group to continue as going concern. As set out in note 4(a) to the financial statements, the Group is dependent upon the ongoing support of its banks to ensure that adequate bank borrowing facilities are available to meet the Group's future working capital and financing requirements. The directors believe that continued bank support will be forthcoming and the Group is able to continue as a going concern after taking into account a financial support undertaking received from the management shareholders. Accordingly, the financial statements have been prepared on a going concern basis notwithstanding the Group's loss for the year and net deficit of cash and cash equivalents as at 31 March 2006. The financial statements do not include any adjustments that would be necessary should bank support not be continued. We consider that the fundamental uncertainty has been adequately accounted for and disclosed in the financial statements and our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2006 and of the Group's loss and cash flows for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PCP CPA Limited

Certified Public Accountants
Hong Kong, 26 June 2006

Chua Suk Lin, Ivy

Practising Certificate No.: P02044

信，我們之審核工作已為下列意見建立合理之基礎。

基本不明朗因素

我們在提供意見時，已衡量於財務報表作出的有關貴公司和貴集團是否能按照持續經營基準繼續營運之披露是否足夠。誠如財務報表附註4(a)所載，貴集團需依賴往來銀行持續給予支持，以確保獲得足夠的銀行備用信貸來滿足貴集團日後的營運資金和融資需求。董事相信可以繼續得到銀行的支持，故儘管貴集團於本年度錄得虧損及於二零零六年三月三十一日錄得現金和現金等價物虧損，財務報表亦已按照持續經營基準編製。財務報表並不包括如不再獲得銀行支持而須作出的任何調整。我們認為，財務報表已充分計及和披露此基本不肯定因素，故我們在這方面並無保留意見。

意見

我們認為，上述之財務報表均真實和公平地反映貴公司及貴集團於二零零六年三月三十一日之財務狀況及貴集團截至該日止年度之虧損及現金流量狀況，並按照香港《公司條例》之披露規定適當地編製。

華德匡成會計師事務所有限公司

香港執業會計師
香港，二零零六年六月二十六日

蔡淑蓮

執業編號：P02044

CONSOLIDATED INCOME STATEMENT

綜合損益表

for the year ended 31 March 2006
截至二零零六年三月三十一日止年度

		Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Turnover	營業額	7	90,955	78,716
Cost of sales	銷售成本		(69,669)	(56,282)
Gross profit	毛利		21,286	22,434
Other revenue	其他收入	8	1,108	416
Research and development expenses	研究及開發開支		-	(872)
Marketing and promotion expenses	市場推廣及宣傳開支		(1,406)	(1,213)
Administrative expenses	行政開支		(19,615)	(8,995)
Profit from operations	經營溢利		1,373	11,770
Finance costs	財務費用	9(a)	(5,759)	(4,241)
Share of losses of associates	攤佔聯營公司虧損		(586)	(272)
Share of losses of jointly controlled entities	攤佔合營企業虧損		-	(89)
(Loss)/profit from ordinary activities before income tax	除所得稅前正常業務 (虧損) / 溢利	9	(4,792)	7,168
Income tax	所得稅	10	(736)	(1,507)
(Loss)/profit attributable to equity holders	股權持有人應佔 (虧損) / 溢利		(5,708)	5,661
(Loss)/earnings per share	每股 (虧損) / 盈利			
- Basic (HK cents)	- 基本 (港仙)	13(a)	(1.94)	2.23
- Diluted (HK cents)	- 攤薄 (港仙)	13(b)	N/A不適用	N/A不適用

The notes on pages 49 to 128 form part of these financial statements.

第49頁至第128頁之附註為本財務報表之一部份。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

at 31 March 2006
於二零零六年三月三十一日

		Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	9,374	5,492
Prepaid lease payments	預付租賃款項	15	5,768	–
Intangible assets	無形資產	16	25,760	26,005
Interest in associates	於聯營公司之權益	18	5,237	5,823
Interest in jointly controlled entities	於合營公司之權益	19	–	78
			46,139	37,398
Current assets	流動資產			
Inventories	存貨	20	8,918	14,116
Accounts receivable	應收賬款	21	39,894	31,967
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		4,475	8,497
Amounts due from customers	應收客戶款項		8,520	6,590
Pledged deposits	已抵押存款	22	25,000	40,000
Cash and cash equivalents	現金及現金等價物	23	845	1,504
			87,652	102,674
Current liabilities	流動負債			
Bank loans and overdrafts	銀行貸款及透支	24	30,862	43,240
Trade payables, accrued expenses and other payables	貿易應付賬款、應計費用及其他應付款項	25	12,498	10,408
Bills payable	應付票據	26	4,966	14,309
Amounts due to directors	應付董事款項		7,349	5,828
Obligations under finance leases	融資租賃承擔	27	814	5,489
Current taxation	本期稅項	29(a)	1,242	953
Convertible notes	可換股票據	30	8,996	–
			66,727	80,227
Net current assets	流動資產淨值		20,925	22,447
Total assets less current liabilities	總資產減流動負債		67,064	59,845

CONSOLIDATED BALANCE SHEET (Continued)

綜合資產負債表 (續)

(Expressed in Hong Kong dollars)
(以港元列示)

		Note	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
		附註		
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	24	3,932	750
Convertible notes	可換股票據	30	6,060	8,429
Deferred taxation	遞延稅項	29(b)	4,499	4,334
			14,491	13,513
NET ASSETS	資產淨值		52,573	46,332
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	31	6,702	5,450
Reserves	儲備	33(a)	45,871	40,882
			52,573	46,332

Approved and authorised for issue by the board of directors on 26 June 2006

財務報表已於二零零六年六月二十六日獲董事會批准及授權發表

44

Wong Yuen Yee
Executive Director
黃婉兒
執行董事

Wong Kwok Sing
Executive Director
黃國聲
執行董事

The notes on pages 49 to 128 form part of these financial statements.

第49頁至第128頁之附註為本財務報表之一部份。

BALANCE SHEET

資產負債表

at 31 March 2006
於二零零六年三月三十一日

		Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Non-current assets	非流動資產			
Interest in subsidiaries	於附屬公司之權益	17	5,925	5,925
Interest in associates	於聯營公司之權益	18	978	978
			6,903	6,903
Current assets	流動資產			
Prepayments and other receivables	預付款項及其他應收款項		310	606
Amounts due from subsidiaries	應收附屬公司款項		38,639	28,569
Amount due from an associate	應收聯營公司款項		4	4
Pledged deposits	已抵押存款	22	10,000	10,000
Cash and cash equivalents	現金及現金等價物	23	-	2
			48,953	39,181
Current liabilities	流動負債			
Bank loans and overdrafts	銀行貸款及透支	24	11,579	13,537
Accrued expenses and other payables	應計費用及其他應付款項		1,515	1,148
Amount due to a subsidiary	應付附屬公司款項		90	90
Amounts due to directors	應付董事款項		226	238
Convertible notes	可換股票據	30	8,996	-
			22,406	15,013
Net current assets	流動資產淨值		26,547	24,168
Total assets less current liabilities	總資產減流動負債		33,450	31,071
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	24	-	750
Convertible notes	可換股票據	30	6,060	8,429
			6,060	9,179
NET ASSETS	資產淨值		27,390	21,892
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	31	6,702	5,450
Reserves	儲備	33(b)	20,688	16,442
			27,390	21,892

Approved and authorised for issue by the board of directors on
26 June 2006

Wong Yuen Yee
Executive Director
黃婉兒
執行董事

財務報表已於二零零六年六月二十六日獲董事會批准及授權發表

Wong Kwok Sing
Executive Director
黃國聲
執行董事

The notes on pages 49 to 128 form part of these financial statements.

第49頁至第128頁之附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

for the year ended 31 March 2006
截至二零零六年三月三十一日止年度

Attributable to equity holders of the company

由本公司股權持有人應佔

		Share capital	Share compensation premium	Employee reserve	Convertible notes reserve	Contributed surplus	Capital redemption reserve	Retained profits	Total
		股本	股份溢價	僱員酬金儲備	可換股票據儲備	繳入盈餘	資本贖回儲備	保留溢利	總計
		HK'000	HK'000	HK'000	HK'000	HK'000	HK'000	HK'000	HK'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2004, as originally stated	於二零零四年四月一日，如原列	4,900	12,068	-	-	5,625	43	13,894	36,530
Effects of changes in accounting policies (note 3)	會計政策變動之影響 (附註3)	-	-	-	282	-	-	7	289
At 1 April 2004, as restated	於二零零四年四月一日，如重列	4,900	12,068	-	282	5,625	43	13,901	36,819
Profit for the year, as restated	本年度溢利，如重列	-	-	-	-	-	-	5,661	5,661
Total recognised income and expenses for the year	本年度已確認收支總額	-	-	-	-	-	-	5,661	5,661
Issuance of shares	發行股份	550	3,465	-	-	-	-	-	4,015
Shares issuance costs	股份發行費用	-	(163)	-	-	-	-	-	(163)
		550	3,302	-	-	-	-	-	3,852
At 31 March 2005	於二零零五年三月三十一日	5,450	15,370	-	282	5,625	43	19,562	46,332
At 1 April 2005, as originally stated	於二零零五年四月一日，如原列	5,450	15,370	-	-	5,625	43	19,613	46,101
Effects of changes in accounting policies (note 3)	會計政策變動之影響 (附註3)	-	-	-	282	-	-	(51)	231
At 1 April 2005, as restated	於二零零五年四月一日，如重列	5,450	15,370	-	282	5,625	43	19,562	46,332
Loss for the year	本年度虧損	-	-	-	-	-	-	(5,708)	(5,708)
Total recognised income and expenses for the year	本年度已確認收支總額	-	-	-	-	-	-	(5,708)	(5,708)
Issuance of shares and exercising options	發行股份及行使購股權	1,252	8,170	-	-	-	-	-	9,422
Shares issuance costs	股份發行費用	-	(93)	-	-	-	-	-	(93)
Transfer to share premium upon exercise of share options	於購股權行使時轉撥至股份溢價	-	998	(998)	-	-	-	-	-
Recognition of equity component of convertible notes net of transaction cost	確認可換股票據之資本部份，扣除交易成本	-	-	-	160	-	-	-	160
Recognition of share-based payment as expenses	確認為股份為基礎之支出為開支	-	-	2,460	-	-	-	-	2,460
		1,252	9,075	1,462	160	-	-	-	11,949
At 31 March 2006	於二零零六年三月三十一日	6,702	24,445	1,462	442	5,625	43	13,854	52,573

The notes on pages 49 to 128 form part of these financial statements.

第49頁至第128頁之附註為本財務報表之一部份。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

for the year ended 31 March 2006
截至二零零六年三月三十一日止年度

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Operating activities	經營業務		
(Loss)/profit from ordinary activities before income tax	除所得稅前正常業務 (虧損) / 溢利	(4,972)	7,168
Adjustments for:	就以下項目作出調整:		
– Depreciation and amortisation	– 折舊及攤銷	10,204	7,389
– Release of prepaid lease payment	– 預付租賃款項撥回	2	–
– Allowance for inventories	– 存貨撥備	1,201	2,397
– Share of losses of jointly controlled entities	– 攤佔合營公司虧損	–	89
– Share of losses of associates	– 攤佔聯營公司虧損	586	272
– Interest income	– 利息收入	(821)	(343)
– Share-based payments	– 以股份為基礎之支出	2,460	–
– Property, plant and equipment written off	– 物業、廠房及設備撇銷	476	17
– Intangible assets written off	– 無形資產撇銷	5,047	–
– Interest expense	– 利息支出	5,759	4,241
Operating profit before changes in working capital	未計營運資金變動前之經營溢利	19,942	21,230
Decrease in inventories	存貨減少	7,797	12,024
Increase in accounts receivable	應收賬款增加	(7,849)	(24,354)
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少	4,022	346
Increase in amounts due from customers	應收客戶款項增加	(1,930)	(2,250)
Increase in amounts due to directors	應付董事款項增加	1,821	5,226
Increase in amounts due from associates	應收聯營公司款項增加	–	(171)
Decrease in amount due from a jointly controlled entity	應收合營公司款項減少	–	1
Increase in amount due from a related party	應收關連人士款項增加	–	(934)
(Decrease)/Increase in bills payables, other payables and accrued expenses	應付票據、其他應付款項及應計費用 (減少) / 增加	(8,102)	17,777
Cash generated from operations	營運產生之現金	15,701	28,895
Hong Kong profits tax paid	已繳香港利得稅	(282)	(989)
Net cash from operating activities	經營業務產生之現金淨額	15,419	27,906

CONSOLIDATED CASH FLOW STATEMENT (Continued)

綜合現金流量表(續)

for the year ended 31 March 2006
截至二零零六年三月三十一日止年度

	Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Investing activities	投資活動		
Interest received	已收利息	821	343
Decrease/(increase) in pledged deposits	已抵押存款減少/(增加)	15,000	(19,830)
Payment for purchase of property, plant and equipment	購置物業、廠房及設備之款項	(6,134)	(751)
Payment for purchase of intangible assets	購置無形資產之款項	(13,230)	(13,960)
Payment for prepaid lease payments	預付租賃款項	(5,770)	-
Net cash used in investing activities	投資活動使用之現金淨額	(9,313)	(34,198)
Financing activities	融資活動		
Capital element of finance lease rentals paid	已付融資租賃租金資本部份	(8,475)	(12,791)
Net proceeds from issuance of new shares	發行新股份之所得款項淨額	9,097	3,852
Interest paid	已付利息	(4,237)	(2,483)
Proceeds from issuance of convertible notes, net of transaction costs	發行可換股票據所得款項，扣除交易成本	6,130	-
Proceeds from new bank loans	銀行新貸款之所得款項	5,325	17,135
Repayment of bank loans	償還銀行貸款	(10,229)	(10,207)
Proceeds from shares issued under share option scheme	根據購股權計劃發行股份所得款項	232	-
Interest element of finance lease rentals paid	已付融資租賃之租金利息部份	(316)	(661)
Net cash used in financing activities	融資活動所用之現金淨額	(2,473)	(5,155)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	3,633	(11,447)
Cash and cash equivalents at 1 April	於四月一日之現金及現金等價物	(21,526)	(10,079)
Cash and cash equivalents at 31 March	於三月三十一日之現金及現金等價物	(17,893)	(21,526)

Non-cash transaction

During the year, the Group entered into finance leases contracts in respect of property, plant and equipment and inventories with a total capital value at the inception of the contracts of HK\$Nil and HK\$3,800,000 respectively (2005: HK\$1,493,000 and HK\$10,160,000).

The notes on pages 49 to 128 form part of these financial statements.

非現金交易

於年內，本集團就物業、廠房及設備及存貨訂立租賃合約，該等合約起初之總資本值分別為零港元及3,800,000港元(二零零五年：1,493,000港元及10,160,000港元)。

第49頁至第128頁之附註為本財務報表之一部份。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1 CORPORATE INFORMATION

Inno-Tech Holdings Limited (the “Company”) was incorporated in Bermuda on 19 November 2001 as an exempted company with limited liability under the Companies Act of Bermuda. The shares of the Company are listed on the Growth Enterprise Market (the “GEM”) of 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 located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Room 2303, Tung Wai Commercial Building, 109-111 Gloucester Road, Wanchai, Hong Kong, respectively.

The Company is an investment holding company. The principal activities of the subsidiaries are set out in note 17.

2 ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND CHANGES IN ACCOUNTING POLICIES

In the current year, the Company and its subsidiaries (collectively “the Group”) has applied, for the first time, all of the new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2005. The changes in presentation have been applied retrospectively. The application of these new and revised Standards and Interpretations have resulted in changes to the Group’s accounting policies in the following areas.

1. 公司資料

匯創控股有限公司(「本公司」)於二零零一年十一月十九日在百慕達根據百慕達公司法註冊成立為獲豁免有限公司。本公司股份在香港聯合交易所有限公司(「聯交所」)創業板上市。本公司之註冊辦事處及主要營業地點分別為 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda及香港灣仔告士打道109-111號東惠商業大廈2303室。

本公司為一家投資控股公司。主要附屬公司之業務載於附註17。

2. 採納香港財務報告準則及會計政策之改變

本年度，本公司及其附屬公司(統稱「本集團」)首次應用香港會計師公會所頒佈自二零零五年一月一日起會計期間生效之若干新增及經修訂之香港財務報告準則。呈報方式已追溯作出相應變動。採納新增及經修訂財務報告準則與詮釋使本集團之會計政策作出下列範疇之變動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND CHANGES IN ACCOUNTING POLICIES (Continued)

Share-based payments

In the current year, the Group has applied HKFRS 2 Share-based Payment which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares (“equity-settled transaction”) and liabilities for cash-settled share-based payments to be recognised at the current fair value at each balance sheet date. The principal impact of HKFRS 2 under the previous policy results in a reduction in profit as such items have not been recognised as expenses. Prior to the adoption of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. The Group has applied HKFRS 2 to share options granted on or after 1 January 2005. In relation to share options granted before 1 January 2005, the Group chooses not to apply HKFRS 2 with respect to share options granted on or before 7 November 2002 and vested before 1 January 2005. The Group has no share options that were granted after 7 November 2002 and had not yet vested before 1 January 2005.

The financial impact on adoption of HKFRS 2 has been disclosed in Note 3.

2. 採納香港財務報告準則及會計政策之改變(續)

以股份為基礎之支出

於本年度，本集團採納香港財務報告準則第2號以股份為基礎之支出，規定當本集團購買貨物或獲取服務而以股份或有關股份權利支付代價(「股份結算交易」)，及以現金償付以股份支付之負債，則須將有關開支以各結算日之現有公平值確認入帳。香港財務報告準則第2號對以往會計政策之主要影響在於削減溢利，茲因有關項目未有獲確認為開支。採用香港財務報告準則第2號前，直至購股權獲行使，本集團方會將有關財務影響確認。本集團對二零零五年一月一日或其後所授出購股權採納香港財務報告準則第2號規定。對於本集團在二零零五年一月一日前授出之購股權，本集團選擇對二零零二年十一月七日或之前授出並於二零零五年一月一日之前歸屬之購股權不予採納香港財務報告準則第2號。本集團並無於二零零二年十一月七日後授出但於二零零五年一月一日之前尚未歸屬之購股權。

採納香港財務報告準則第2號之財務影響於附註3披露。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

2 ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND CHANGES IN ACCOUNTING POLICIES (Continued)

Convertible notes

The principal impact of Hong Kong Accounting Standard (“HKAS”) 32 Financial Instruments: Disclosure and Presentation on the Group is in relation to convertible notes issued by the Company (see note 30). HKAS 32 requires an issuer of a compound financial instrument that contains both financial liability and equity components to separate the compound financial instrument into the liability and equity components on initial recognition and to account for these components separately. In subsequent periods, the liability component is carried at amortised cost using the effective interest method.

The financial impact on adoption of HKAS 32 has been disclosed in Note 3.

2. 採納香港財務報告準則及會計政策之改變(續)

可換股票據

香港會計準則第32號財務「金融工具：披露及呈列」對本集團之主要影響乃與本公司所發行之可換股票據有關(見附註30)。香港會計準則第32號規定具備財務負債與股權部份之複合金融工具在初次確認時須將複合金融工具分開負債與股權部份獨立入賬。在其後期間，負債部份乃採用實際利率法攤銷成本。

採納香港會計準則第32號之財務影響於附註3披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

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

3. 會計政策變動之影響概要

上述會計政策之變動對本年度及去年度之影響如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Recognition of share based payments as expenses on adoption of HKFRS 2	採納香港財務報告準則第2號將以股份為基礎之支出確認為開支	(2,460)	—
Increase in finance costs on convertible notes on adoption of HKAS 32	採納香港會計準則第32號對可換股票據所增加之財務費用	(167)	(58)
Decrease in profit for the year	年度溢利減少	(2,627)	(58)

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

3 SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

The cumulative effects of the application of the new HKFRSs on 31 March 2005 and 1 April 2005 on the consolidated balance sheet are summarised below:

3. 會計政策變動之影響概要 (續)

採納新增香港財務報告準則對二零零五年三月三十一日及二零零五年四月一日之綜合資產負債表之累計影響概要如下：

	Retrospective adjustments		
	As at 31 March 2005	HKAS 32 convertible notes	As at 1 April 2005
	於 二零零五年 三月三十一日	香港會計準則 第32號對 可換股票據 作出回溯調整	於 二零零五年 四月一日
	HK\$'000 千港元 (originally stated) (原列)	HK\$'000 千港元	HK\$'000 千港元 (restated) (重列)
Balance sheet items	資產負債表項目		
Convertible notes	8,660	(231)	8,429
Retained profits	19,613	(51)	19,562
Convertible notes reserve	-	282	282

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

The financial effects of the application of the new HKFRSs to the Group's equity on 31 March 2004 and 1 April 2004 are summarised below:

3. 會計政策變動之影響概要 (續)

採納新增香港財務報告準則對於二零零四年三月三十一日及二零零四年四月一日之本集團權益之財務影響概要如下：

		Retrospective adjustments		
		As at 31 March 2004	HKAS 32 convertible notes	As at 1 April 2004
		香港會計準則 第32號對		
		於二零零四年 三月三十一日	可換股票據 作出回溯調整	於二零零四年 四月一日
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
		(originally stated)		(restated)
		(原列)		(重列)
Retained profits	保留溢利	13,894	7	13,901
Convertible notes reserve	可換股票據儲備	-	282	282

The Group has not early applied the following new Standards and Interpretations that have been issued but are not yet effective. The Group has commenced considering the potential impact of these new Standards and Interpretations. The management determined that it is not yet in a position to reasonably ascertain how the following amendment may affect the results of operations and financial position of the Group are prepared and presented.

本集團並無提早採納下列已頒佈惟尚未生效之新增準則及詮釋。本集團經已開始評估該等新增標準及詮釋之潛在影響。本集團管理層認為現時不宜就下列修訂會如何影響本集團所編制及呈列之經營業績及財務狀況作出合理確認。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

3 SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

HKAS 1 (Amendment)	Capital disclosure ¹
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures ²
HKAS 21 (Amendment)	The effects of change in foreign exchange rate – net investment in a foreign operation ²
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transaction ²
HKAS 39 (Amendment)	The fair value option ²
HKAS 39 & HKFRS 4 (Amendments)	Financial guarantee contracts ²
HKFRS 6	Exploration for and evaluation of mineral resources ²
HKFRS 7	Financial instruments: Disclosure ¹
HK(IFRIC) – INT 4	Determining whether an arrangement contains a lease ²
HK(IFRIC) – INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds ²

3. 會計政策變動之影響概要 (續)

香港會計準則第1號 (經修訂)	資本披露 ¹
香港會計準則第19號 (經修訂)	精算盈虧、集體界定福利計劃和披露 ²
香港會計準則第21號 (經修訂)	外幣匯率變動之影響 – 海外業務投資淨額 ²
香港會計準則第39號 (經修訂)	預測集團內部交易之現金流量對沖會計方法 ²
香港會計準則第39號 (經修訂)	公允值選擇權 ²
香港會計準則第39號及香港財務報告準則第4號 (經修訂)	財務擔保合約 ²
香港財務報告準則第6號	礦產資源之勘探及評估 ²
香港財務報告準則第7號	金融工具：披露 ¹
香港(國際財務報告詮釋委員會) – 詮釋第4號	釐定一項安排是否包括租賃 ²
香港(國際財務報告詮釋委員會) – 詮釋第5號	解除、運作及環境修復基金所產生權益之權利 ²

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

HK(IFRIC) – INT 6	Liabilities arising from participating in a specific market – waste electrical and electronic equipment ³
HK(IFRIC) – INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ⁴
HK(IFRIC) – INT 8	Scope of HKFRS 2 ⁵
HK(IFRIC) – INT 9	Reassessment of embedded derivatives ⁶

- 1 Effective for annual periods beginning on or after 1 January 2007
- 2 Effective for annual periods beginning on or after 1 January 2006
- 3 Effective for annual periods beginning on or after 1 December 2005
- 4 Effective for annual periods beginning on or after 1 March 2006
- 5 Effective for annual periods beginning on or after 1 May 2006
- 6 Effective for annual periods beginning on or after 1 June 2006

4 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The Group's business activities are conducted in the context of a developing and changing services sector which is characterised by continuously changing customer demand patterns and rapid technological developments. The Group's results would be adversely affected should the group be unable to successfully anticipate customer demand accurately; manage its product transitions and inventory levels; and distribute its products and services quickly in response to customer demand.

3. 會計政策變動之影響概要(續)

香港(國際財務報告詮釋委員會) – 詮釋第6號	因參與個別市場、廢料電動及電子儀器產生之負債 ³
香港(國際財務報告詮釋委員會) – 詮釋第7號	在惡性通貨膨脹的經濟環境下根據香港會計準則第29號應用重列方法 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第8號	香港財務報告準則第2號之範圍 ⁵
香港(國際財務報告詮釋委員會) – 詮釋第9號	重估內置衍生工具 ⁶

- 1 自二零零七年一月一日或之後開始年度期間生效。
- 2 自二零零六年一月一日或之後開始年度期間生效。
- 3 自二零零五年十二月一日或之後開始年度期間生效。
- 4 自二零零六年三月一日或之後開始年度期間生效。
- 5 自二零零六年五月一日或之後開始年度期間生效。
- 6 自二零零六年六月一日或之後開始年度期間生效。

4 主要會計政策

(a) 編製基準

本集團業務屬於發展迅速、瞬息萬變的服務行業，而這行業的客戶需求模式不斷變化，技術發展一日千里。假如本集團無法正確預計客戶需求，妥善管理產品過度安排和存貨水平，以及在產品與服務供應方面迅速回應客戶需求，便可能對經營業績造成負面影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

Additionally, the Group's dependence on several IT solution suppliers, exposes the Group to potential product quality issues that could affect the reliability and performance of the Group's products and solutions.

The Group has banking facilities of short-term bank loans and overdraft totalling HK\$64 million, provided by several banks, which were utilised to the extent of approximately HK\$36 million at 31 March 2006. The directors have assessed the sufficiency of the existing banking overdraft facilities for the purpose of meeting the Group's future working capital and other financing requirements. The directors believe that these facilities are sufficient and will be extended by the Group's banks for the foreseeable future. The financial statements have been prepared on a going concern basis, the validity of which depends upon the Group's ability to secure additional contracts after completion of the current contracts at acceptable operating margin, and sufficient cash being generated from the operations; and the future financing requirements of the Group and the availability of sufficient bank facilities to meet the requirements. The directors are of the opinion that the Group are able to continue as a going concern and to meet the obligations as and when they fall due after taking into account a financial support undertaking received from the management shareholders.

4 主要會計政策 (續)

(a) 編製基準 (續)

此外，由於本集團需依賴多家信息技術解決方案供應商，故或需面對產品質量方面的潛在問題，以致產品和解決方案的可靠性與表現備受影響。

本集團已獲多家銀行提供銀行備用信貸(包括短期銀行貸款和銀行透支)合共6,400萬港元。於二零零六年三月三十一日，其中約3,600萬港元已予動用。董事已評估現有的銀行透支額是否足以應付本集團日後的營運資金需求和其他融資需要。董事相信，上述信貸額度已足夠，並會在可見將來獲本集團的往來銀行提供。財務報表是按照持續經營基準編製；這個基準是否合理，取決於本集團是否能夠在完成現有合約後，再以合理的利潤水平取得新合約；業務是否能產生充足的現金；以及本集團日後的融資需要和是否有足夠的銀行備用信貸來滿足這些需要。經考慮管理層股東所承諾提供之財政支援，本集團董事認為，本集團有能力持續經營及履行責任。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註



4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair values.

These financial statements have been prepared in accordance with HKFRSs, which includes all applicable individual Hong Kong Financial Reporting Standards, HKAS and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules of the GEM of the Stock Exchange.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, as disclosed in Note 6.

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 March of each year together with the Group's share of the results for the year of its associates and jointly controlled entities.

4 主要會計政策 (續)

(a) 編製基準 (續)

綜合財務報表已根據歷史成本法編製，惟以公平值計量之若干金融工具除外。

此等財務報表經已根據香港財務報告準則(包括香港會計師公會所頒佈之所有適用個別香港財務報告準則、香港會計準則及詮釋)、香港普遍採納之會計原則及香港公司條例之規定編製。此等財務報表亦遵守聯交所創業板上市規則之適用披露規定。

編製符合香港財務報告準則之財務報表須使用若干關鍵會計估計，亦要求管理層於應用本公司之會計政策過程中行使其判斷。誠如附註6所披露，包括較高等級之判斷或複雜性之範疇或假設及估計之範疇對綜合財務報表而言屬重大。

綜合財務報表包括本公司及其所有附屬公司截至每年三月三十一日之財務報表，以及本集團應佔其聯營公司及合營公司於本年度之業績。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

4 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless the transaction provides evidence of an impairment of the asset transferred.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet separately from liabilities and the Shareholders' equity. Minority interests in the results of the group for the year are also separately presented in the income statement.

4 主要會計政策 (續)

(c) 附屬公司

附屬公司為本集團有權監控財務及營運政策之所有實體，一般而言，本集團擁有其超過半數投票權之股權。於評估本集團是否控制另一實體時，現時不可行使或轉換之潛在投票權之存在及影響亦予以考慮。

集團內部結餘及交易，以及任何因進行集團內部交易而產生之任何未變現溢利，均於編製綜合財務報表時全數對銷。除非集團內部交易提供已轉讓之資產出現減值之證據，否則有關交易所引致未變現虧損之對銷方式與未變現收益相同。

於結算日之少數股東權益，即並非由公司(不論直接或間接)透過附屬公司擁有之股份權益應佔之附屬公司資產淨值部份，均於綜合資產負債表內與負債及股東權益分開呈列。年內集團業績內之少數股東權益亦於損益表內分開呈列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註



4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Subsidiaries (Continued)

Where losses attributable to the minority exceeds the minority interest in the net assets of a subsidiary the excess, and any further losses attributable to the minority, are charged against the group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. All subsequent profits of the subsidiary are allocated to the group until the minority's share of losses previously absorbed by the group has been recovered.

In the Company's balance sheet, the investments in subsidiaries and amounts due from subsidiaries are stated at cost less any provision for impairment losses (see note 4(h)). The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(d) Associates and jointly controlled entities

An associate is an entity over which the Group 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 the investee but is not control or joint control over those policies.

4 主要會計政策 (續)

(c) 附屬公司 (續)

倘少數股東應佔虧損超過附屬公司資產淨值之少數股東權益，則超出之款額及少數股東應佔之任何其他進一步虧損乃於本集團之權益中扣除，惟倘少數股東須承擔具約束力之責任及能夠彌補虧損則作別論。該附屬公司日後之所有盈利均分配予本集團，直至先前由本集團承擔原應由少數股東攤佔之虧損得到彌補為止。

於本公司之資產負債表內，於附屬公司之投資及應收附屬公司之款項乃按成本減任何減值虧損撥備後列賬（見附註4(h)）。本公司按已收取及應收取股息之基準將附屬公司之業績入賬。

(d) 聯營公司及合營公司

聯營公司是指本集團可以對其發揮重大影響力之實體，該實體並非附屬公司，亦非於合營企業之權益。重大影響力為參與其財務及經營決策，但不是控制或聯合控制該等政策。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Associates and jointly controlled entities (Continued)

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

An interest in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's or the jointly controlled entity's net assets. The consolidated income statement reflects the Group's share of the post-acquisition, post-tax results of the associates and jointly controlled entities for the year. When the Group's share of losses exceeds the carrying amount of the associate or jointly controlled entity, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate or jointly controlled entity.

Unrealised profits and losses resulting from transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in the associate or jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the income statement.

4 主要會計政策 (續)

(d) 聯營公司及合營公司 (續)

合營企業乃一項合約性安排，據此本集團及其他人士對該公司之經濟活動共同行使控制權，即與該等活動有關之策略性財務及營運決策須取得共同控制各方之一致同意。

於聯營公司或合營公司之投資是按權益法記入綜合財務報表，並且先以成本入賬，然後就本集團佔該聯營公司或合營公司淨資產在收購後之變動作出調整。綜合收入表反映出年內本集團所佔聯營公司或合營公司於收購後之稅後業績。倘本集團應佔之虧損超過該聯營公司或合營公司之賬面值，則賬面值會撇減至零，而除非本集團已產生有關該聯營公司或合營公司之責任，否則不會繼續確認進一步虧損。

本集團與聯營公司及合營公司之間交易所產生之未變現損益，均按本集團於聯營公司或合營公司所佔之權益比率抵銷；但假如未變現虧損顯示已轉讓資產出現減值，則這些未變現虧損會即時在損益表內確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Associates and jointly controlled entities (Continued)

In the Company's balance sheet, its interests in associates and jointly controlled entities are stated at cost less provision for impairment losses (see note 4(h)).

(e) Property, plant and equipment

(i) Valuation

Property, plant and equipment are stated in the balance sheets at cost less accumulated depreciation and impairment losses (see note 4(h)).

Subsequent expenditure relating to a property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

4 主要會計政策 (續)

(d) 聯營公司及合營公司 (續)

於本公司之資產負債表內，其於聯營公司及合營公司之投資均按成本扣除減值虧損後(見附註4(h))列賬。

(e) 物業、廠房及設備

(i) 估值

物業、廠房及設備乃按成本減累計折舊及減值虧損(見附註4(h))後列入資產負債表。

日後就物業、廠房及設備(已入賬確認)而引致之支出，將在超出現有資產原先評估之表現水平之未來經濟效益可能流向本集團時，加入該項資產之賬面值。所有其他日後出現之開支均於出現支出之期間內確認為支出。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

4 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Property, plant and equipment (Continued)

(ii) Depreciation

Building situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being 50 years.

Depreciation is calculated to write off the cost of other property, plant and equipment over their estimated useful lives on a straight-line basis as follows:

Leasehold improvements	5 years
Furniture and fixtures	5 years
Equipment	5 years
Motor vehicle	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(iii) Disposals

Gains or losses arising from the retirement or disposal of a property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

4 主要會計政策 (續)

(e) 物業、廠房及設備 (續)

(ii) 折舊

位於租賃土地之樓宇按未屆滿租期及其估計可使用年期(即50年)之較短者計提折舊。

其他物業、廠房及設備之折舊乃按其估計可使用年期以直線基準撇銷其成本計算如下：

租賃物業裝修	5年
傢俬及裝置	5年
設備	5年
汽車	4年

本公司於各個結算日對資產之剩餘價值及可使用年期進行檢討，並作出調整(如合適)。

(iii) 出售

報廢或出售物業、廠房及設備所產生之損益以估計出售所得款項淨額與該資產賬面值兩者間之差額釐定，並於報廢或出售資產當日在損益賬中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Intangible assets

(i) Valuation

Intangible assets that are acquired by the Group are stated in the balance sheets at cost less accumulated amortisation and impairment losses (see note 4(h)).

Subsequent expenditure on an intangible asset after its purchase or its completion is recognised as an expense when it is incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. If these conditions are met, the subsequent expenditure is added to the cost of the intangible asset.

(ii) Amortisation

Amortisation of intangible assets is charged to the income statement on a straight-line basis over the assets' estimated useful lives as follows:

Patents and trademarks	5 years
Computer software	5 years

4 主要會計政策 (續)

(f) 無形資產

(i) 估值

本集團所收購之無形資產乃按成本減累計攤銷及減值虧損(見附註4(h))後列入資產負債表。

日後於購買或完成無形資產而引致之支出於出現時確認為支出，除非此項支出可能將致使資產產生超出其原先評估之表現水平，而此項支出能可靠地計算及計入資產，則作別論。倘能符合該等條件，日後引致之開支會計入無形資產之成本。

(ii) 攤銷

無形資產之攤銷乃按資產之估計可使用年期以直線基準計入損益賬如下：

專利及商標	5年
電腦軟件	5年

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Leased assets

Leases of assets under which the lessee assumes substantially all the risks and benefits of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in property, plant and equipment and inventories and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the property, plant and equipment in equal annual amounts over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset as set out in note 4(e). Finance charges implicit in the lease payments are charged to the income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are written off as an expense of the accounting period in which they are incurred.

4 主要會計政策 (續)

(g) 租賃資產

由承租人承擔所有權之絕大部份相關風險及報酬之資產租賃，歸類為融資租賃。出租人並未轉讓所有權之全部相關風險及報酬之資產租賃，則歸類為經營租賃。

以融資租賃購入之資產如屬本集團以融資租賃獲得資產使用權之情況，便會將相當於租賃資產公允價值或最低租賃付款額之現值(如為較低之數額)列為物業、廠房及設備，而存貨及相應負債(不計融資費用)則列為融資租賃承擔。折舊是在相關之租賃期或物業、廠房及設備之可使用年限(如本公司或本集團很可能取得資產之所有權)內，以每年等額沖銷其成本計提；有關之可使用年期載列於附註4(e)。租賃付款內含之融資費用會計入租賃期內之綜合損益表，使每個會計期間之融資費用與負債餘額之比率大致相同。或有租金在其產生之會計期間作為開支撇銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註



4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Leased assets (Continued)

Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

(h) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following items may be impaired or an impairment loss previously recognised no longer exists or may have been decreased:

- interest in subsidiaries, associates and jointly controlled entities;
- property, plant and equipment; and
- intangible assets.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount.

4 主要會計政策 (續)

(g) 租賃資產 (續)

經營租賃費用

如屬於本集團透過經營租賃使用資產之情況，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內，以等額在損益表扣除。

購入根據經營租賃持有之土地之成本乃按租期以直線法攤銷。

(h) 資產減值

董事於每個結算日審閱內部及外來信息，以確定下列項目有否出現減值，或以往已確認之減值虧損是否不再存在或可能已減少：

- 於附屬公司、聯營公司及合營企業之投資；
- 物業、廠房及設備；及
- 無形資產。

倘存有上述任何跡象，則估計有關資產之可收回金額。無論任何時候當資產之賬面值超過其可收回金額，均須於收入報表內確認減值虧損。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment of assets (Continued)

- (i) *Calculation of recoverable amount*
The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).
- (ii) *Reversals of impairment losses*
An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

4 主要會計政策 (續)

(h) 資產減值 (續)

- (i) *計算可收回金額*
資產之可收回金額為其售價淨額或使用價值(以較高者為準)。在評估使用價值時，估計未來現金流量乃採用稅前折讓率(足以反映有關資產獨有之貨幣時間價值及風險之現行市場評估)折讓至其現值。倘資產所產生之現金流入基本上不獨立於其他資產所產生之現金流入，則以能獨立產生現金流入之最小資產類別(即現金產生單位)釐定可收回數額。
- (ii) *減值虧損撥回*
倘用於釐定可收回金額之估計數據出現變更，減值虧損須予以撥回。所撥回之減值虧損僅以資產在以往年度並無確認減值虧損之情況下所釐定之賬面值為限。所撥回之減值虧損乃於確認撥回之年度計入損益賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

4 主要會計政策 (續)

(i) 存貨

存貨按成本或可變現淨值兩者中之較低者入賬。

成本值按先進先出法計算，包括一切購買成本、改裝成本及將存貨運送至現有地點及狀況所需之其他成本。

可變現淨值指日常業務過程中之估計售價減預期完成之成本及預期達致出售所需之成本。

當出售存貨時，該等存貨之賬面值於確認相關收益之期間確認為開支。將存貨撇減至可變現淨值之數額及存貨之所有虧損均於撇銷或虧損出現之期間確認為開支。因可變現淨值增加而撥回存貨撇減之數額確認為於撥回之期間列作開支之存貨減少。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Account and other receivables

Account and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debt.

(k) Service contracts

The accounting policy for contract revenue is set out in note 4(r).

Service contracts in progress at the balance sheet date are recorded in the balance sheet at the net amount of costs incurred plus recognised profits less recognised losses and progress billings, and are presented in the balance sheet as the "Amounts due from customers" (as an asset) or "Amounts due to customers" (as a liability). Progress billings not yet paid by the customers are included in the balance sheet under accounts receivable.

(l) Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, bank overdrafts which are repayable on demand form an integral part of the company's cash management are included as a component of cash and cash equivalents.

4 主要會計政策 (續)

(j) 應收賬款及其他應收款項

應收賬款及其他應收款項初步按公平值確認，其後以實際利率法按攤銷成本減呆壞賬之減值虧損列賬。

(k) 服務合約

有關合約收入之會計政策載於附註4(r)。

於結算日仍在進行中之服務合約乃按所產生之成本淨額加已確認溢利減已確認虧損及按進度開出之賬單涉及之金額於資產負債表記錄，並於資產負債表呈列為「應收客戶款項」(作為一項資產)或為「應付客戶款項」(作為一項負債)。客戶尚未支付之按進度開出賬單於資產負債表「應收賬款」項下列賬。

(l) 現金及現金等價物

現金指手頭及銀行現金及銀行之活期存款。現金等價物為短期流通性高之投資，而該等投資隨時可兌換成可知數額之現金且無重大變值風險。

就現金流量表而言，作為本公司現金管理之組成部分，按要求償還之銀行透支列為現金及現金等價物之一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Employee benefits

- (i) *Short term employee benefits and contribution to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, leave passage, contributions to defined contribution plans and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

Contributions to Mandatory Provident Fund Scheme as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as an expense in the income statement as incurred.

- (ii) *Share-based payments*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in an employee compensation reserve within equity. The fair value is measured at grant date using the binomial option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

4 主要會計政策 (續)

(m) 僱員福利

- (i) *短期僱員福利及向定額供款退休計劃供款*

薪金、年度花紅、有薪年假、假期旅遊津貼、向定額供款計劃供款及本集團之非貨幣福利成本於本集團僱員提供相關服務之年度計算。

本公司按香港強制性公積金計劃條例規定向強積金計劃作出之供款，在其產生時於損益表列作開支。

- (ii) *以股份為基礎之支出*

授予僱員購股權之公平值確認為僱員成本，相應之增加會於權益內之僱員酬金儲備反映。公平值在授出日期按二項式購股權訂價模型及授出購股權之條款及條件而計量。倘僱員須符合歸屬條件才可以無條件享有這些購股權，則購股權之估計總公平值會於考慮購股權歸屬之可能性後在歸屬期內攤分。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee benefits (Continued)

(ii) Share-based payments (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/ credited to the income statement for the year of review, unless the original employees expenses qualify for recognition of an asset, with a corresponding adjustment to the employee compensation reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the employee compensation reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the employee compensation reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

4 主要會計政策 (續)

(m) 僱員福利 (續)

(ii) 以股份為基礎之支出 (續)

於歸屬期內，將會檢討預期會歸屬之購股權數目。任何對過往年度確認之累計公平值所作之調整會在檢討年度於損益表內列支／計入，相應之調整會於僱員酬金儲備反映。在歸屬日，確認為開支之金額會作出調整，以反映歸屬之實際購股權數目（相應之調整會於僱員酬金儲備反映）。權益金額於僱員酬金儲備內確認，直至購股權被行使（在此情況下將轉撥至股份溢價）或購股權屆滿（在此情況下將直接撥至保留溢利）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註



4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

4 主要會計政策 (續)

(n) 所得稅

- (i) 本年度所得稅包括本期稅項及遞延稅項資產及負債之變動。本期稅項及遞延稅項資產及負債之變動均在損益表內確認，惟其與直接確認為股東權益項目有關者，則確認為股東權益。
- (ii) 本期稅項乃根據已執行或於結算日已實質執行之稅率，按本年度應課稅收入以及過往年度應付稅項之任何調整而計算預期應付稅項。
- (iii) 遞延稅項資產及負債乃分別由可扣減及應課稅暫時差異產生。暫時差異乃指資產及負債於財務申報上之賬面值與該等資產及負債之稅基間之差異。遞延稅項資產亦可由未動用之可扣減虧損及未動用之稅款抵減而產生。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Income tax (Continued)

(iii) (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

4 主要會計政策 (續)

(n) 所得稅 (續)

(iii) (續)

除若干有限之例外情況外，所有遞延稅項負債及遞延稅項資產(只限於可能獲得可利用該遞延稅項資產來扣減之未來應課稅溢利)均會確認。支持確認由可扣減暫時差異所產生遞延稅項資產之未來應課稅溢利包括因撥回目前存在之應課稅暫時差異而產生的數額；惟該等撥回之差異必須與同一稅務當局及同一應稅實體有關，並預期在可扣減暫時差異預期撥回之同一期間或遞延稅項資產所產生可扣減虧損可撥回或結轉期間內撥回。於決定目前存在之應課稅暫時差異是否足以支持確認由未可扣減虧損及未動用之稅款抵減所產生之遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務當局及同一應稅實體有關，並是否預期於可使用可扣減虧損及未動用之稅款抵減撥回之同一期間內撥回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註



4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Income tax (Continued)

(iii) (Continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

4 主要會計政策 (續)

(n) 所得稅 (續)

(iii) (續)

已確認遞延稅項數額乃按照資產及負債賬面值之預期實現或清償方式，根據已執行或於結算日已實質執行之稅率量度。遞延稅項資產及負債均不貼現計算。

本集團會於每個結算日評估遞延稅項資產之賬面值。倘預期不再可能獲得足夠之應課稅溢利以利用相關之稅務利益，則該遞延稅項資產之賬面值將會調低。倘日後有足夠可供利用之應課稅溢利，則任何有關減額將會轉回。

因分派股息而產生之額外所得稅，於確認支付有關股息之負債時確認入賬。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Income tax (Continued)

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

4 主要會計政策 (續)

(n) 所得稅 (續)

(iv) 本期及遞延稅項結餘及其變動額乃分開列示，並且不予抵銷。本期及遞延稅項資產僅會在本公司或本集團有法定行使權以現期稅項資產抵銷現期稅項負債，並且符合以下附帶條件之情況下，才可分別抵銷現期及遞延稅項負債：

- 倘為本期稅項資產及負債，則本公司或本集團將按淨額基準結算，或同時變現該資產並清償該負債；或
- 倘為遞延稅項資產及負債，則該等資產及負債乃與同一稅務當局就以下其中一項徵收之所得稅有關：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註



4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Income tax (Continued)

- (iv) (Continued)
- the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(o) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Provisions and contingent liabilities

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

4 主要會計政策 (續)

(n) 所得稅 (續)

- (iv) (續)
- 同一應課稅實體；或
 - 不同應課稅實體，於預期有重大數額之遞延稅項負債需予清償或遞延稅項資產可予收回之每個日後期間，按淨額基準變現現期稅項資產及清償現期稅項負債，或同時變現該資產及清償該負債。

(o) 貿易及其他應付款項

貿易及其他應付款項初步乃按公平值列賬，其後按攤銷成本列賬（除非折現之影響無關緊要，於此情況下，乃按成本列賬）。

(p) 撥備及或然負債

倘本公司或本集團因過去事項須承擔法定義務或推定義務，而履行該義務很可能需要付出經濟效益及能可靠地估計有關金額時，則為未確定時間或金額之負債計提準備。如果金額的時間值的影響為重大，將會以履行義務預期所需支出的現值列賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Provisions and contingent liabilities (Continued)

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

(q) Convertible notes

Convertible notes that can be converted to share capital at the option of the holder, where the number of shares issued does not vary with changes in their fair value, are accounted for as compound financial instruments. At initial recognition the liability components of the convertible notes is calculated at the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. An excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the relative carrying amounts at the date of issue.

4 主要會計政策 (續)

(p) 撥備及或然負債 (續)

倘不可能有需要付出經濟效益，或其數額未能可靠地估計，除非付出之可能性極低，否則須披露該義務為或然負債。潛在義務之存在僅能以一個或數個未來事項之發生或不發生來證實，除非付出經濟效益之可能性極低，亦同時披露為或然負債。

(q) 可換股票據

如已發行股份數目不會隨公平價值變動而改變，則可供持有人選擇轉為股本之可換股票據是作為複合金融工具列賬。於初步確認時，可換股票據之負債部份按未來利息及本金之現值計算，而未來利息及本金之現值是以無轉換權之同類負債於初步確認時適用之市場利率貼現計算。任何超過初步確認為負債部份之所得款項將確認為股本部分。與發行複合金融工具之相關交易成本將按發行日期有關賬面值之比例分配到負債及股本部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Convertible notes (Continued)

The liability component is subsequently carried at amortised cost. The interest expense recognised in income statement on the liability component is calculated using the effective interest method. The equity component is recognised in the convertible notes reserve until either the note is converted or redeemed.

If the note is converted, the convertible notes reserve, together with the carrying value of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for shares issued. If the note is redeemed, the convertible notes reserve is released directly to retained profits.

(r) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(i) Residential intranet and software application design services

Revenue arising from the provision of residential intranet and software application design services is recognised when the underlying services are rendered, which is estimated by apportionment over the expected duration of each engagement, and the outcome of the contract can be estimated with reasonable certainty.

4 主要會計政策 (續)

(q) 可換股票據 (續)

負債部分將按攤銷成本入賬。於負債部分作利潤或虧損確認之利息支出按實際利率法計算。股本部分於可換股票據儲備中確認，直到該票據獲轉換或贖回。

倘票據獲轉換，於轉換時，可換股票據儲備及該負債部分之賬面值將轉入股本及股本溢價作為已發行股份之代價。倘票據獲贖回，可換股票據儲備將直接撥至保留溢利。

(r) 收入確認

收入是在經濟效益可能會流入本集團，以及能夠可靠地計算收入及成本(倘適用)時，根據下列方法在損益賬內確認：

(i) 住宅內聯網及軟件應用設計服務

提供住宅內聯網及軟件應用設計服務所產生之收入於提供有關服務時，(收入按每項委託之預期時間內分配估計)而合約收入可合理地估計時確認。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Revenue recognition (Continued)

(ii) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(iii) Interest income

Interest income from bank deposits is recognised on a time-proportion basis using the effective interest method.

(s) Research and development costs

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Research costs are recognised as an expense in the period in which they are incurred. Development costs are recognised as an expense in the period in which they are incurred unless their recovery from closely related revenue or cost savings is probable. Such development costs are deferred and written off over the life of the relevant projects from the date of commencement of commercial operations subject to a maximum of five years.

4 主要會計政策 (續)

(r) 收入確認 (續)

(ii) 銷售貨品

收入在貨品送達客戶場地，而且客戶接納貨品及其所有權相關之風險及回報時確認。收入不包括增值稅或其他銷售稅，並已扣除任何營業折扣。

(iii) 利息收入

銀行存款之利息收入按時間比例以實際利率法確認。

(s) 研究及開發成本

研究及開發成本包括所有直接應用於研究及開發活動之成本或在合理基礎上分配予該等活動之成本。研究成本乃於出現之期間內確認為支出。開發成本乃於出現之期間內確認為支出，除非可與有關之收入作聯繫或可節省成本，則作別論。該等開發成本於有關項目自商業營運開始日期起計之期間(最多為五年)內遞延及撤銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註



4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

4 主要會計政策 (續)

(t) 借貸成本

借貸成本於產生之期間於損益賬確認為開支，惟倘借貸成本因與收購、建造或生產資產直接有關而予以資本化而資產需要相當長時間方可投入擬定用途或出售，則不會於損益賬確認為開支。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

4 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(u) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

Exchange gains and losses are dealt with in the income statement.

The results of subsidiaries outside Hong Kong are translated into Hong Kong dollars at the average exchange rates for the year; balance sheet items are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

4 主要會計政策 (續)

(u) 外幣換算

年內之外幣交易按交易當日之匯率換算為港幣。以外幣為單位之貨幣資產及負債按結算日之匯率換算為港幣。根據外幣之歷史成本計量並以外幣為單位之非貨幣資產及負債，乃採用於交易日期之適用匯率進行換算。按公平值列賬並以外幣列值之非貨幣資產及負債，乃採用於釐定公平值之日期之適用匯率進行換算。

匯兌損益均計入損益表。

於香港以外地區經營業務之附屬公司之業績均按年內平均匯率換算為港幣，資產負債表項目則均按結算日之匯率換算為港幣。所產生之匯兌差額均列作儲備變動處理。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Related parties

For the purposes of these financial statements, parties are considered to be related to the group if the group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa or where the group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the group or of any entity that is a related party of the group.

5 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including credit risk, liquidity risk and cash flow interest rates risk. The Group's overall risk management programme seek to minimise potential adverse effects on the Group's financial performance and are set out below.

4 主要會計政策 (續)

(v) 關連方

就本財務報表而言，倘本集團能夠直接或間接控制另一方或對另一方之財務及經營決策發揮重大之影響力，或另一方能夠直接或間接控制本集團或對本集團之財務及經營決策發揮重大之影響力，或本集團與另一方均受到共同控制或共同重大影響，有關人士即被視為本集團之關連方。關連方可為個別人士（即主要管理人員、高持股量股東及／或其近親）或其他實體，並包括受本集團關連人士重大影響之個體，以及退休福利計劃（而該等計劃之受惠者乃本集團之僱員或其他屬本集團關連人士之實體）。

5. 風險管理

本集團經營活動面臨各種金融風險，包括信用風險、流動性風險及現金流量利率風險。集團整體之風險管理計劃尋求降低潛在的負面因素對本集團財務表現所帶來之風險，並載列如下。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5 FINANCIAL RISK MANAGEMENT

(Continued)

(a) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made and services are provided to customers with an appropriate credit history. Derivative counter parties and cash transactions are limited to high-credit-quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

(b) Liquidity risk

The Group incurred a loss in the current year and was financed by significant bank and other borrowings, obligations under finance leases and convertible notes. The Group's operations are exposed to liquidity risk. Management monitors closely the liquidity position of the Group so as to meet all the financial obligations as and when they fall due. Management will consider to raise fund by ways of issuing debt and equity instruments of the Group.

(c) Foreign currency risk

The Group does not have a significant foreign currency risk exposure arising from its sales and purchases transactions as these transactions are mainly carried out in Hong Kong dollars.

(d) Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk on variable-rate bank borrowings. Management monitors the related cash flow interest rate risk exposure closely and will consider hedging significant cash flow interest rate risk exposure should the need arise.

5. 風險管理 (續)

(a) 信用風險

本集團並無將信用風險集中於個別債務人。本集團之政策是確保將產品銷售及將服務提供予有良好信用記錄的客戶。衍生工具之另一方及現金交易僅限於信貸良好之財務機構。本集團訂有政策限制對各財務機構之信貸風險數額。

(b) 流動性風險

本集團於本年度錄得虧損，資產來自大筆銀行及其他借貸、融資租賃承擔及可換股票據。本集團之營運承受流動性風險。管理層密切監察本集團之流動狀況，務求應付所有到期之財務責任。管理層將考慮以發行本集團債務及股本工具之方式籌集資金。

(c) 外幣風險

因買賣交易主要以港元進行，故本集團並無該等交易所產生之重大外幣風險。

(d) 現金流量利率風險

本集團須承受不同利率之銀行借貸之現金流量利率風險。管理層密切監察有關之現金流量利率風險，並將於必要時考慮對沖重大之現金流量利率風險。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註



6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

(i) Allowances for receivables

Significant judgement is exercised in the assessment of the collectibility of accounts receivable from each customer. In making its judgement, management considers a wide range of factors such as results of follow-up procedures performed by sales personnel, customers' payment trend including subsequent payments and customers' financial position.

(ii) Valuation of share options

Note 32 contains information about the estimates and assumptions relating to the fair value of share options granted.

6. 關鍵會計估計及判斷

本公司按過往經驗及其他因素繼續評估估計及判斷，包括於該等情況下對日後事件作出相信屬合理之估計。

本集團就未來作出估計及假設。由此產生之會計估計按定義將很少相等於有關實際結果。具有使資產及負債賬面值須作重大調整之重大風險之估計及假設討論如下。

(i) 應收款項撥備

於評估向每位客戶收取應收賬款之可能性時，行使重大判斷。於作出其判斷時，管理層考慮廣泛範疇之因素，例如銷售人員執行之跟蹤程序之結果、客戶付款趨勢，包括其後之付款及客戶財政狀況。

(ii) 評估股份購股權

附註32載有與所授出購股權之公平值有關之估計及假設之資料。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

7 TURNOVER

Turnover represents the amounts received and receivable for the provision of residential intranet, e-property management software application consulting services and sales of home-automation and other products.

The Group's turnover and operating profit are derived from the design of residential intranet, provision of e-property management software application consulting services and trading of home-automation and other products in Hong Kong. Accordingly, the directors consider the analyses by business and geographical segments are not required.

7 營業額

營業額指就提供住戶內聯網、電子物業管理應用軟件諮詢服務及銷售家居自動化及其他產品所收取及應收取之款項。

本集團之所有營業額及經營溢利均取自於香港之住戶內聯網設計、電子物業管理應用軟件諮詢服務及銷售家居自動化及其他產品。因此，董事認為，毋須按業務及地區分類作出分析。

8 OTHER REVENUE

Interest income	利息收入
Sundry income	雜項收入

8 其他收入

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
		821	343
		287	73
		1,108	416

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

9 (LOSS)/PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX

(Loss)/profit from ordinary activities before income tax is arrived at after charging:

9 除所得稅前正常業務(虧損)/溢利

除所得稅前正常業務(虧損)/溢利已扣除下列各項：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
(a)	<i>Finance costs:</i>		
	Interest on bank loans and overdrafts wholly repayable within five years	3,897	2,483
	Interest on convertible notes (note 30)	1,546	1,097
	Finance charges on obligations under finance leases	316	661
		5,759	4,241
(b)	<i>Staff costs:</i>		
	Contributions to defined contribution plan	246	113
	Long service payment	150	-
	Share-based payments	2,460	-
	Salaries, wages and other benefits	7,311	6,183
		10,167	6,296
	Average number of employees	14	15
(c)	<i>Other items:</i>		
	Cost of inventories sold	58,120	45,902
	Amortisation of intangible assets	8,428	6,062
	Release of prepaid lease payments	2	-
	Auditors' remuneration	404	240
	Depreciation	1,776	1,327
	Operating lease charges in respect of		
	– office premises	576	533
	Allowances for inventories	1,201	2,397
	Intangible assets written off	5,047	-
	Property, plant and equipment written off	476	17

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

10 INCOME TAX

10 所得稅

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
<i>(a) Taxation in the consolidated income statement represents:</i>			
Current tax			
<i>綜合損益表之稅項指：</i>			
本期稅項			
Tax for the year			
– Hong Kong profits tax		504	953
Under/(over)-provision in respect of prior years		67	(268)
		571	685
Deferred tax			
<i>遞延稅項</i>			
Origination and reversal of temporary differences		165	822
		736	1,507

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits for the year.

香港利得稅已按本年度之估計應課稅溢利以稅率17.5% (二零零五年：17.5%)撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10 INCOME TAX (Continued)

(b) Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
(Loss)/profit before income tax	除稅前(虧損)/溢利	(4,972)	7,168
Notional tax on (loss)/profit before income tax, calculated at applicable tax rates in the respective countries	按各個國家所適用稅率計算之除所得稅前(虧損)/溢利之名義稅項	(778)	1,254
Tax effect of non-deductible expenses	不可扣稅支出之稅務影響	471	224
Tax effect of non-taxable revenue	非課稅收入之稅務影響	(43)	(17)
Tax effect of unused tax losses not recognised	未確認之未動用稅務虧損影響	1,019	160
Under-provision of deferred tax in prior years	以前年度少提之遞延稅項撥備	-	154
Under/(over)-provision of profits tax in prior years	以前年度少提/(多提)之所得稅撥備	67	(268)
Actual tax expense	實際稅項開支	736	1,507

The weighted average applicable tax rate was 15.6% (2005: 17.5%).

10 所得稅(續)

(b) 稅項開支與按適用稅率計算之會計(虧損)/溢利間之調節表:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
(Loss)/profit before income tax	除稅前(虧損)/溢利	(4,972)	7,168
Notional tax on (loss)/profit before income tax, calculated at applicable tax rates in the respective countries	按各個國家所適用稅率計算之除所得稅前(虧損)/溢利之名義稅項	(778)	1,254
Tax effect of non-deductible expenses	不可扣稅支出之稅務影響	471	224
Tax effect of non-taxable revenue	非課稅收入之稅務影響	(43)	(17)
Tax effect of unused tax losses not recognised	未確認之未動用稅務虧損影響	1,019	160
Under-provision of deferred tax in prior years	以前年度少提之遞延稅項撥備	-	154
Under/(over)-provision of profits tax in prior years	以前年度少提/(多提)之所得稅撥備	67	(268)
Actual tax expense	實際稅項開支	736	1,507

加權平均適用稅率為15.6% (二零零五年: 17.5%)。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

11 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

Directors' remuneration

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

11 董事及管理高層之酬金

董事酬金

根據香港公司條例第161條披露之董事酬金如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Fees	袍金	318	317
Basic salaries, allowances and other benefits	基本薪金、津貼及其他福利	3,615	3,600
Discretionary bonuses	酌情花紅	104	—
Share-based payments	以股份為基礎之支出	996	—
Retirement benefits scheme contribution	退休福利計劃供款	48	48
		5,081	3,965
Number of directors	董事人數	8	7

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION (Continued)

Directors' remuneration (Continued)

The remuneration of directors for the year ended 31 March 2006 is set out below:

Name of director	董事姓名	Fees 袍金 HK\$'000	Salary 薪金 HK\$'000	Discretionary bonuses 酌情花紅 HK\$'000	Share-based payments 以股份為 基礎之支出 HK\$'000	Retirement benefits scheme contribution 退休福利 計劃供款 HK\$'000	Total 總計 HK\$'000
Executive directors		執行董事					
Ms. Wong Yuen Yee	黃婉兒女士	-	960	-	249	12	1,221
Mr. Wong Kwok Sing	黃國聲先生	-	966	53	249	12	1,280
Mr. Wong Yao Wing, Robert	黃祐榮先生	-	960	-	249	12	1,221
Mr. Lam Shiu San	林兆樂先生	-	729	51	249	12	1,041
Independent non-executive directors		獨立非執行董事					
Ms. Wu Wai Yee, Annis (a)	胡惠儀女士(a)	133	-	-	-	-	133
Mr. Wong Tak Leung, Charles	王德良先生	120	-	-	-	-	120
Ms. Ho Chui Yin, Liwina	何翠賢女士	60	-	-	-	-	60
Mr. Lai Ying Sum (b)	黎應森先生(b)	5	-	-	-	-	5

The remuneration of directors for the year ended 31 March 2005 is set out below:

Name of director	董事姓名	Fees 袍金 HK\$'000	Salary 薪金 HK\$'000	Discretionary bonuses 酌情花紅 HK\$'000	Share-based payments 以股份為 基礎之支出 HK\$'000	Retirement benefits scheme contribution 退休福利 計劃供款 HK\$'000	Total 總計 HK\$'000
Executive directors		執行董事					
Ms. Wong Yuen Yee	黃婉兒女士	-	960	-	-	12	972
Mr. Wong Kwok Sing	黃國聲先生	-	960	-	-	12	972
Mr. Wong Yao Wing, Robert	黃祐榮先生	-	960	-	-	12	972
Mr. Lam Shiu San	林兆樂先生	-	720	-	-	12	732
Independent non-executive directors		獨立非執行董事					
Ms. Wu Wai Yee, Annis	胡惠儀女士	150	-	-	-	-	150
Mr. Wong Tak Leung, Charles	王德良先生	137	-	-	-	-	137
Ms. Ho Chui Yin, Liwina	何翠賢女士	30	-	-	-	-	30

Note:

- (a) Resigned on 20 February 2006
(b) Appointed on 3 March 2006

11 董事及管理高層之酬金 (續)

董事酬金 (續)

截至二零零六年三月三十一日止年度之董事酬金載列如下：

Name of director	董事姓名	Fees 袍金 HK\$'000	Salary 薪金 HK\$'000	Discretionary bonuses 酌情花紅 HK\$'000	Share-based payments 以股份為 基礎之支出 HK\$'000	Retirement benefits scheme contribution 退休福利 計劃供款 HK\$'000	Total 總計 HK\$'000
Executive directors		執行董事					
Ms. Wong Yuen Yee	黃婉兒女士	-	960	-	-	12	972
Mr. Wong Kwok Sing	黃國聲先生	-	960	-	-	12	972
Mr. Wong Yao Wing, Robert	黃祐榮先生	-	960	-	-	12	972
Mr. Lam Shiu San	林兆樂先生	-	720	-	-	12	732
Independent non-executive directors		獨立非執行董事					
Ms. Wu Wai Yee, Annis	胡惠儀女士	150	-	-	-	-	150
Mr. Wong Tak Leung, Charles	王德良先生	137	-	-	-	-	137
Ms. Ho Chui Yin, Liwina	何翠賢女士	30	-	-	-	-	30

截至二零零五年三月三十一日止年度之董事酬金載列如下：

附註：

- (a) 於二零零六年二月二十日辭任
(b) 於二零零六年三月三日獲委任

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

11 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

(Continued)

Five highest paid individuals

The aggregate of the emoluments in respect of the five highest paid individuals (including directors) is as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Basic salaries, allowances and other benefits	基本薪金、津貼及其他福利	3,903	3,920
Discretionary bonuses	酌情花紅	104	-
Share-based payments	以股份支付之支出	1,245	-
Retirement benefits scheme contribution	退休福利計劃供款	60	60
		5,312	3,980

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. No directors have waived or agreed to waive any emoluments during the year.

11 董事及管理高層之酬金 (續)

五名最高薪人士

五名最高薪人士(包括董事)之酬金總額如下：

本年度內，本集團概無向五名最高薪人士支付任何酬金作為招攬加入本集團或於加入本集團時之獎金或離職補償。概無董事於本年度內放棄或同意放棄收取任何酬金。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION (Continued)

Five highest paid individuals (Continued)

The five individuals whose emoluments were the highest in the Group for the year include four (2005: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one (2005: one) individual during the year is as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Basic salaries, allowances and other benefits	基本薪金、津貼及其他福利	288	295
Retirement benefits scheme contribution	退休福利計劃供款	12	12
Share-based payments	以股份支付之支出	249	-
Discretionary bonuses	酌情花紅	-	25
		549	332

11 董事及管理高層之酬金 (續)

五名最高薪人士(續)

本年度，本集團五名最高薪人士包括四名(二零零五年：四名)董事，其酬金已於上文呈列之分析內反映。年內，應付其餘一名(二零零五年：一名)人士之酬金如下：

The emoluments fell within the following band:

酬金介乎下列範圍：

		Number of individual 人數	
		2006 二零零六年	2005 二零零五年
Emolument band	酬金範圍		
HK\$Nil – HK\$1,000,000	零 – 1,000,000港元	1	1

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

12 (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

The consolidated (loss)/profit attributable to equity holders includes a loss of HK\$6,451,000 (2005 (restated): profit of HK\$11,000) which has been dealt with in the financial statements of the Company.

13 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share for the year ended 31 March 2006 is based on the loss attributable to equity holders of HK\$5,708,000 (2005 (restated): profit of HK\$5,661,000) and on the weighted average of 294,159,110 (2005 (restated): 254,141,667) ordinary shares in issue during the year.

(b) Diluted (loss)/earnings per share

No diluted (loss)/earnings per share had been presented in 2006 and 2005 as the exercise price of the Company's share options was higher than the average market price of the Company's shares during the year and the convertible notes are anti-dilutive.

12 股權持有人應佔(虧損)/溢利

股權持有人應佔綜合(虧損)/溢利包括虧損6,451,000港元(二零零五年(重列): 溢利11,000港元)已於本公司之財務報表處理。

13 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

截至二零零六年三月三十一日止年度之每股基本(虧損)/盈利乃按股權持有人應佔虧損5,708,000港元(二零零五年(重列): 溢利5,661,000港元)及年內已發行普通股之加權平均股數294,159,110股(二零零五年(重列): 254,141,667股)計算。

(b) 每股攤薄(虧損)/盈利

本公司購股權之行使價比年內本公司股份之平均市價為高及可換股債券於本年具反攤薄作用, 因此並無呈列二零零六年及二零零五年之每股攤薄(虧損)/盈利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT

14 物業、廠房及設備

		Buildings	Leasehold improvement	Furniture and fixtures	Equipment	Motor Vehicle	Total
		樓宇	租賃物業裝修	傢俬及裝置	設備	汽車	總計
		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
Cost:	成本：						
At 1 April 2004	於二零零四年四月一日	-	353	278	5,257	-	5,888
Additions	添置	-	-	250	1,994	-	2,244
Write-offs	撤銷	-	-	-	(134)	-	(134)
At 31 March 2005	於二零零五年三月三十一日	-	353	528	7,117	-	7,998
Additions	添置	420	1,424	161	4,109	20	6,134
Write-offs	撤銷	-	-	-	(1,387)	-	(1,387)
At 31 March 2006	於二零零六年三月三十一日	420	1,777	689	9,839	20	12,745
Accumulated depreciation and impairments:	累計折舊及減值：						
At 1 April 2004	於二零零四年四月一日	-	191	142	963	-	1,296
Charge for the year	年內支出	-	162	97	1,068	-	1,327
Written back on write-offs	撤銷時撥回	-	-	-	(117)	-	(117)
At 31 March 2005	於二零零五年三月三十一日	-	353	239	1,914	-	2,506
Charge for the year	本年度支出	2	166	125	1,478	5	1,776
Written back on write-offs	撤銷時撥回	-	-	-	(911)	-	(911)
At 31 March 2006	於二零零六年三月三十一日	2	519	364	2,481	5	3,371
Net book value:	賬面淨值：						
At 31 March 2006	於二零零六年三月三十一日	418	1,258	325	7,358	15	9,374
At 31 March 2005	於二零零五年三月三十一日	-	-	289	5,203	-	5,492

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group leases equipment under finance lease expiring within one year. At the end of the lease term, the Group has the option to purchase the property, plant and equipment at a price deemed to be a bargain purchase option. None of the leases includes contingent rentals.

The Group's buildings are located in Hong Kong under long term lease and the Group has pledged buildings having a carrying value of approximately HK\$418,000 (2005: HK\$Nil) to secure banking facilities granted to the Group.

15 PREPAID LEASE PAYMENTS

The Group's prepaid lease payments represent prepaid lease payments on leasehold land and their net carrying value are analysed as follows:

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost:	成本：		
At 1 April	於四月一日	-	-
Additions	添置	5,770	-
At 31 March	於三月三十一日	5,770	-
Release:	撥回：		
At 1 April	於四月一日	-	-
Release for the year	本年度撥回	2	-
At 31 March	於三月三十一日	2	-
Net carrying value:	賬面淨值：		
At 31 March	於三月三十一日	5,768	-

The Group has pledged the prepaid lease payments on leasehold land with carrying amount of approximately HK\$5,768,000 (2005: HK\$Nil) to secure banking facilities granted to the Group.

14 物業、廠房及設備(續)

本集團根據融資租賃租入設備，並於一年內到期。於租賃期完結後，本集團可選擇以視為優惠之購買價購買該等物業、廠房及設備。租賃概無包括或然租金。

本集團之樓宇乃位於香港，根據長期租賃持有，本集團已將賬面值約418,000港元(二零零五年：零港元)之樓宇作為本集團獲授銀行信貸之抵押。

15 預付租賃款項

本集團之預付租賃款項指租賃土地之預付租賃款項，而其賬面值分析如下：

本集團已將賬面值約5,768,000港元(二零零五年：零港元)之租賃土地預付租賃款項作為本集團獲授銀行信貸之抵押。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16 INTANGIBLE ASSETS

16 無形資產

		The Group 本集團		
		Patents and trademarks 專利及商標	Computer software 電腦軟件	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost:	成本：			
At 1 April 2004	於二零零四年四月一日	–	24,245	24,245
Additions	添置	4,300	9,660	13,960
At 31 March 2005	於二零零五年三月三十一日	4,300	33,905	38,205
Additions	添置	–	13,230	13,230
Written-offs	撇銷	–	(16,002)	(16,002)
At 31 March 2006	於二零零六年三月三十一日	4,300	31,133	35,433
Accumulated amortisation:	累計折舊：			
At 1 April 2004	於二零零四年四月一日	–	6,138	6,138
Charge for the year	年內支出	119	5,943	6,062
At 31 March 2005	於二零零五年三月三十一日	119	12,081	12,200
Charge for the year	年內支出	287	8,141	8,428
Written back on write-offs	撇銷時撥回	–	(10,955)	(10,955)
At 31 March 2006	於二零零六年三月三十一日	406	9,267	9,673
Net book value:	賬面淨值：			
At 31 March 2006	於二零零六年三月三十一日	3,894	21,866	25,760
At 31 March 2005	於二零零五年三月三十一日	4,181	21,824	26,005
Amortisation of HK\$8,428,000 (2005: HK\$6,062,000) is included in the cost of goods sold in the consolidated income statement.		8,428,000港元(二零零五年：6,062,000港元)之攤銷已計入綜合損益表之已售貨品成本內。		

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17 INTEREST IN SUBSIDIARIES

17 於附屬公司之權益

		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	5,925	5,925

The following list contains the particulars of subsidiaries which affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

下表包括對本集團之業績、資產或負債有所影響之附屬公司之詳情。除非另有註明，否則所持股份類別為普通股。

Name of company 公司名稱	Place of incorporation 註冊成立地點	Percentage of equity 股權百分比			Particulars of issued/registered capital 已發行/登記股本	Principal activity and place of operations 主要業務及經營地點
		Group's effective holding 本集團之實際持股量	Held by the Company 由本公司持有	Held by subsidiary 由附屬公司持有		
Cyberliving Holdings Limited 現代數碼控股有限公司	British Virgin Islands ("BVI") 英屬處女群島	100%	100%	-	14,000 shares of US\$1 each 14,000股每股面值1美元之股份	Investment holding in Hong Kong and BVI 投資控股，香港及英屬處女群島
Cyberliving (Hong Kong) Co Limited 現代數碼(香港)有限公司	Hong Kong 香港	100%	-	100%	4 shares of HK\$1 each 4股每股面值1港元之股份	Leasing of office premises in Hong Kong 租賃辦公室物業，香港
Cyberinfo Management Limited 現代數碼管理有限公司	Hong Kong 香港	100%	-	100%	6 shares of HK\$1 each 6股每股面值1港元之股份	Provision of management and maintenance of network services 提供網絡服務
Ying Wai Trading Limited	BVI 英屬處女群島	100%	-	100%	1 share of US\$1 each 1股每股面值1美元之股份	Investment holding in Hong Kong 投資控股，香港
Leading Pro Trading Limited	BVI 英屬處女群島	100%	-	100%	1 share of US\$1 each 1股每股面值1美元之股份	Investment holding in Hong Kong 投資控股，香港

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17 INTEREST IN SUBSIDIARIES (Continued)

17 於附屬公司之權益(續)

Name of company 公司名稱	Place of incorporation 註冊成立地點	Percentage of equity 股權百分比			Particulars of issued/ registered capital 已發行/ 登記股本	Principal activity and place of operations 主要業務及經營地點
		Group's effective holding 本集團之實際持股量	Held by the Company 由本公司持有	Held by subsidiary 由附屬公司持有		
Cyberworks Technology Limited 現代數碼網絡有限公司	Hong Kong 香港	100%	–	100%	4 shares of HK\$1 each 4股每股面值1港元之股份	Provision of systems design and integration services 提供系統設計及整合服務
Cyberweb Services Limited 現代數碼服務有限公司	Hong Kong 香港	100%	–	100%	4 shares of HK\$1 each 4股每股面值1港元之股份	Provision of e-commerce services 提供電子商貿服務
New Conqueror Holdings Limited	BVI 英屬處女群島	100%	–	100%	1 share of US\$1 each 1股每股面值1美元之股份	Investment holding in the People's Republic of China (the "PRC") 投資控股，中華人民共和國(「中國」)
華鹿光通信(深圳)有限公司*	The PRC 中國	100%	–	100%	RMB7,500,000 人民幣7,500,000元	Dissolved 已解散

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

17 INTEREST IN SUBSIDIARIES (Continued)

17 於附屬公司之權益 (續)

Name of company 公司名稱	Place of incorporation 註冊成立地點	Percentage of equity 股權百分比			Particulars of issued/ registered capital 已發行/ 登記股本	Principal activity and place of operations 主要業務及經營地點
		Group's effective holding 本集團之實際持股量	Held by the Company 由本公司持有	Held by subsidiary 由附屬公司持有		
匯創智能系統 (深圳) 有限公司*	The PRC 中國	100%	–	100%	HK\$1,000,000 1,000,000港元	Development, production and sales of intelligent automation and control systems in the PRC 開發、生產及銷售智能自動化及控制系統，中國
Digi Hospital Limited	Hong Kong 香港	55%	–	55%	100 shares of HK\$1 each 100股每股面值1港元之股份	Trading of SAP software in the PRC 買賣SAP軟件，中國

* Wholly owned foreign enterprises established in the PRC not audited by PCP CPA Limited.

* 於中國成立之全外資企業，並非由華德匡成會計師事務所有限公司審核

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

18 INTEREST IN ASSOCIATES

18 於聯營公司之權益

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	-	-	978	978
Share of net assets of associates:	攤佔聯營公司資產淨額：				
Balance as at 1 April	於四月一日之結餘	5,823	6,095	-	-
Share of profits less losses of associates	攤佔聯營公司溢利減虧損				
- Share of losses before tax	- 攤佔除稅前虧損	(609)	(272)	-	-
- Share of tax expenses	- 攤佔稅項開支	23	-	-	-
Balance as at 31 March	於三月三十一日之結餘	5,237	5,823	978	978

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

18 INTEREST IN ASSOCIATES (Continued)

The particulars of the Company's principal associates, all of which are unlisted and limited liability companies, are set out as follows:

Details of the Group's interest in associates are as follows:

18 於聯營公司之權益(續)

本公司之主要聯營公司(均為非上市有限公司)之詳情載列如下:

本集團於聯營公司之權益詳情載列如下:

Name of company	Place of incorporation	Percentage of equity 股權百分比			Particulars of issued/ registered capital 已發行/ 登記股本	Principal activity and place of operations 主要業務及經營地點
		Group's effective holding 本集團 實際持股量	Held by the Company 由本公司 持有	Held by subsidiary 由附屬公司 持有		
Grace Pond Limited*	Hong Kong 香港	49%	–	49%	1,000 shares of HK\$1 each 1,000股每股 面值1港元 之股份	Provision of software application consultancy services 提供軟件應用諮詢服務
General Win Limited*	Hong Kong 香港	49%	–	49%	1,000 shares of HK\$1 each 1,000股每股 面值1港元 之股份	Provision of software application consultancy services 提供軟件應用諮詢服務
Pro-Innovative Holdings Limited*	BVI 英屬處女群島	49%	49%	–	1,000 shares of US\$1 each 1,000股每股 面值1美元 之股份	Investment holding in Hong Kong 投資控股·香港

* Companies not audited by PCP CPA Limited

* 該等公司並非由華德匡成會計師事務所有限公司審核

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

18 INTEREST IN ASSOCIATES (Continued)

Summary financial information on associates related to the Group's interests:

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Assets	資產	11,409	12,545
Liabilities	負債	722	660
Revenues	收入	1,550	1,634
Loss after tax	除稅後虧損	(1,196)	(555)

18 於聯營公司之權益(續)

與本集團之權益有關之聯營公司財務資料概要：

19 INTEREST IN JOINTLY CONTROLLED ENTITIES

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Share of net assets of jointly controlled entities	攤佔合營公司 資產淨額	-	78

19 於合營公司之權益

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

19 INTEREST IN JOINTLY CONTROLLED ENTITIES (Continued)

Details of the Group's interest in jointly controlled entities are as follows:

Name of Company	Place of incorporation	Percentage of equity			Particulars of issued/registered capital	Principal activity and place of operations
		Group's effective holding	Held by the Company	Held by subsidiary		
公司名稱	註冊成立地點	本集團實際持股量	由本公司持有	由附屬公司持有	已發行/登記股本	主要業務及經營地點
Molecular Diagnosis Limited*	BVI 英屬處女群島	50%	–	50%	2 shares of US\$1 each 2股每股面值1美元之股份	Investment holding in Hong Kong 投資控股，香港
Parentech China Limited 中國銀籃(香港)有限公司	Hong Kong 香港	50%	–	50%	2 shares of HK\$1 each 2股每股面值1港元之股份	Distribution of the Nature's Cradle Products in the PRC 分銷Nature's Cradle產品，中國

* Company not audited by PCP CPA Limited

* 該公司並非由華德匡成會計師事務所有限公司審核

Summary financial information on jointly controlled entities related to the Group's interests:

與本集團之權益有關之合營公司之財務資料概要：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current liabilities	流動負債	91	89
Expenses	開支	(2)	(89)
Loss for the year	本年度虧損	(2)	(89)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

20 INVENTORIES

20 存貨

		The Group	
		本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Finished goods	製成品	6,624	11,316
Work in progress	半成品	139	-
Raw materials	原材料	96	-
Spares and consumables	備用品及消耗品	2,059	2,800
		8,918	14,116

The Group leases inventories under finance lease expiring within one year. At the end of the lease term, the Group has the option to purchase the inventories at a price deemed to be a bargain purchase option. None of the leases includes contingent rentals. Sales of the inventories under finance lease are subject to prior consent of the lessors.

Included in finished goods are inventories at cost of HK\$5,098,000 (2005: HK\$2,397,000), stated net of provision, in order to state these inventories at the lower of their cost and estimated net realisable value. As at 31 March 2006, there were inventories at cost of HK\$3,902,400 (2005: HK\$6,779,000) held under finance leases.

本集團根據融資租約租賃存貨，租約為期一年。租約屆滿時，本集團可選擇按被視為折讓購買選擇權之價格購買該等存貨。該等租約概不包括或然租金。融資租賃轉售存貨須事先取得融資提供者之同意。

製成品包括成本值達5,098,000港元(二零零五年：2,397,000港元)，扣除撥備後列賬之存貨，以按該等存貨之成本值及估計可變現淨值之較低者列賬。於二零零六年三月三十一日，融資租賃持有之存貨總值達3,902,400港元(二零零五年：6,779,000港元)。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

21 ACCOUNTS RECEIVABLE

21 應收賬款

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Trade receivables	貿易應收款項	39,795	31,954
Receivable from a jointly controlled entity	應收合營公司款項	86	5
Receivables from associates	應收聯營公司款項	13	8
		39,894	31,967

The Group's policy is to allow credit periods of one to three months to its trade customers. The following is an aging analysis of trade receivables at the balance sheet date.

本集團一般給予客戶一至三個月信貸期。貿易應收賬款於結算日之賬齡分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current	即期	14,979	13,759
Aged over 1 month but less than 3 months	超過一個月 但少於三個月	13,285	11,468
Aged over 3 months	超過三個月	11,531	6,727
		39,795	31,954

The directors consider that the carrying amounts of trade and other receivables approximate their fair values.

董事認為，貿易及其他應收賬款之賬面值約相等於其公平值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

22 PLEDGED DEPOSITS

22 有抵押存款

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank deposits pledged against banking facilities	作為銀行信貸之抵押 之銀行存款	25,000	40,000	10,000	10,000

The effective interest rate on bank deposits for the Group was 2.29% (2005: 1.15%).

本集團銀行存款之實際利率為2.29厘(二零零五年: 1.15厘)。

23 CASH AND CASH EQUIVALENTS

23 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cash at bank and in hand	銀行結餘及現金	845	1,504	-	2
Cash and cash equivalents in the balance sheet	列於資產負債表之 現金及現金等價物	845	1,504	-	2
Bank overdrafts (note 24)	銀行透支(附註24)	(18,738)	(23,030)	(10,830)	(12,037)
Cash and cash equivalents in the consolidated cash flow statement	列於綜合現金流量表 之現金及現金 等價物	(17,893)	(21,526)	(10,830)	(12,035)

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

24 BANK LOANS AND OVERDRAFTS

At 31 March 2006, the bank loans and overdrafts were repayable as follows:

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current	非流動				
Bank loans	銀行借款	3,932	750	-	750
Current	流動				
Bank overdrafts	銀行透支	18,738	23,030	10,830	12,037
Bank loans	銀行借款	12,124	20,210	749	1,500
		30,862	43,240	11,579	13,537
Total	總計	34,794	43,990	11,579	14,287

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Secured bank overdrafts	有抵押銀行透支	18,738	23,030	10,830	12,037
Bank loans	銀行貸款				
– secured	– 有抵押	16,056	20,960	749	2,250
		34,794	43,990	11,579	14,287

The banking overdraft facility and the bank loans are secured by time deposits of HK\$25,000,000 as at 31 March 2006 (2005: HK\$40,000,000).

24 銀行貸款及透支

於二零零六年三月三十一日，銀行貸款及透支應償還情況如下：

於二零零六年三月三十一日，銀行透支信貸及銀行貸款乃以25,000,000港元（二零零五年：40,000,000港元）之定期存款作抵押。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24 BANK LOANS AND OVERDRAFTS

(Continued)

The directors, Ms. Wong Yuen Yee, Mr. Wong Yao Wing, Robert and Mr. Wong Kwok Sing have provided personal guarantee for bank loan and overdraft facilities to the extent of HK\$64,300,000 granted to the Group and the Company (2005: HK\$58,299,000).

The maturity of borrowings is as follows:

24 銀行貸款及透支(續)

董事黃婉兒女士、黃祐榮先生及黃國聲先生已就本集團及本公司獲授之銀行貸款及透支備用額提供64,300,000港元(二零零五年: 58,299,000港元)為限之個人擔保。

借貸之到期日如下:

		Bank loans and overdrafts 銀行貸款及透支			
		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 1 year	於一年內	30,862	43,240	11,579	13,537
Between 1 and 2 years	一年至兩年	115	750	-	750
Between 2 and 5 years	兩年至五年	387	-	-	-
Wholly repayable within 5 years	於五年內悉數償還	31,364	43,990	11,579	14,287
Over 5 years	超過五年	3,430	-	-	-

The effective interest rates at the balance sheet date were as follows:

於結算日之實際利率如下:

		2006 二零零六年	2005 二零零五年
Bank overdrafts	銀行透支	7%	5.2%
Bank loans	銀行貸款	7.3%	5%

The carrying amounts of borrowings approximate their fair values.

借貸之賬面值約相等於其公平值。

The carrying amounts of the borrowings are denominated in Hong Kong dollars.

借貸之賬面值乃以港元列值。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

25 TRADE PAYABLES, ACCRUED EXPENSES AND OTHER PAYABLES

25 貿易應付賬款、應計費用及其他應付款項

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Trade payables	貿易應付賬款	540	260
Amount due to a related company	應付關連公司款項	1,493	-
Accrued expenses and other payables	應計費用及其他應付款項	10,465	10,148
		12,498	10,408

At 31 March 2005 and 2006, the aging of the trade payables were over 3 months. The amount due to a related company is non-trade in nature.

於二零零五年及二零零六年三月三十一日，貿易應付賬款之賬齡超過3個月。應付關連公司之款項於本質上為非貿易。

26 BILLS PAYABLE

An aging analysis of the bills payable is as follows:

26 應付票據

應付票據之賬齡分析如下：

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current	即期	-	6,399
Aged over 1 month but less than 3 months	超過一個月但少於三個月	1,953	5,410
Aged over 3 months	超過三個月	3,013	2,500
		4,966	14,309

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

27 OBLIGATIONS UNDER FINANCE LEASES 27 融資租賃承擔

		The Group 本集團					
		2006 二零零六年			2005 二零零五年		
		Present value of the minimum lease payments 最低租賃 付款額 貼現值 HK\$'000 千港元	Interest relating to future periods 日後期間 利息支出 HK\$'000 千港元	Total minimum lease payments 最低租賃 付款額 總數 HK\$'000 千港元	Present value of the minimum lease payments 最低租賃 付款額 貼現值 HK\$'000 千港元	Interest relating to future periods 日後期間 利息支出 HK\$'000 千港元	Total minimum lease payments 最低租賃 付款額 總數 HK\$'000 千港元
Within 1 year	1年內	814	10	824	5,489	179	5,668
After 1 year but within 2 years	1年後但 兩年內	-	-	-	-	-	-
After 2 years but within 5 years	兩年後但 5年內	-	-	-	-	-	-
		-	-	-	-	-	-
		814	10	824	5,489	179	5,668

Lease obligations as at 31 March 2006 are secured by property, plant and equipment and inventories with net book value of HK\$1,199,000 and HK\$1,500,000 respectively.

Under the finance lease agreements, the leased assets are required to situate in Hong Kong or other specified locations. During the year, the leased assets have been moved to locations not permissible in the agreements, which constitutes a breach of the terms and conditions under the agreement. Consequently, the lessors may have the right to demand early repayment of the lease obligation. In the circumstance, the finance lease obligations have been classified as current liabilities in the financial statements.

於二零零六年三月三十一日之租賃承擔以物業、廠房及設備與存貨（賬面淨值分別為1,199,000港元及1,500,000港元）作抵押。

根據融資租賃協議，租賃資產須位於香港或其他特定地區。於本年度，若干租賃資產已遷移至未為安排所准許之地區，因而違反安排下之條款及條件。因此，租賃人有權要求提早支付租賃承擔。在此情況下，融資租賃承擔於財務報表內被分類為流動負債。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

28 RETIREMENT BENEFITS

The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. The Group participates in a Mandatory Provident Fund ("MPF"), managed by independently approved MPF trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the scheme vest immediately.

28 退休福利

本集團根據香港強制性公積金計劃條例為於香港僱傭條例所屬司法權區內聘用之僱員營辦強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立信託人管理之定額供款退休計劃。本集團參與之強制性公積金(「強積金」)由獨立認可強積金信託人管理。根據強積金計劃，僱主及其僱員分別須按僱員有關收入之5%供款，上限為每月20,000港元之有關收入。計劃之供款一旦作出即歸於僱員所有。

29 CURRENT AND DEFERRED TAXATION

29 本期及遞延稅項

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(a)	<i>Current taxation in the consolidated balance sheet represents:</i>	<i>在資產負債表之本期稅項指：</i>	
	Provision for Hong Kong Profits Tax for the year	本年度香港 所得稅撥備 571	953
	Balance of Profits Tax provision relating to prior years	過往年度之 所得稅撥備結餘 671	—
		1,242	953

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

29 CURRENT AND DEFERRED TAXATION (Continued)

(b) *Deferred tax liabilities recognised:*

The components of deferred tax liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

29 本期及遞延稅項 (續)

(b) 已確認之遞延稅項負債：

於本年度，已於綜合資產負債表內確認之遞延稅項負債之成分如下：

Accelerated depreciation allowances

加速折舊撥備

HK\$'000
千港元

<i>Deferred tax liabilities arising from:</i>	<i>遞延稅項負債產生自：</i>	
At 1 April 2004	於二零零四年四月一日	3,512
Charged to consolidated income statement	於綜合損益表內扣除	822
At 31 March 2005	於二零零五年三月三十一日	4,334
Charged to consolidated income statement	於綜合損益表內扣除	165
At 31 March 2006	於二零零六年三月三十一日	4,499

The Group has not recognised net deferred tax assets in respect of tax losses of HK\$1,019,000 (2005: HK\$160,000) due to the unpredictability of future profit stream. The tax losses do not expire under current tax legislation.

由於無法預測未來溢利流，故本集團並無就稅項虧損1,019,000港元(二零零五年：160,000港元)確認遞延稅項資產淨值。根據現有稅法，稅項虧損尚未屆滿。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

30 CONVERTIBLE NOTES

(a) HK\$8 million Convertible Notes due 2006 (the "2003 Notes")

On 24 September 2003, the Company issued 3-year HK\$8 million unsecured convertible notes bearing interest at 7.5% per annum payable quarterly in arrears of each year. Subsequent to share consolidation (see Note 31 note (a)), holders of the notes have the option to convert the notes into ordinary shares of the Company of HK\$0.02 each at a conversion price of HK\$0.4, subject to adjustments in accordance with the terms in the instrument constituting the convertible notes, at any time six months after 24 September 2003 up to the maturity date, 24 September 2006. Unless previously redeemed and cancelled, the notes will be redeemed at 116.5% of its principal amount on the maturity date.

30 可換股票據

(a) 二零零六年到期之8,000,000港元可換股票據(「二零零三年票據」)於二零零三年九月二十四日，本公司發行價值8,000,000港元之三年期無抵押可換股票據，年息為7.5厘，須於每年按季於到期時繳付。於股份合併(見附註31附註(a))後，債券之持有人可選擇於二零零三年九月二十四日起六個月之後至到期日二零零六年九月二十四日期間隨時將票據按0.4港元之換股價兌換為每股面值0.02港元之本公司普通股，惟須根據構成可換股債券之工具之條款作出調整。除非已於過往贖回及註銷，否則該等票據將於到期日按其本金總額之116.5%贖回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註



30 CONVERTIBLE NOTES (Continued)

(b) HK\$6.3 million Convertible Notes due 2008 (the "2005 Notes")

On 12 August 2005, the Company issued 3-year HK\$6.3 million unsecured convertible notes bearing interest at 7.5% per annum payable quarterly in arrears of each year. Subsequent to a share consolidation during the year (see Note 31 note (a)), holders of the notes have the option to convert the notes into ordinary shares of the Company of HK\$0.02 each at a conversion price of HK\$0.1, subject to adjustments in accordance with the instrument constituting the convertible notes, at any time nine months after 12 August 2005 up to the third business day before the maturity date, 7 August 2008. Unless previously redeemed and cancelled, the notes will be redeemed at par on the maturity date.

During the year, none of the convertible notes holders exercised their rights of conversion into the Company's ordinary shares.

30 可換股票據 (續)

(b) 二零零八年到期之6,300,000港元可換股票據(「二零零五年票據」)於二零零五年八月十二日，本公司發行價值6,300,000港元之三年期無抵押可換股票據，年息為7.5厘，須於每年按季於到期時繳付。於本年度之股份合併(見附註31附註(a))後，票據之持有人可選擇於二零零五年八月十二日起九個月之後至到期日二零零八年八月七日期間隨時將票據按0.1港元之換股價兌換為每股面值0.02港元之本公司普通股，惟須根據構成可換股票據之工具之條款作出調整。除非已於過往贖回及註銷，否則該等票據將於到期日按其面值贖回。

於本年度，沒有可換股票據之持有人行使將該等票據兌換成本公司之普通股之權利。

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

30 CONVERTIBLE NOTES (Continued)

The net proceeds received from the issue of the convertible notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Group as follows:

30 可換股票據(續)

發行可換股票據所收取之款項淨額已分為負債部份及股本部份，相當於將負債轉換為本公司股本之內置購股權之公平值：

		The Group and the Company 本集團及本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Liability component at the beginning of the year	於年初之負債部份	8,429	7,931
Nominal value of convertible notes issued, net of transaction costs	已發行之可換股票據之面值，扣除交易成本	6,130	-
Equity component	股本部份	(160)	-
Liability component at date of issue	於發行日期之負債部份	5,970	-
Interest charged	收取之利息	1,546	1,097
Interest paid	支付之利息	(889)	(599)
Liability component at the end of the year	於年終之負債部份	15,056	8,429
Less: Amount due within one year shown under current liabilities	減：列為流動負債於一年內到期之款項	(8,996)	-
Amount due after one year	於一年後到期之款項	6,060	8,429

The interest charged for the year is calculated using the effective interest method by applying the effective interest rate of 13.5% and 8.5% to the liability components of the 2003 Notes and 2005 Notes respectively.

The directors estimate the fair values of the liability components of the convertible notes at 31 March 2006 to be approximately their carrying values.

本年度收取之利息乃使用實際利率法按實際利率13.5%及8.5%計算，分別列為二零零三年票據及二零零五年票據之負債部份。

董事估計，可換股票據之負債部份於二零零六年三月三十一日之公平值約相等於其賬面值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 SHARE CAPITAL

31 股本

		2006 二零零六年		2005 二零零五年	
		Number of shares 股份數目 ('000) (千股)	Nominal value 面值 HK\$'000 千港元	Number of shares 股份數目 ('000) (千股)	Nominal value 面值 HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 之普通股				
Beginning of the year	年初	10,000,000	100,000	10,000,000	100,000
Ordinary shares of HK\$0.02 each	每股面值0.02港元 之普通股				
Effect of increase in nominal value of shares from HK\$0.01 each to HK\$0.02 each (<i>note a</i>)	股份面值從每股 0.01港元增加至 每股0.02港元之 影響(附註a)	(5,000,000)	-	-	-
End of year	年終	5,000,000	100,000	10,000,000	100,000
Issued and fully paid:	已發行及繳足：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 之普通股				
Beginning of the year	年初	544,950	5,450	489,950	4,900
Shares issued under share option scheme	根據購股權計劃 發行之股份	15,400	154	-	-
Issuance of shares (<i>note b</i>)	發行股份(附註b)	42,000	420	55,000	550
Ordinary shares of HK\$0.02 each	每股面值0.02港元 之普通股	602,350	6,024	544,950	5,450
Effect of increase in nominal value of shares from HK\$0.01 each to HK\$0.02 each (<i>note a</i>)	股份面值從每股 0.01港元增加至 每股0.02港元之 影響(附註a)	(301,175)	-	-	-
Shares issued under share option scheme	根據購股權計劃 發行之股份	3,900	78	-	-
Issuance of shares (<i>note b</i>)	發行股份(附註b)	30,000	600	-	-
End of year	年終	335,075	6,702	544,950	5,450

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 SHARE CAPITAL (Continued)

Note:

- (a) Pursuant to an ordinary resolution passed at a special general meeting of the Company held on 6 February 2006, every two issued and unissued shares of HK\$0.01 each were consolidated into one new share of HK\$0.02 with effect from 7 February 2006.

Following the share consolidation becoming effective on 7 February 2006, the authorised share capital of the Company is HK\$100,000,000 divided into 5,000,000,000 shares of HK\$0.02 each, of which 301,175,000 shares were in issue and fully paid. The shares after the share consolidation rank pari passu in all respects with each other.

- (b) On 21 April 2005, the Company allotted and issued 42,000,000 shares of the Company of HK\$0.05 each at consideration of HK\$2,100,000. The excess of the aggregate cash consideration over the nominal value of shares of HK\$1,680,000 was credited to the share premium account of the Company.

On 22 March 2006, the Company allotted and issued 30,000,000 shares of the Company of HK\$0.20 each at consideration of HK\$6,000,000. The excess of the aggregate cash consideration over the nominal value of shares of HK\$5,400,000 was credited to the share premium account of the Company.

All new ordinary shares issued during the year rank pari passu in all respects with the existing shares.

31 股本 (續)

附註：

- (a) 根據本公司於二零零六年二月六日舉行之股東特別大會通過之普通決議案，每兩股每股面值0.01港元之已發行及未發行股份合併為每股面值0.02港元之新股份，自二零零六年二月七日起生效。

於二零零六年二月七日股份合併生效後，本公司之發行股本為100,000,000港元，分為5,000,000,000股每股面值0.02港元之股份，其中301,175,000股已發行及繳足。於股份合併後之股份彼此之間於所有方面享有同等權益。

- (b) 於二零零五年四月二十一日，本公司按代價2,100,000港元配發及發行42,000,000股每股面值0.05港元之本公司股份。總現金代價超出股份面值之部份1,680,000港元列為本公司股份溢價賬之進賬額。

於二零零六年三月二十二日，本公司按代價6,000,000港元配發及發行30,000,000股每股0.20港元之本公司股份。總現金代價超出股份面值之部份5,400,000港元列為本公司股份溢價賬之進賬額。

於本年度發行之全部普通股與現有股份在所有方面享有同等權益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 SHARE OPTION SCHEMES

The Company adopted a share option scheme on 5 July 2002 whereby any employees (whether or not full-time or part-time) and any consultant or adviser who, at the sole discretion of the board, subject to the terms of the share option scheme, contributed to the Group, may be granted options to subscribe for shares in the Company.

The maximum number of shares in respect of which options may be granted under the schemes must not exceed 10% of the shares in issue.

(i) Pre-IPO Share Option Scheme

Pursuant to the Pre-IPO option scheme adopted by the Company on 5 July 2002 (the "Pre-IPO Share Option Scheme"), the principal terms of which were set out in the Prospectus, options were granted to the grantees to subscribe for shares in the Company

The following share options with an exercise period from 5 July 2002 to 4 July 2012 were outstanding under the Pre-IPO Share Option Scheme during the year:

32 購股權計劃

本公司於二零零二年七月五日有條件採納一項購股權計劃，據此，任何僱員（不論全職或兼職）及任何諮詢顧問或顧問（在購股權計劃之條款下，由董事會全權酌情認為對本集團作出貢獻者）均可獲授購股權以認購本公司股份。

根據該計劃授出之購股權可認購之股份數目，最多不得超過已發行股份之10%。

(i) 首次公開售股前購股權計劃

根據本公司於二零零二年七月五日採納的首次公開售股前購股權計劃（其主要條款載於售股章程），本公司向承授人授出購股權以認購本公司股份。

年內根據首次公開售股前購股權計劃尚未行使之購股權（行使期由二零零二年七月五日至二零零二年七月四日）如下：

		Number of share options granted on 5 July 2002 於二零零二年七月五日授出之購股權數目					
		At 1 April 2005 於二零零五年四月一日		Cancelled during the year 年內註銷		At 31 March 2006 於二零零六年三月三十一日	
Name or category of participant 參與者姓名或類別		Before the share consolidation 於股份合併前	After the share consolidation 於股份合併後	Before the share consolidation 於股份合併前	After the share consolidation 於股份合併後	Before the share consolidation 於股份合併前	After the share consolidation 於股份合併後
Exercise price per share	每股股份行使價	0.14	0.28	0.14	0.28	0.14	0.28
Executive directors:	執行董事：						
Ms. Wong Yuen Yee	黃婉兒女士	4,800,000	2,400,000	-	-	4,800,000	2,400,000
Mr. Wong Kwok Sing	黃國聲先生	4,800,000	2,400,000	-	-	4,800,000	2,400,000
Mr. Wong Yao Wing, Robert	黃祐榮先生	4,800,000	2,400,000	-	-	4,800,000	2,400,000
Mr. Lam Siu San	林兆榮先生	4,800,000	2,400,000	-	-	4,800,000	2,400,000
		19,200,000	9,600,000	-	-	19,200,000	9,600,000
Senior management	高級管理層	9,600,000	4,800,000	-	-	9,600,000	4,800,000
Other employees	其他僱員	15,840,000	7,920,000	-	-	15,840,000	7,920,000
		44,640,000	22,320,000	-	-	44,640,000	22,320,000

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

32 SHARE OPTION SCHEMES (Continued)

(ii) Post-IPO Share Option Scheme

Pursuant to a written resolution passed by the sole shareholder of the Company on 5 July 2002, the Company adopted the Post-IPO share option scheme, the principal terms of which are set out in the section headed "Share Option Schemes" in Appendix IV of the Prospectus. Options were granted by the Company under the Post-IPO Share Option Scheme on 6 January 2004.

The following share options with an exercise period from 6 January 2004 to 5 January 2014 were outstanding under the Post-IPO Share Option Scheme during the year:

32 購股權計劃(續)

(ii) 首次公開售股後購股權計劃

根據本公司的唯一股東於二零零二年七月五日通過的書面決議案，本公司有條件採納首次公開售股後購股權計劃，其主要條款載於售股章程附錄四「購股權計劃」一節。於二零零四年一月六日，本公司根據首次公開售股後購股權計劃授出購股權。

年內根據首次公開售股後購股權計劃尚未行使之購股權(行使期由二零零四年一月六日至二零一四年一月五日)如下：

		Number of share options granted on 6 January 2004					
		於二零零四年一月六日授出之購股權數目					
		At 1 April 2005		Cancelled during the year		At 31 March 2006	
		於二零零五年四月一日		年內註銷		於二零零六年三月三十一日	
Name or category of participant	參與者姓名或類別	Before the share consolidation	After the share consolidation	Before the share consolidation	After the share consolidation	Before the share consolidation	After the share consolidation
		於股份合併前	於股份合併後	於股份合併前	於股份合併後	於股份合併前	於股份合併後
Exercise price per share	每股股份行使價	0.11	0.22	0.11	0.22	0.11	0.22
Executive directors:	執行董事：						
Ms. Wong Yuen Yee	黃婉兒女士	4,757,000	2,378,500	-	-	4,757,000	2,378,500
Mr. Wong Kwok Sing	黃國聲先生	4,757,000	2,378,500	-	-	4,757,000	2,378,500
Mr. Wong Yao Wing, Robert	黃祐榮先生	4,757,000	2,378,500	-	-	4,757,000	2,378,500
Mr. Lam Siu San	林兆樂先生	4,757,000	2,378,500	-	-	4,757,000	2,378,500
		19,028,000	9,514,000	-	-	19,028,000	9,514,000
Senior management	高級管理層	4,757,000	2,378,500	-	-	4,757,000	2,378,500
Other employees	其他僱員	9,535,000	4,767,500	-	-	9,535,000	4,767,500
		33,320,000	16,660,000	-	-	33,320,000	16,660,000

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 SHARE OPTION SCHEMES (Continued)

(iii) Post-IPO Share Option Scheme

Pursuant to a written resolution passed by the sole shareholder of the Company on 5 July 2002, the Company adopted the Post-IPO share option scheme, the principal terms of which are set out in the section headed "Share Option Schemes" in Appendix IV of the Prospectus. Options were granted by the Company under the Post-IPO Share Option Scheme on 20 September 2005.

The following share options with an exercise period from 20 September 2005 to 19 September 2015 were outstanding under the Post-IPO Share Option Scheme during the year:

32 購股權計劃(續)

(iii) 首次公開售股後購股權計劃

根據本公司唯一股東於二零零二年七月五日通過之書面決議案，本公司採納首次公開售股後購股權計劃，有關條款載於售股章程附錄四「購股權計劃」一節。本公司於二零零五年九月二十日根據首次公開售股後購股權計劃授出購股權。

年內根據首次公開售股後購股權計劃尚未行使之購股權(行使期限由二零零五年九月二十日至二零一五年九月十九日)如下：

Number of share options granted on 20 September 2005

於二零零五年九月二十日授出之購股權數目

Name or category of participant 參與者姓名或類別		At date of grant 授出日期		Exercised during the year 年內行使		At 31 March 2006 於二零零六年三月三十一日	
		Before the share consolidation 於股份合併前	After the share consolidation 於股份合併後	Before the share consolidation 於股份合併前	After the share consolidation 於股份合併後	Before the share consolidation 於股份合併前	After the share consolidation 於股份合併後
		Exercise price per share 每股股份行使價	0.057	0.114	0.057	0.114	0.057
Executive directors: Ms. Wong Yuen Yee Mr. Wong Kwok Sing Mr. Wong Yao Wing, Robert Lam Siu San	執行董事： 黃婉兒女士 黃國聲先生 黃祐榮先生 林兆燊先生	5,800,000 5,800,000 5,800,000 5,800,000	2,900,000 2,900,000 2,900,000 2,900,000	- - - -	- - - -	5,800,000 5,800,000 5,800,000 5,800,000	2,900,000 2,900,000 2,900,000 2,900,000
Senior management Other employees	高級管理層 其他僱員	23,200,000 7,300,000 26,700,000	11,600,000 3,650,000 13,350,000	- (5,800,000) (17,400,000)	- (2,900,000) (8,700,000)	23,200,000 1,500,000 9,300,000	11,600,000 750,000 4,650,000
		57,200,000	28,600,000	(23,200,000)	(11,600,000)	34,000,000	17,000,000

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 SHARE OPTION SCHEMES (Continued)

(iii) Post-IPO Share Option Scheme (Continued)

The fair value of the options granted on 20 September 2005 determined using the Binomial Option Pricing Model was HK\$2,459,600. The significant inputs to the model were as follows:

	2006
Stock assets price	HK\$0.055
Exercise price	HK\$0.057
Expected volatility	107%
Expected life	5 years
Risk free interest rate	4.012%
Expected dividend yield	0%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 90 days.

The Binomial Option Pricing Model requires the input of highly subjective assumptions, including the volatility of share price. Any changes in subjective input assumptions can materially affect the fair value estimate.

32 購股權計劃 (續)

(iii) 首次公開售股後購股權計劃 (續)

於二零零五年九月二十日授出之購股權之公平值乃使用二項式購股權定價模式釐定為2,459,600港元。該模式之重要輸入數據如下：

	二零零六年
股份資產價格	5.5 港仙
行使價	5.7港仙
預期波動	107%
預期可使用年期	5年
免風險息率	4.012%
預期股息收益	0%

預期波動乃根據本公司於過往90日之股價之歷史波動釐定。

二項式購股權定價模式要求輸入高主觀假設數據，包括股價波動。主觀輸入假設之任何變動可能對公平值估計產生重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33 RESERVES

(a) The Group

33 儲備

(a) 本集團

		Employee Share compensation premium	Employee reserve	Convertible notes reserve	Contributed surplus	Capital redemption reserve	Retained profits	Total
		僱員 酬金儲備	僱員 酬金儲備	可換股 票據儲備	繳入盈餘	股本贖回 儲備	保留溢利	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 April 2004	於二零零四年 四月一日之結餘	12,068	-	-	5,625	43	13,894	31,630
Effects of changes in accounting policies (note 3)	會計政策變動 之影響(附註3)	-	-	282	-	-	7	289
Balance at 1 April 2004, as restated	於二零零四年 四月一日之結餘， 如重列	12,068	-	282	5,625	43	13,901	31,919
Profit for the year, as restated	本年度溢利， 如重列	-	-	-	-	-	5,661	5,661
Issuance of shares	發行股份	3,465	-	-	-	-	-	3,465
Share issuance costs	股份發行費用	(163)	-	-	-	-	-	(163)
Balance at 31 March 2005, as restated	於二零零五年 三月三十一日 之結餘，如重列	15,370	-	282	5,625	43	19,562	40,882
Loss for the year	本年度虧損	-	-	-	-	-	(5,708)	(5,708)
Issuance of shares and exercising options	發行股份及行使 購股權	8,170	-	-	-	-	-	8,170
Shares issuance costs	股份發行費用	(93)	-	-	-	-	-	(93)
Transfer to share premium upon exercise of share options	行使購股權時 轉撥至股份溢價	998	(998)	-	-	-	-	-
Recognition of equity component of convertible notes, net of transaction costs	確認可換股票據之 股本部份，扣除 交易成本	-	-	160	-	-	-	160
Recognition of share-based payment as expenses	確認以股份支付之 支出為開支	-	2,460	-	-	-	-	2,460
Balance at 31 March 2006	於二零零六年 三月三十一日 之結餘	24,445	1,462	442	5,625	43	13,854	45,871

NOTES TO THE FINANCIAL STATEMENTS

財 務 報 表 附 註

33 RESERVES (Continued)

(a) The Group (Continued)

The share issuance costs were written off against the share premium account.

Included in retained profits is an accumulated losses of HK\$7,000 (2005: HK\$164,000), attributable to associates and jointly controlled entity.

The application of the share premium account is governed by Bye-Law 140(A) of the Company's Bye-Law and the Companies Act of Bermuda ("Companies Act").

33 儲備 (續)

(a) 本集團 (續)

股份發行開支已於股份溢價賬中撇銷。

保留溢利項下已計入累計虧損7,000港元(二零零五年：164,000港元)，該筆款項乃聯營公司及合營公司之應佔款項。

股份溢價賬之應用受到本公司之細則第140(A)條及百慕達公司法監管。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33 RESERVES (Continued)

(b) The Company

33 儲備(續)

(b) 本公司

		Employee Share compensation premium	Employee reserve	Convertible notes reserve	Contributed surplus	Capital redemption reserve	Accumulated loss	Total
		僱員 酬金儲備	可換股 票據儲備	繳入盈餘	股本贖回 儲備	累計虧損	總計	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Balance at 1 April 2004	於二零零四年 四月一日之結餘	12,068	-	-	5,625	43	(4,896)	12,840
Effects of changes in accounting policies (note 3)	會計政策變動 之影響(附註3)	-	-	282	-	-	7	289
Balance at 1 April 2004, as restated	於二零零四年 四月一日之結餘， 如重列	12,068	-	282	5,625	43	(4,889)	13,129
Profit for the year, as restated	本年度溢利， 如重列	-	-	-	-	-	11	11
Issuance of shares	發行股份	3,465	-	-	-	-	-	3,465
Share issuance costs	股份發行費用	(163)	-	-	-	-	-	(163)
Balance at 31 March 2005, as restated	於二零零五年 三月三十一日 之結餘，如重列	15,370	-	282	5,625	43	(4,878)	16,442
Loss for the year	本年度虧損	-	-	-	-	-	(6,451)	(6,451)
Issuance of shares and exercising options	發行股份及行使 購股權	8,170	-	-	-	-	-	8,170
Shares issuance costs	股份發行費用	(93)	-	-	-	-	-	(93)
Transfer to share premium upon exercise of share options	行使購股權時 轉撥至股份溢價	998	(998)	-	-	-	-	-
Recognition of equity component of convertible notes, net of transaction costs	確認可換股票據之 股本部份，扣除 交易成本	-	-	160	-	-	-	160
Recognition of share-based payment as expenses	確認以股份支付之 支出為開支	-	2,460	-	-	-	-	2,460
Balance at 31 March 2006	於二零零六年 三月三十一日 之結餘	24,445	1,462	442	5,625	43	(11,329)	20,688

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33 RESERVES (Continued)

(b) The Company (Continued)

At 31 March 2006, the aggregate amount of reserves available for distribution to shareholders of the Company was HK\$Nil (2005 (restated): HK\$747,000).

Pursuant to the reorganisation as set out in the prospectus, the Company became the holding company of the Group on 5 July 2002. The excess of the consolidated net assets represented by the shares acquired over the nominal value of the shares issued by the Company in exchange under the reorganisation was transferred to contributed surplus. Contributed surplus is available for distribution to shareholders subject to the provision of section 54 of the Companies Act.

34 COMMITMENTS

(a) Operating leases commitment

The Group had total future minimum lease payments under non-cancellable operating leases in respect of office premises as follows:

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 1 year 一年內	227	269
In the second to fifth year inclusive 第二年至第五年 inclusive	113	—
	340	269

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to two year, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

33 儲備 (續)

(b) 本公司 (續)

於二零零六年三月三十一日，可分派予本公司股東之儲備總額為零港元(二零零五年(重列)：747,000港元)。

根據售股章程所述之重組，本公司於二零零二年七月五日成為本集團之控股公司。本公司根據重組發行以作交換之股份之面值與被收購股份所涉及之綜合資產淨值相較下所超逾之差額，已撥至實繳盈餘。實繳盈餘可分派予股東，惟須受公司法第54條規定所限。

34 承擔

(a) 經營租約承擔

本集團就辦公室物業訂立之不可撤銷經營租約之日後最低租賃款項總額如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 1 year 一年內	227	269
In the second to fifth year inclusive 第二年至第五年 inclusive	113	—
	340	269

本集團根據經營租約租賃多項物業。租約一般初步為期一至兩年，租約屆滿時有權重訂租約並重新議定所有條款。該等租約並無包括或然租金。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34 COMMITMENTS (Continued)

(b) Capital commitments

Capital commitments outstanding at 31 March 2006 not provided for in the financial statements of the Group were as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<i>Contracted but not provided for:</i>	<i>已訂約但未提供：</i>		
Acquisition of equipment	購買設備	4,460	420
Interest in a subsidiary	附屬公司之權益	850	8,075
		5,310	8,495

34 承擔 (續)

(b) 資本承擔

於二零零六年三月三十一日尚未償還而並未於本集團之財務報表撥備之資本承擔如下：

35 RELATED PARTY TRANSACTIONS

Trade transactions

The following represents a summary of material transactions during the year between the Group and related parties identified by the directors:

35 關連方交易

買賣交易

本集團與董事所識別之關連方於本年度內進行之重大交易概要如下：

			2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
	Note 附註			
Operating expenses paid	已付營運開支	(i)	338	738
Salaries paid	已付薪金	(ii)	-	120
Consultancy fee paid	已付顧問費	(iii)	72	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 RELATED PARTY TRANSACTIONS

(Continued)

Trade transactions (Continued)

Note:

- (i) The directors, Ms. Wong Yuen Yee, Mr. Lam Shiu San and Mr. Wong Kwok Sing, paid certain operating expenses on behalf of the Group.
- (ii) Salaries paid to Ms. Chen Po Sum, the honorable chairman of the Group, for promoting the Group's image.
- (iii) Consultancy fee paid to Digital Bank Technology Limited, where Mr. Lam Shiu San is the common director, for the provision of technical support.

The directors of the Company are of the opinion that the above transactions with related parties were conducted on normal commercial terms and in the ordinary course of business.

Compensation of key management personnel

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Basic salary, allowance and other benefits	基本薪金、津貼及其他福利	4,094	3,920
Recognised retirement pension	已確認之退休金	70	60
Share-based payments	以股份支付之支出	1,312	-
Discretionary bonuses	酌情花紅	104	-
		5,580	3,980

35 關連方交易 (續)

買賣交易 (續)

附註：

- (i) 黃婉兒女士、林兆樂先生及黃國聲先生(均為董事)代表本集團支付營運開支。
- (ii) 薪金乃就推廣本集團形象支付予陳葆心女士(本集團榮譽主席)。
- (iii) 顧問費乃就獲提供技術支援服務支付予Digital Bank Technology Limited(林兆樂先生亦為該公司之董事)。

本公司董事認為，與關連方訂立之上述交易乃於日常業務過程中按正常商業條款進行。

主要管理人員之酬金

年內董事及其他主要管理人員之酬金如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註



36 EVENTS AFTER BALANCE SHEET DATE

- (1) On 23 May 2006, the Company entered into a memorandum of understanding ("MOU") in connection with the Company's possible acquisition in the share capital of Autoscale Resources Limited ("Autoscale"), representing 66% of its issued share capital. Autoscale is interested in approximately 38.5% of the ordinary class of shares in the issued share capital of United Premier Medical Group Limited.

According to the directors, the MOU is non-legally binding and only sets forth the parties' intention to proceed with the discussions and negotiation of the possible acquisition in accordance with the principles as set forth in the MOU.

- (2) On 23 May 2006, the Company entered into subscription agreements with subscribers in relation to the subscription of an aggregate of 28,000,000 shares at the subscription price of HK\$0.2 per share.

36 結算日後事項

- (1) 於二零零六年五月二十三日，本公司就其可能購入 Autoscale Resources Limited (「Autoscale」) 之股本 (相等於 Autoscale 已發行股本之 66%) 訂立一份諒解備忘錄。Autoscale 擁有 United Premier Medical Group Limited 之已發行股本之普通股股份約 38.5% 權益。

就董事所知，諒解備忘錄乃無法律約束力，僅提到各方根據諒解備忘錄所載之原則就可能進行之收購展開討論及磋商之意向。

- (2) 於二零零六年五月二十三日，本公司與認購人就按每股認購價 0.2 港元認購合共 28,000,000 股股份訂立認購協議。

05/06
ANNUAL REPORT 2005