

Tungda Innovative Lighting Holdings Limited

東大新材料照明控股有限公司

(Incorporated in Cayman Islands with limited liability)

(於開曼群島註冊成立有限公司)

(Stock Code: 8229)

(股份代號：8229)



ANNUAL REPORT 2005/06 年報

New Energy of LIGHT
光源新動力

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligations to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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香港聯合交易所有限公司（「聯交所」）創業板市場（「創業板」）之特色

創業板乃為帶有高投資風險之公司而設立之市場。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亦可能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。有意投資人士應了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資深投資者。

由於在創業板上市之公司屬新興性質，在創業板買賣之證券可能會較在主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板發佈資料之主要途徑為在聯交所為創業板而設之互聯網網頁刊登。上市公司一般毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資人士應注意，彼等須閱覽創業板網站，方可取得創業板上市發行人之最新資料。

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Corporate Information 公司資料

Executive directors

CHU Chien Tung
CHU Chick Kei
CHU Sen Hei

執行董事

朱展東
朱植杞
朱晨曦

Non-executive director

FUNG Shiu Lun, Anthony

非執行董事

馮兆麟

Independent non-executive directors

ZHU Lei Bo
HONG Yong Hwan

獨立非執行董事

朱雷波
洪庸皖

Registered office

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman
British West Indies

註冊辦事處

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman
British West Indies

Head office and principal place of business

Room 1007-8, 10th Floor
Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

總辦事處兼主要營業地點

香港
灣仔
告士打道39號
夏慤大廈
10樓1007-8室

Company website

<http://www.tungdalighting.com.hk>
<http://www.tungdalighting.com>

公司網址

<http://www.tungdalighting.com.hk>
<http://www.tungdalighting.com>

Company secretary

WONG Yiu Hung (ACMA, CPA (HKICPA))

公司秘書

黃耀雄 (英國特許管理會計師公會會員，
會計師(香港會計師公會))

Qualified accountant

WONG Yiu Hung (ACMA, CPA (HKICPA))

合資格會計師

黃耀雄 (英國特許管理會計師公會會員，
會計師(香港會計師公會))

Compliance officer

CHU Chien Tung

規章主任

朱展東

Audit committee

HONG Yong Hwan (*Chairman*)
ZHU Lei Bo

審核委員會

洪庸皖 (主席)
朱雷波

Authorised representatives

(for the purpose of the GEM Listing Rules)

CHU Chien Tung
CHU Chick Kei

授權代表 (就創業板上市規則而言)

朱展東
朱植杞

Principal bankers

DBS Bank (Hong Kong) Limited
16th Floor
The Center
99 Queen's Road Central
Hong Kong

主要往來銀行
星展銀行 (香港) 有限公司
香港
皇后大道中99號
中環中心
16樓

Nanyang Commercial Bank, Limited
48 Tsun Yip Street
Kwun Tong
Kowloon
Hong Kong

南洋商業銀行有限公司
香港
九龍
觀塘
駿業街48號

Auditors

TING HO KWAN & CHAN
Certified Public Accountants (Practising)
9th Floor
Tung Ning Building
249-253 Des Voeux Road C.
Hong Kong

核數師

丁何關陳會計師行
執業會計師
香港
德輔道中249-253號
東寧大廈
9樓

Principal share registrar and transfer office

Bank of Butterfield International (Cayman) Limited
Butterfield House
68 Fort Street
P. O. Box 705
George Town
Grand Cayman
Cayman Islands
British West Indies

股份過戶登記總處

Bank of Butterfield International (Cayman) Limited
Butterfield House
68 Fort Street
P. O. Box 705
George Town
Grand Cayman
Cayman Islands
British West Indies

Hong Kong branch share registrar and transfer office

Standard Registrars Limited
26/F Tesbury Centre
28 Queen's Road East
Hong Kong

香港股份過戶登記分處

標準證券登記有限公司
香港
皇后大道東28號
金鐘滙中心26樓

Financial Summary 財務概要

		For the year ended 31st March, 截至三月三十一日止年度				2006
		2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	二零零六年 HK\$'000 千港元
RESULTS	業績					
Turnover	營業額	152,918	258,431	299,896	274,662	47,106
(Loss)/Profit before taxation	除稅前(虧損)/溢利	35,807	61,424	78,780	76,017	(28,599)
Taxation	稅項	(4,100)	(3,411)	(4,024)	(3,587)	(2,879)
(Loss)/Profit for the year attributable to equity holders	年內股東應佔 (虧損)/溢利	31,707	58,013	74,756	72,430	(31,478)
Dividends	股息	(10,000)	–	(5,890)	–	–
		At 31st March, 於三月三十一日				2006
		2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	二零零六年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	31,789	134,647	275,146	358,671	330,838
Total liabilities	負債總額	(10,266)	(8,960)	(12,388)	(27,250)	(24,907)
Shareholders' funds	股東資金	21,523	125,687	262,758	331,421	305,931

Notes: The results for each of the three years ended 31st March, 2003 have been prepared on a combined basis as if the group structure immediately after the group reorganisation had been in existence since 1st April, 2000.

附註：截至二零零三年三月三十一日止三個年度各年之業績已按合併基準編製，猶如緊隨集團重組後之集團架構自二零零零年四月一日起一直存在。

Chairman's Statement 主席報告

Dear Shareholders and Directors,

On behalf of the board of directors (the "Board"), I am pleased to present the Group's annual report for the year ended 31st March, 2006 to the shareholders.

The Group has hit snag in terms of research and development, manufacturing, distribution and trading of light source products. Turnover and loss attributable to shareholders for the year amounted to approximately HK\$47.11 million and HK\$31.48 million respectively, as compared to turnover and profit attributable to shareholders approximately HK\$274.66 million and HK\$72.43 million respectively of last year.

Whilst market competition in certain lighting product segments has got more intense, with the success of the Group's on research and development in its core products, among competitors producing the same products, the production cost of the Group has strong competitive advantage, cost control and unique Tungda brand products, the Group is able to maintain a competitive and cost advantage, enjoy a stable gross profit margin and an optimistic development prospect.

The Group has dedicated resources to develop and supply the market with innovative, high quality energy-saving light source products. Nevertheless the Group has deferred investment in research and development of high-wattage induction lamps, automobile HID xenon lamps and microwave sulphur lamps since the year 2004/05.

During the year 2005/06, the Group has continued to participate in many international lighting fairs which provided invaluable opportunities to promote our products to potential new customers from around the world.

The Group has been distributor of GE Lighting since 1996 and has been appointed by GE Lighting as its exclusive distributor for lighting fixtures in Hong Kong and Macau in January, 2004. The appointment enables the Group to expand its product offerings to include lighting fixtures and also symbolizes our successful long term cooperation with GE Lighting.

The Group has been actively seeking capable distributors to expand its sales and distribution network.

I would like to take this opportunity to express my gratitude to all the Directors and staff for their continuous support, dedication and contribution to the Group, as well as shareholders and business partners for their full support and confidence in the Group.

Chu Chien Tung
Chairman

26th June, 2006

各位股東及董事：

本人謹代表董事會（「董事會」）向股東欣然提呈本集團截至二零零六年三月三十一日止年度之年報。

本集團於光源產品研發、生產製造、銷售及貿易方面遇到障礙。本年度營業額及股東應佔虧損分別約為47,110,000港元及31,480,000港元，去年同期營業額及股東應佔溢利則分別約為274,660,000港元及72,430,000港元。

儘管若干照明產品的市場競爭日趨激烈，憑藉本集團成功研發主力產品，與業務競爭對手生產的同類產品比較，本集團在生產成本上有相當強的競爭優勢，控制成本及獨一的東大品牌產品，本集團得以維持競爭及成本優勢，享有穩定的毛利率及樂觀的發展前景。

本集團一直積極投入資源，開發及向市場供應優質創新的節能光源產品。然而自二零零四／零五年起本集團已暫緩投資於研究及開發高瓦數無極螢光燈、汽車用高壓氣體放電氙燈及微波硫燈。

本集團於二零零五／零六年度繼續參與多個國際照明展覽會，為我們提供向全球各地潛在新客戶推廣產品之寶貴機會。

本集團自一九九六年起為GE Lighting之分銷商，並於二零零四年一月榮獲GE Lighting委任為港澳兩地之照明燈具獨家分銷商，致令本集團擴展產品系列至涵蓋照明燈具，同時標誌著集團與GE Lighting之長遠合作關係成果豐碩。

本集團一直積極物色實力雄厚的分銷商，擴展其銷售及分銷網絡。

對於全體董事及員工鼎力支持、默默耕耘及積極貢獻；各股東及業務夥伴對本集團的愛戴及信賴，本人謹藉此機會向他們致以萬分謝意。

主席
朱展東

二零零六年六月二十六日

Management Discussion and Analysis 管理階層討論與分析

FINANCIAL AND BUSINESS REVIEW

Operating Results

For the year ended 31st March, 2006, the Group's turnover was approximately HK\$47.11 million, representing a decrease of approximately 82.84% from HK\$274.66 million last year.

The gross profit margin for the year ended 31st March, 2006 was about 58.95% compared to 39.59% for the same period in 2005 as proportion of house brand products overwhelmingly dominated that of agency brand products as compared with last year.

House brand products that usually give higher gross profit margin as compared to agency brand products accounted for about 75.47% of total turnover for the year 2005/06 (2004/05: 49.48%).

Turnover and profit significantly declined because of:

1. The Group had ceased business with its major PRC customers during the year ended 31st March, 2005 as business with these PRC customers became barely profitable in consequence of revaluation of Renminbi.
2. Trading in the shares of the Company has been suspended on the Stock Exchange since 29th July, 2004 and officers of the Commercial Crime Bureau of the Hong Kong Police Force had executed a search warrant against the premises of the Group in March, 2005. Certain customers, to whom the Group has offered five years general product guarantee for the Group's products, are hesitating if the Group will be able to honor the guarantee should the product fail to operate. Order from these customers significantly declined.

Other Income and Gains

The major component of other income and gains approximately HK\$1.61 million was interest income for the year 2006 as compared to approximately HK\$1.19 million for the same period in 2005. The increase was accounted by the higher cash and bank balances of the Group.

財務及業務回顧

經營業績

截至二零零六年三月三十一日止年度，本集團營業額約為47,110,000港元，較去年之274,660,000港元減少約82.84%。

截至二零零六年三月三十一日止年度之毛利率為58.95%，而二零零五年同期為39.59%，此乃由於與去年相比，本身品牌產品遠高於代理品牌產品的比例。

毛利率一般較代理品牌光源產品高的本身品牌產品佔二零零五／零六年度的總銷售額約75.47%（二零零四／零五年：49.48%）。

營業額及溢利大幅減少乃由於以下因素：

1. 由於本集團與其主要中國客戶之業務因人民幣升值而變得無利可圖，故本集團已於截至二零零五年三月三十一日止年度終止與該等中國客戶之業務。
2. 本公司股份自二零零四年七月二十九日起暫停在聯交所買賣及香港警務處商業罪案調查科人員於二零零五年三月對本集團物業執行搜查令。本集團就其產品給予若干客戶五年一般產品保證，惟彼等均對本集團能否於產品未能正常運作時履行保證存疑，來自此等客戶之訂單因而大幅減少。

其他收入及所得

二零零六年度之其他收入及所得約為1,610,000港元，主要為利息收入，二零零五年同期則約為1,190,000港元。增幅乃由於本集團現金及銀行結存增加所致。

Management Discussion and Analysis 管理階層討論與分析

Selling and Administrative Expenses

The selling expenses amounted to approximately HK\$1.59 million for the year ended 31st March, 2006, as compared to approximately HK\$4.06 million for the same period in 2005, which primarily comprised of advertising, exhibition, and salaries expenses. The amount decreased because of the completion of significant contracted advertisement and promotion expenses since 2002 which do not recur since 2005.

The administrative expenses for the year comprised primarily of staff remuneration, depreciation, impairment loss made on the carrying value of machinery equipment, legal and professional fees, and rental expenses. The administrative expenses amounted to approximately HK\$13.47 million due to decrease in business activities, directors' remuneration and legal and professional fees, as compared to approximately HK\$29.24 million with the corresponding period in 2005.

Research and Development

Committed to providing high quality energy-saving light source products, the Group has dedicated resources to enhance the offerings of its currently available induction lamps, and to develop HID xenon automobile headlights and microwave sulphur lamps. Nevertheless, the Group has deferred investment in such research and development since the year 2004/05.

No research and development expenses incurred in 2006 as compared to approximately HK\$0.56 million with last year.

Net Loss

The profit before impairment on deposits paid for acquisition of property, plant and equipment, finance costs and taxation amounted to approximately HK\$14.31 for the year ended 31st March, 2006, as compared to approximately HK\$76.06 million for the same period in 2005. The Group recorded approximately HK\$42.89 million of impairment on deposits paid for acquisition of property, plant and equipment for the year 2006 (2005: Nil).

As a result of the factors discussed above, the loss attributable to shareholders for the year ended 31st March, 2006 amounted to approximately HK\$31.48 million as compared to profit approximately HK\$72.43 million for the same period in 2005.

Sales and Marketing

For the year ended 31st March, 2006 and following, the Group participated in the following major international lighting exhibitions:

Hong Kong International Lighting Fair 2005
香港國際燈飾展2005

26th-29th October, 2005
二零零五年十月二十六日至二十九日

Hong Kong
香港

Hong Kong International Auto Parts Fair
香港國際汽車零部件展

8th-11th April, 2006
二零零六年四月八日至十一日

Hong Kong
香港

Light + Building 2006

23rd-27th April, 2006
二零零六年四月二十三日至二十七日

Frankfurt, Germany
德國法蘭克福

銷售及行政開支

截至二零零六年三月三十一日止年度之銷售開支約為1,590,000港元，主要包括廣告宣傳、展覽會及薪金開支，而二零零五年同期則約為4,060,000港元。銷售開支下降，乃由於自二零零二年開始之重大已訂約廣告及推廣活動已完成，而自二零零五年再無錄得有關開支。

本年度行政開支主要包括員工薪酬、折舊、機器設備帳面減值、法律及專業費用以及租金開支。由於業務、董事薪酬以及法律及專業費用減少，行政開支約為13,470,000港元，而二零零五年同期則約為29,240,000港元。

研究及發展

本集團致力提供優質節能光源產品，不單積極投入資源增加現有無極螢光燈產品的類型，更開發汽車用高壓氣體放電氙燈及微波硫燈。然而自二零零四／零五年起，本集團已暫緩投資於此等研究及開發。

二零零六年並無研發開支，而去年則約為560,000港元。

淨虧損

截至二零零六年三月三十一日止年度，未扣除購買物業、廠房及設備已支付訂金減值、融資成本及稅項前之溢利約為港幣14,310,000，而二零零五年同期則約為76,060,000港元。在二零零六年度，集團錄得物業、廠房及設備已支付訂金減值約42,890,000港元（二零零五年：零）。

基於上述所討論因素，截至二零零六年三月三十一日止年度之股東應佔虧損約為31,480,000港元，而二零零五年同期股東應佔溢利約為72,430,000港元。

銷售及市場推廣

截至二零零六年三月三十一日止年度及其後時間，本集團參與以下大型國際照明展覽會：

Management Discussion and Analysis 管理階層討論與分析

Through these exhibitions, the Group promotes “Tungda” brand and products to potential customers from all over the world. Tungda’s induction lamps and its potential new product microwave sulphur lamps had been featured in the international lighting magazine “Switch”, and “Tungda” had been featured as one of the Hong Kong brands in the Hong Kong Trade Development Council’s “Hong Kong Enterprise”.

Being one of the distributors of GE Lighting for its light source products for over eight years, the Group was appointed as the exclusive distributor of GE Lighting for its lighting fixtures in Hong Kong and Macau in January 2004. The appointment enables the Group to expand its product lines to include lighting fixtures.

As a result of revaluation of Renminbi, profit from business with the major PRC customers of Group continued declining and became barely profitable. The Group had ceased business with these PRC customers during the year ended 31st March, 2005.

The Group has offered five years general product guarantee for certain of its products to certain customers. In view of trading in the shares of the Company has been suspended on the Stock Exchange since 29th July, 2004 and officers of the Commercial Crime Bureau of the Hong Kong Police Force had executed a search warrant against the premises of the Group in March, 2005, customers are hesitating if the Group will be able to honor the guarantee should the product fail to operate. Order from these customers significantly declined.

Suspension on and Arrangement for the Resumption of Trading of Shares, and Execution of Warrant by Officers of the Commercial Crime Bureau of the Hong Kong Police Force

Trading in the shares of the Company has been suspended on the Stock Exchange since 29th July, 2004. The management understands and shares the concern of the shareholders of the Company in relation to the suspension of share trading. The management has sought advice from various professionals and has appointed a financial advisor in January, 2005 with a view to resume the share trading as soon as possible.

With reference to the Company’s announcement on 16th March, 2005, officers of the Commercial Crime Bureau of the Hong Kong Police Force (“CCB”) have executed a warrant for search and seizure against the premises of the Group (“CCB Event”). The Group encountered difficulties and delay to complete its audited accounts for the year ended 31st March, 2005 for announcement of annual results.

Resources are being diverted in order to resume the share trading, to handle the CCB Event and to complete the audited accounts for announcement of annual results as soon as possible. The Group’s business and product investment development plan is interrupted and deferred.

本集團透過這些展覽會，向來自世界各地的潛在客戶推廣「東大」品牌及產品。東大無極螢光燈及其潛在新產品微波硫燈獲得國際照明雜誌「Switch」專題介紹，而「東大」更成為香港貿易發展局「香港企業」雜誌專題介紹的香港品牌之一。

作為GE Lighting 超過八年的光源產品分銷商之一，本集團於二零零四年一月獲GE Lighting 委任為港澳兩地之照明燈具獨家分銷商。此項委任致使本集團得以擴展產品系列至涵蓋照明燈具。

由於人民幣升值，來自與本集團主要中國客戶進行業務之溢利持續下跌及變得無利可圖。於截至二零零五年三月三十一日止年度內本集團已終止與該等中國客戶之業務。

本集團就其若干產品，向若干客戶提供五年一般產品保證。基於本公司股份自二零零四年七月二十九日起暫停在聯交所買賣及香港警務處商業罪案調查科人員於二零零五年三月對本集團物業執行搜查令，客戶對本集團能否於有關產品未能運作時，履行有關保證表示懷疑。來自該等客戶之訂單大幅減少。

股份暫停買賣及恢復買賣安排以及香港警務處商業罪案調查科人員執行搜令

本公司股份自二零零四年七月二十九日起在聯交所暫停買賣。管理層明白本公司股東關注股份暫停買賣事宜，並對事件同樣表示關注。管理層已徵求不同專業人士之意見，並於二零零五年一月委任財務顧問，務求盡快恢復股份買賣。

茲提述本公司於二零零五年三月十六日刊發之公佈，香港警務處商業罪案調查科（「商業罪案調查科」）人員執行搜令，搜查及檢取本集團處所範圍（「商業罪案調查科事件」）。本集團在完成其二零零五年三月三十一日止年度經審核賬目以公佈年度業績時，遇到困難及阻延。

為盡快恢復股份買賣、處理商業罪案調查科事件及完成經審核賬目，以便公佈年度業績，本集團分散調撥資源，導致本集團業務及產品投資開發計劃受阻及遭押後。

Management Discussion and Analysis 管理階層討論與分析

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31st March, 2006, the Group's shareholders' funds amounted to approximately HK\$305.93 million (2005: HK\$331.42 million). Cash and bank balances was approximately HK\$242.99 million as at 31st March, 2006, compared to HK\$214.79 million as at 31st March, 2005. Increases in cash stemmed primarily from income generated from operations. The Board believes that the Group has adequate funds to support its operations and capital expenditures for future expansion and development.

As respectively at 31st March, 2006 and 31st March, 2005, the Group had no outstanding bank borrowing. The Group's gearing ratio, defined as the Group's total borrowings to the shareholders' funds, was 0.10% (2005: 0.13%).

SIGNIFICANT INVESTMENT HELD AND MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There were neither significant investment held by the Group nor material acquisitions and disposals of subsidiaries and affiliated companies for the years ended 31st March, 2006 and 2005 except as disclosed in note 13 to the financial statements of the annual report.

CHARGE ON GROUP ASSET

The Group had no significant charge on assets as at 31st March, 2006.

FOREIGN EXCHANGE EXPOSURE

The Board believes that the exchange rate risks of the Group is minimal because the Group conducts its business transactions principally in Renminbi in the PRC and United States dollars, which was relatively stable during the financial year under review. However, fluctuation of the Renminbi against the Hong Kong dollar would adversely affect the Group's performance when measured in Hong Kong dollar.

CONTINGENT LIABILITIES

The Group and the Company had no contingent liabilities as at both 31st March, 2006 and 2005.

SEGMENTAL INFORMATION

Segmental information of the Group is set out in note 5 to the financial statements.

EMPLOYEE INFORMATION

As at 31st March, 2006, the Group had about 55 full time employees. The Group's employees were remunerated according to the nature of their duty and market trend, with discretionary bonus and benefit of retirement scheme, share options and necessary training. Total staff costs for the year amounted to approximately HK\$4.88 million (2005: HK\$11.47 million).

流動資金、財政資源及資本結構

於二零零六年三月三十一日，本集團之股東資金約達305,930,000港元（二零零五年：331,420,000港元）。於二零零六年三月三十一日，現金及銀行結存約為242,990,000港元，而於二零零五年三月三十一日則為214,790,000港元。現金增幅主要來自經營業務所得收入。董事會相信，本集團具備充裕資金支持其業務營運與未來擴充及發展之資本開支。

於二零零六年三月三十一日及二零零五年三月三十一日，本集團並無未償還銀行借款。本集團之資產負債比率（即本集團借款總額與股東資金之比率）為0.10%（二零零五年：0.13%）。

所持重大投資以及附屬公司及聯屬公司重大收購及出售

除年報內財務報表附註13所披露者外，截至二零零六年及二零零五年三月三十一日止年度，本集團概無持有其他重大投資，亦無有關附屬公司及聯屬公司之重大收購及出售。

集團資產抵押

於二零零六年三月三十一日，本集團並無重大資產抵押。

外匯風險

董事會相信，由於本集團主要在中國以人民幣及美元進行業務交易，而有關匯率於回顧財政年度內相對穩定，故本集團之外匯風險輕微。然而，倘人民幣兌港元匯率波動，則會對本集團以港元計算之表現造成不利影響。

或然負債

於二零零六年及二零零五年三月三十一日，本集團及本公司概無任何或然負債。

分類資料

本集團的分類資料列載於財務報表附註5。

僱員資料

於二零零六年三月三十一日，本集團聘有約55名全職僱員。本集團僱員薪酬根據彼等之職責性質及市場趨勢釐定，並設有酌情花紅及退休福利計劃以及購股權與所需培訓。年內僱員總成本約為4,880,000港元（二零零五年：11,470,000港元）。

Management Discussion and Analysis 管理階層討論與分析

The share option scheme continues to play an important role in the motivation and retention of quality employees.

購股權計劃繼續為激勵及留聘優質僱員之重要措施。

ACQUISITION OF AND IMPAIRMENT ON DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

The Group had planned to expand and develop its manufacturing capacity by setting up additional and new production lines. During the year 2004, the Group has entered into three major contracts for the purchases of machineries of adjusted total contracts amount HK\$80,990,000. Deposits HK\$67,105,000 were paid and included in the balance sheet as at 31st March, 2004 in respect of the three contracts.

購買物業、廠房及設備及其訂金減值

本集團曾計劃增加生產線及設立新生產線擴充及發展其產能。於二零零四年，本集團就購置機器訂立三份重大合約，經調整之合約總額為80,990,000港元。就該三份合約已支付訂金67,105,000港元，已計入於二零零四年三月三十一日之資產負債表內。

The Group further entered into a contract in July 2004 of amount approximately HK\$21,493,000 and paid HK\$7,965,000 as deposit in August, 2004 for the contract for the purchases of machineries which are complementary to the previous contract for the automobile HID xenon lamp production line.

本集團於二零零四年七月就採購機器進一步訂立金額約21,493,000港元之合約，並已於二零零四年八月支付7,965,000港元按金，該等機器設備與有關汽車用高壓氣體放電氙燈生產線之前一份合約相配合。

The machineries to be acquired by the Group will enable the Group to (1) expand the production capacity of its existing induction lamp production line; (2) expand its product line to include microwave sulphur lamps (a new and innovative type of mercury-free environmental friendly and energy-saving light source products); and (3) expand its product line to include automobile high intensity discharge ("HID") xenon lamps (a popular type of car headlamps in developed countries including European Union and Japan). The machineries are relevant to the section "Expansion of manufacturing capacity and capability" under the heading "BUSINESS OBJECTIVES AND IMPLEMENTATION PLANS" of the Company's Prospectus dated 19th July, 2002.

本集團將予購置之機器將致令本集團(1)擴充其現有無極螢光燈生產線之生產能力；(2)擴展產品系列至涵蓋微波硫燈（該產品為創新的無汞環保及節能光源產品）；及(3)將產品系列擴展至涵蓋汽車用高壓氣體放電氙燈（一種於歐盟及日本等已發展國家深受歡迎之車頭燈）。該等機器與本公司所刊發日期為二零零二年七月十九日之招股章程「業務宗旨及實施計劃」一節「壯大製造產量及生產力」一節所載內容相關。

The machineries for the induction lamp production line contract amount of HK\$21,000,000 have been delivered respectively in April and May, 2004 and the contract is completed.

涉及21,000,000港元之無極螢光燈生產線合約的機器已分別於二零零四年四月及五月付運，而有關合約已完成。

The microwave sulphur lamp production line contract amount of HK\$20,180,000 and of deposit paid amount of HK\$9,880,000 have been delayed and deferred for 21 months pursuant to a supplementary agreement dated on 31st October, 2005 and signed between the parties.

涉及20,180,000港元並已支付訂金9,880,000港元之微波硫燈生產線合約，已根據訂約各方所簽訂日期為二零零五年十月三十一日之補充協議押後及推遲21個月。

For the automobile HID xenon lamp production line contract amount of HK\$39,810,000 (the "first xenon lamp contract") and of deposit paid in March, 2004 amount of HK\$38,865,000, delivery should be effected within eighteen month commencing from the date of deposit payment according to the terms of the first xenon lamp contract. The Group has signed a supplementary agreement with the machinery vendor to extend the delivery schedule for twelve months in order to match with availability of suitable and experienced engineers yet to be recruited by the Group.

涉及39,810,000港元且已於二零零四年三月支付訂金38,865,000港元之汽車用高壓氣體放電氙燈生產線合約（「第一份氙燈合約」）方面，根據第一份氙燈合約條款，須於支付訂金日期起計十八個月內付運。為配合本集團將聘請之富經驗合適工程師之應聘時間，本集團已與該機器供應商簽訂補充協議，押後付運時間表十二個月。

Management Discussion and Analysis 管理階層討論與分析

For the other HID xenon lamp production line contract amount of HK\$21,493,000 (the “complementary xenon lamp contract”) and of first deposit paid amount of HK\$7,965,000 in May, 2004, the second deposit payment should be effected on or before 30th September, 2004 and delivery should be effected within eighteen months commencing from the date of the first deposit payment according to the terms of the complementary xenon lamp contract. Neither the second deposit payment nor the delivery has been effected pursuant to machineries delivery extension of the first xenon lamp contract. The Group has signed a supplementary agreement with the machinery vendor to extend the second and following deposit payments for twenty four months and delivery will be effected after eighteen months of the second deposit payment.

However, the expansion and development of manufacturing capacity plans were disrupted and delayed since trading in the shares of the Company is suspended on the Stock Exchanges and, in particular, the CCB Event. In view of expected and possible technical obsolescence for the microwave sulphur lamp and the HID xenon lamp production lines, the Group has requested, negotiated with and sought concession of the machinery vendors to rescind the contracts and to refund deposits already paid for the contracts.

The Group and the microwave sulphur lamp machinery vendor have agreed and in June, 2006 signed agreement:

1. to rescind the contract;
2. the machinery vendor will refund HK\$957,000 and will forfeit HK\$5,423,000 from the balance amount HK\$6,380,000 of deposit paid by the Group; and
3. should the Group place new order to the machinery vendor within twelve months from the date of the agreement, the Group is entitled to apply the amount HK\$5,423,000 of deposit being forfeited as for payment of the new order.

涉及21,493,000港元之其他汽車用高壓氣體放電氙燈生產線合約（「補充氙燈合約」）的第一期訂金7,965,000港元已於二零零四年五月支付，而第二期訂金則須於二零零四年九月三十日或之前支付。根據補充氙燈合約條款，須於支付第一期訂金日期起計十八個月內付運。由於第一份氙燈合約之機器押後付運，故第二期訂金尚未支付，而機器亦尚未付運。本集團已與該機器供應商簽訂補充協議，以押後第二期及其後訂金付款二十四個月，而機器將於支付第二期訂金起計十八個月後付運。

但由於公司的股票在聯交所暫停買賣及特別有關商業罪案調查科事件，使擴充及發展產能的計劃受到擾亂及延遲。由於預期微波硫燈生產線和氙燈生產線的技術行將過時，本集團曾與機器供應商商討，要求他們就有關合約作出讓步，答允取消合約並發還已支付之合約訂金。

本集團與微波硫燈機器供應商已達成協議及已在二零零六年六月簽訂合同：

1. 取消有關合約；
2. 機器供應商將在已支付的6,380,000港元訂金中沒收5,423,000港元，並退還餘下的957,000港元；及
3. 若本集團於十二個月內下新訂單，本集團有權將被沒收的5,423,000港元訂金用作支付新訂單之款項。

Management Discussion and Analysis 管理階層討論與分析

The Group and the HID xenon lamp machinery vendor, subject to signature and other further terms of an agreement, have in May, 2006, in principle, agreed:

1. to rescind the two contracts;
2. the machinery vendor will refund HK\$9,366,000 and will forfeit HK\$37,464,000 from the total amount HK\$46,830,000 of deposits paid by the Group; and
3. should the Group place new order to the machinery vendor within the period which is yet to be stipulated, the Group is entitled to apply the amount HK\$37,464,000 of deposit being forfeited as for payment of the new order.

PROSPECTS

Given the increasing awareness in environmental protection in the lighting industry, the Group is confident that customers will continue to replace the traditional light source products with the Group's products owing to longer life hours and higher energy efficiency.

The Group will continue to pursue and focus on its core business of being a provider of good quality light source products and will use its best endeavor to maximize return to its shareholders in the years ahead.

The Group experienced the worst situation since its establishment. The management expects a positive development and prospect in the future.

取決於合同進一步條款，在二零零六年五月本集團與氙燈機器供應商簽署及其原則上同意：

1. 取消有關兩份合約；
2. 機器供應商將在已支付的46,830,000港元訂金中沒收37,464,000港元，並退還餘下的9,366,000港元；及
3. 若本集團於擬訂之時間內下新訂單，本集團有權將被沒收的37,464,000港元訂金用作支付新訂單之款項。

展望

隨著照明業日漸關注環境保護，本集團有信心，客戶將繼續使用本集團壽命較長且具更高能源效益之產品，取代傳統光源產品。

本集團將繼續致力專注發展其作為優質光源產品供應商之核心業務，並將於未來數年盡最大努力提高股東回報。

本集團經歷了自其成立以來之最壞情況，管理層預期未來發展前景樂觀。

Profiles of Directors and Senior Management 董事及高級管理層資料

DIRECTORS

Executive Directors

Mr. CHU Chien Tung, aged 53, is the chairman and the chief executive officer of the Company. He is a member of Political Consultative Conference of Henan Province, Vice-Chairman of Putian Overseas Chinese Association. He was awarded "The Outstanding Entrepreneur" in Fujian Xianyou County. He was appointed as a director of the Company on 19th December, 2001. He is currently a part-time professor of the Faculty of Light Sources and Illuminating Engineering in Fudan University. Since the establishment of Tungda Industrial Limited in 1984, Mr. Chu has participated in manufacturing, trading and sales of lighting sources products. Mr. Chu is the founder of Tungda Industrial Limited in 1984.

Mr. CHU Chick Kei, aged 48, is the vice chairman and deputy chief executive officer of the Company. He was appointed as a director of the Company on 19th December, 2001. He joined Tungda Industrial Limited in August 1986 and has been engaged in manufacturing, trading, sales, management and administration. He is the brother of Mr. Chu Chien Tung.

Mr. CHU Sen Hei, aged 26, is a director and the son of Mr. Chu Chien Tung. He was appointed as a director of the Company on 10th April, 2002. He joined Tungda Industrial Limited in April 2000 and is responsible for technical development of lighting sources, sales for overseas market and administration.

Non-Executive Director

Dr. FUNG Shiu Lun, Anthony, aged 45, is a non-executive director of the Company. He was appointed as a director of the Company on 1st June, 2004. Dr. Fung graduated from Massachusetts Institute of Technology with dual Bachelor of Science degrees in Chemical Engineering and Chemistry, and a Master degree in Chemical Engineering Practice. He also holds a Master degree in Business Administration from The Wharton Business School of University of Pennsylvania and a Doctoral in Philosophy degree in Chemical Engineering from the University of Delaware of the United States ("US").

Dr. Fung is currently the General Manager of a private investment firm focusing on healthcare industry in the People's Republic of China. Previously, Dr. Fung has extensive management consultancy experience in financial services, manufacturing, and energy sectors in Asia and US. He is the holder of 15 US patents on the development of new catalytic materials and their related petrochemical and refining processes.

董事

執行董事

朱展東先生，53歲，本公司主席兼行政總裁，河南省政協委員、莆田市僑聯副主席，在福建仙游縣曾被評為優秀企業家，於二零零一年十二月十九日獲委任為本公司董事。朱先生現為復旦大學光源與照明工程系兼職教授。自東大工業（集團）有限公司於一九八四年成立以來，朱先生一直參與光源產品製造、貿易及銷售工作。朱先生於一九八四年創辦東大工業（集團）有限公司。

朱植杞先生，48歲，本公司副主席兼副行政總裁，於二零零一年十二月十九日獲委任為本公司董事。彼於一九八六年八月加入東大工業（集團）有限公司，參與製造、貿易、銷售、管理及行政等範疇業務。彼為朱展東先生之胞弟。

朱晨曦先生，26歲，董事，為朱展東先生的兒子，於二零零二年四月十日獲委任為本公司董事。彼於二零零零年四月加入東大工業（集團）有限公司，負責光源技術發展、海外市場銷售及行政事宜。

非執行董事

馮兆麟博士，45歲，本公司非執行董事，於二零零四年六月一日獲委任為本公司董事。馮博士畢業於麻省理工學院，先後獲得化學工程和化學理學士學位，以及化學工程碩士學位。其後，彼在賓夕法尼亞州大學沃頓商學院(Wharton Business School)取得工商管理碩士學位，並在美國達拉華州大學取得化學工程博士學位。

馮博士現為一家私人投資公司之總經理，該公司致力投資中華人民共和國之醫療服務行業。在加入該公司之前，彼在亞洲及美國之金融服務、製造及能源業積累豐富之管理及顧問經驗。馮博士持有15項有關新型催化材料及相關石油化工和石油精煉流程之美國專利。

Profiles of Directors and Senior Management 董事及高級管理層資料

Independent Non-executive Directors

Mr. ZHU Lei Bo, aged 43, is an independent non-executive director of the Company. He was appointed as a director of the Company on 30th September, 2003. Mr. Zhu graduated from Shanghai Institute of Building Materials, Renmin University of China and Tongji University in the People's Republic of China ("PRC"). He is also a deputy director of Glass Sub-committee of The Chinese Ceramic Society and fellow of Coating Sub-committee of China Architectural and Industrial Glass Association. Mr. Zhu is currently the General Manager of China Luoyang Float Glass Group Company Limited, a company established in the PRC and has extensive experience in production, coordination and technology management.

Mr. HONG Yong Hwan, aged 48, is an independent non-executive director of the Company. He was appointed as a director of the Company on 18th September, 2003. Mr. Hong graduated from National Taiwan Normal University and Korea University. He was presently an executive director of a retailing and trading firm in the People's Republic of China.

Senior Management

Mr. ZHU Qing Chun, aged 38, is the deputy general manager of Light Power and Tungda Fujian. He graduated from Xiamen University in 1990 with a bachelor's degree in Economics. Prior to joining the Group in June 2000, he was a deputy general manager of Shanghai Chientung Industrial Limited, a trading company based in Shanghai, the PRC.

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

Mr. WONG Yiu Hung, aged 50, is the Qualified Accountant and Company Secretary of the Group. Mr. Wong joined the Group in June 2004 and is responsible for accounting and company secretarial functions of the Group. He has over 15 years of experience in auditing, accounting and financial management. He is a member of the Chartered Institute of Management Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Wong holds a Bachelor's degree in Social Science from the Chinese University of Hong Kong.

獨立非執行董事

朱雷波先生，43歲，本公司獨立非執行董事，於二零零三年九月三十日獲委任為本公司董事。朱先生畢業於中華人民共和國（「中國」）上海建材學院、中國人民大學及上海同濟大學。彼亦為中國硅酸鹽學會玻璃專業委員會副理事長及中國建築玻璃與工業玻璃協會鍍膜專業委員會主任委員。彼現為於中國成立之中國洛陽浮法玻璃集團有限責任公司總經理，於生產、統籌及技術管理方面擁有廣泛經驗。

洪庸院先生，48歲，本公司獨立非執行董事，於二零零三年九月十八日獲委任為本公司董事。洪先生畢業於國立台灣師範大學及高麗大學，現於中華人民共和國一家零售及貿易公司出任執行董事。

高級管理層

朱慶椿先生，38歲，為光之力及東大福建副總經理。彼於一九九零年在廈門大學畢業，取得經濟學學士學位。彼於二零零零年六月加入本集團前，為中國上海貿易公司上海展東實業有限公司副總經理。

合資格會計師兼公司秘書

黃耀雄先生，50歲，本集團合資格會計師兼公司秘書。黃先生於二零零四年六月加入本集團，負責本集團會計及公司秘書工作。彼於核數、會計及財務管理方面擁有逾15年經驗。彼為英國特許管理會計師公會及香港會計師公會會員，持有香港中文大學社會科學學士學位。

Corporate Governance Report 企業管治報告

The Stock Exchange of Hong Kong Limited ("the Stock Exchange") has promulgated the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 15 to the GEM Listing Rules which sets out corporate governance principles (the "Principles") and code provisions (the "Code Provisions").

The Company has applied most of the Principles and complied with most of the Code Provisions as far as possible and practicable except for:

- (1) the Code Provision A.2.1 which requires the separation of the roles of Chairman and Chief Executive Officer; and
- (2) the Code Provision B.1.1 which requires the establishment of a remuneration committee with specific written terms of reference.

An explanation of the deviations is set out at below. The Company will review its current practice of the Principles and Code Provisions in order to comply with the requirements of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has complied with the requirements of director's securities transaction stated in the GEM Listing Rules. All the directors of the Company have confirmed that they have complied with the requirements as set out in the GEM Listing Rules for the year ended 31st March, 2006.

BOARD OF DIRECTORS AND BOARD MEETING

The Board comprises of six members and their positions are as follows:

Executive Directors

Mr. CHU Chien Tung
Mr. CHU Chick Kei
Mr. CHU Sen Hei

Non-executive Director

Dr. FUNG Shiu Lun, Anthony

Independent non-executive Directors

Mr. HONG Yong Hwan
Mr. ZHU Lei Bo

Profiles of Directors are set out on page 13 to 14 of this annual report for the year ended 31st March, 2006.

The Directors, with relevant and sufficient experience and qualification have exercised due care, fiduciary duties to the significant issues of the Company and its subsidiaries (the "Group"). Mr. CHU Chien Tung is the brother of Mr. CHU Chick Kei and the father of Mr. CHU Sen Hei. All other directors have no relation to each other or all Directors have no business relation with the Group.

香港聯合交易所有限公司(「聯交所」)頒佈香港聯合交易所有限公司創業板證券上市規則(「創業板上市規則」)附錄15所載企業管治常規守則(「企業管治守則」),載列上市發行人應當遵守及符合之企業管治原則(「原則」)及守則條文(「守則條文」)。

本公司已應用企業管治守則所載原則,且除下述者外,已遵守大部分守則條文:

- (1) 守則條文第A.2.1條,該條規定主席及行政總裁職務須予區分;
- (2) 守則條文第B.1.1條,該條規定須成立薪酬委員會,並書面列明具體職權範圍。

上述偏離守則條文之詳情說明如下。本公司定期檢討其原則及守則條文以祈符合企業管治守則之規定。

董事之證券交易

本公司已遵守創業板上市規則所述董事之證券交易規定。本公司所有董事確認,彼等於截至二零零六年三月三十一日止年度已遵守創業板上市規則所載之規定。

董事會及董事會會議

董事會由六位董事組成,其成員及職位如下:

執行董事

朱展東先生
朱植杞先生
朱晨曦先生

非執行董事

馮兆麟博士

獨立非執行董事

洪庸皖先生
朱雷波先生

有關董事之背景及履歷詳情載於本二零零六年三月三十一日止年度年報第13頁至第14頁內。

全體董事均積累足夠且相關之經驗及資歷以應有的謹慎關注本公司及其附屬公司(統稱「本集團」)之重要問題。朱展東先生為朱植杞先生之胞兄和朱晨曦先生之父親。於此以外董事會其他成員與其他董事彼此之間概無關連,且所有董事與本集團亦無生意往來關係。

Corporate Governance Report 企業管治報告

The Directors held four meetings and the attendance of the Directors for the financial year ended 31st March, 2006 is as follows:

董事會於二零零六年三月三十一日止財政年度曾召開四次會議。有關董事會成員之出席次數詳情如下：

Name of Director	Attendance	董事名稱	出席次數
Mr. CHU Chien Tung	4/4	朱展東先生	4/4
Mr. CHU Chick Kei	2/4	朱植杞先生	2/4
Mr. CHU Sen Hei	2/4	朱晨曦先生	2/4
Dr. FUNG Shiu Lun, Anthony	1/4	馮兆麟博士	1/4
Mr. HONG Yong Hwan	4/4	洪庸皖先生	4/4
Mr. ZHU Lei Bo	4/4	朱雷波先生	4/4

The Board also approved matters by resolution in writing. Information of material issues, due notice of meeting and minutes of each directors' meeting have been sent to each of the Directors for their information, comment and review.

董事會並以書面批准議決事項。有關重要事項資料、會議通告及各董事會會議之會議記錄已曾發送至各董事予以知照、評議及審閱。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

主席及行政總裁

守則條文第A.2.1條規定，主席及行政總裁之職務須予區分，且不應由同一人士出任。

The Company does not have an officer with the title of "Chief Executive Officer". Mr. CHU Chien Tung is responsible for the management of the Board and strategic development of the Group. Mr. CHU Chick Kei and Mr. CHU Sen Hei respectively are responsible for the day to day management of The Company. Mr. CHU Chien Tung is also responsible for the overall management of and decision of the Group. This constitutes a deviation of the Code Provision of A.2.1. As Mr. CHU Chien Tung has extensive experience in the industry, the Board considers that the arrangement is beneficial to the Group as a whole. Despite the aforesaid, the Board will review such arrangement from time to time and consider the appointment of a Chief Executive Officer in the best interest of the Company and its shareholders.

本公司並無以「行政總裁」為職銜之高級職員。朱展東先生負責董事會之管理和公司的發展策略。朱植杞先生與朱晨曦先生分別負責公司業務之日常管理。朱展東先生亦負責本集團的整體管理和決策。此舉有所偏離守則條文第A.2.1條之規定。由於朱展東先生擁有豐富業內經驗，故董事會仍認為此安排有利於本集團之運作。儘管上述情況，董事會將不時檢討有關安排，並於符合本公司及其股東最佳利益時考慮委任行政總裁。

NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The Non-executive Director and Independent Non-executive Directors are subject to retirement by rotation and re-election at the next Annual General Meeting and no contract is currently in force with them.

非執行董事及獨立非執行董事

非執行董事及獨立非執行董事須輪值告退並於下次股東週年大會上重選連任，現並無與本公司訂立合約。

The relevant retiring Director has offered himself for election at the forthcoming Annual General Meeting.

有關退任之董事將於下次股東週年大會上膺選連任。

REMUNERATION COMMITTEE

The Company has not established a remuneration committee, the Board of the Directors is authorized by the Shareholders at Annual General Meeting to fix the remuneration of the Directors whereas a Director shall abstain from voting in respect of any remuneration and fees paid to his interest. The Company will arrange for the setting up of a remuneration committee in order to comply with the Code Provision.

AUDIT COMMITTEE

The Audit Committee's principal duties are the review and supervision of the Company's financial reporting process and internal control system. The existing Audit Committee comprises only of two Independent Non-executive Directors and is not in compliance with Rule 5.28 of the GEM Listing Rules which requires, among others, the audit committees must comprise a minimum of 3 members.

The Company will arrange to appoint at least 3 Audit Committee members in order to comply with the relevant requirement of the GEM Listing Rules.

NOMINATION COMMITTEE

Nomination committee of the Company is not considered necessary after the assessment of the present situation of the Company. The Board will review the profile of the current Directors and nominate directors (if any) on a regular basis in order to ensure that the composition of the Board is capable to fulfill its obligation and responsibility.

PREPARATION OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing of audited consolidated financial statements of the Group and the auditors of the Company also set out their responsibilities in its Report of the Auditors in the Annual Report of the Company for the year ended 31st March, 2006.

薪酬委員會

本公司並無成立薪酬委員會，股東於週年大會中授權董事會負責釐定酬金，然而該董事須放棄就應付予彼之薪金及費用數額中投票。本公司會籌組成立薪酬委員會以合乎守則條文之規定。

審核委員會

審核委員會之主要職責為審閱及監察本公司財務申報程序及內部監控系統。現行審核委員會只由兩名獨立非執行董事組成，並不合乎創業版上市規則條文5.28其中對審核委員會至少要有三名成員的要求。

本公司將安排委任最少三名審核委員會成員以合乎創業版上市規則有關之要求。

提名委員會

本公司對目前之情況作出評估後認為無需成立提名委員會。董事會將會定期審閱現在董事及已獲提名董事（如有）之履歷，以確保董事會之組成足以履行其本身之責任，並對本公司負責。

編製財務報表

董事承認其編製本集團經審核綜合財務報表之責任，本公司核數師就其申報責任已載於二零零六年三月三十一日止年度年報內之核數師報告。

Report of the Directors 董事會報告

The directors present their annual report and the audited financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31st March, 2006.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 13 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2006 are set out in the consolidated income statement on page 28 of the annual report.

The directors do not recommend the payment of any dividend in respect of the year ended 31st March, 2006.

FINANCIAL SUMMARY

A summary of the results of the Group for each of the five years ended 31st March, 2006 is set out on page 4 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the Group's property, plant and equipment are set out in note 11 to the financial statements.

SHARE CAPITAL

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

There was no movement in the Company's authorised or issued share capital during the year. Further details in relation to the authorised and issued share capital of the Company are set out in note 20 to the financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors:

Mr. Chu Chien Tung (*Chairman*)
Mr. Chu Chick Kei
Mr. Chu Sen Hei

Non-executive Director:

Dr. Fung Shiu Lun, Anthony

Independent non-executive Directors:

Mr. Hong Yong Hwan
Mr. Zhu Lei Bo

董事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年度報告及經審核財務報表。

主要業務

本公司為投資控股公司，其附屬公司之主要業務載於財務報表附註13。

業績及分配

本集團截至二零零六年三月三十一日止年度之業績載於年報第28頁之綜合收入報表內。

董事不建議就截至二零零六年三月三十一日止年度派付任何股息。

財務概要

本集團截至二零零六年三月三十一日止五個年度各年之業績概要載於年報第4頁。

物業、廠房及設備

本集團年內之物業、廠房及設備變動詳情載於財務報表附註11。

股本

年內，本公司或其任何附屬公司均無購買、出售或贖回任何本公司上市證券。

年內，本公司法定或已發行股本概無任何變動。有關本公司已發行法定股本之進一步詳情載於財務報表附註20。

董事及董事服務合約

本公司年內及截至本報告日期之董事如下：

執行董事：

朱展東先生（主席）
朱植杞先生
朱晨曦先生

非執行董事：

馮兆麟博士

獨立非執行董事：

洪庸院先生
朱雷波先生

Report of the Directors 董事會報告

In accordance with the Articles 86 and 87 of the Company's Articles of Association, Mr. Hong Yong Hwan and Mr. Zhu Lei Bo, shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Each of Messrs. Chu Chien Tung, Chu Chick Kei and Chu Sen Hei has entered into a service contract with the Company. Particulars of these contracts, except as indicated, are in all material respects identical and are set out below:

1. each service contract of Messrs. Chu Chien Tung, Chu Chick Kei and Chu Sen Hei is of two years duration commenced on 1st August, 2004 until terminated by either party giving to the other not less than three months' prior written notice or payment of salary in lieu thereof, such notice to expire upon the initial term of two years;
2. each of Messrs. Chu Chien Tung, Chu Chick Kei and Chu Sen Hei is entitled to a monthly salary plus a double pay equivalent to one month's salary;
3. each of Messrs. Chu Chien Tung, Chu Chick Kei and Chu Sen Hei is entitled to such management bonus by reference to the consolidated net profits of the Group after taxation and extraordinary items ("Net Profits") as the board of directors may approve provided that the aggregate amount of management bonuses payable to all executive directors in respect of any financial year of the Group shall not exceed 20% of the Net Profits for the relevant financial year; and
4. each of Messrs. Chu Chien Tung, Chu Chick Kei and Chu Sen Hei shall abstain from voting and not be counted in the quorum in respect of any resolution of the board of directors regarding the amount of annual salary and management bonus payable to himself.

Dr. Fung Shiu Lun, Anthony has entered into a service contract with the Company. Particulars of the contract are set out below:

1. the service contract of Dr. Fung Shiu Lun, Anthony is of initial fixed term of one year commenced on 1st June, 2004 which appointment shall continue after the expiry of the initial fixed term and either party may terminate the appointment by giving the other party at least one month's notice in writing expiring not earlier than the initial fixed term of one year; and
2. Dr. Fung Shiu Lun, Anthony is entitled to a monthly salary.

根據本公司之公司組織章程細則第86及87條，洪庸院先生及朱雷波先生須於應屆股東週年大會輪值告退，並符合資格且願意膺選連任。

朱展東先生、朱植杞先生及朱晨曦先生已各自與本公司訂立服務合約。除另有指明者外，該等合約之詳情於各重大方面均相同，載列如下：

1. 朱展東先生、朱植杞先生及朱晨曦先生各自之服務合約於二零零四年八月一日開始，為期兩年，直至其中一方向對方發出不少於三個月之事先書面通知或以支付酬金代替為止，而該通知於初步兩年期後屆滿；
2. 朱展東先生、朱植杞先生及朱晨曦先生各自有權獲取月薪，另加相當於一個月薪金之雙糧；
3. 朱展東先生、朱植杞先生及朱晨曦先生均有權收取管理花紅，該花紅乃參考董事會可能批准之本集團除稅及非經常項目後之綜合純利（「純利」）計算，惟本集團於任何財政年度應付予全體執行董事之管理花紅總額，不得超過有關財政年度純利20%；及
4. 朱展東先生、朱植杞先生及朱晨曦先生，均須放棄就應付予彼等之年薪及管理花紅數額的任何董事會決議案投票，且不得計入法定人數內。

馮兆麟博士已與本公司訂立服務合約。合約詳情載列如下：

1. 馮兆麟博士之服務合約於二零零四年六月一日開始，初步固定任期為一年，於初步固定任期屆滿後將會續任，直至其中一方向對方發出不少於一個月之書面通知終止為止，而有關委任將不早於初步固定任期一年內屆滿；及
2. 馮兆麟博士有權獲取月薪。

Report of the Directors 董事會報告

Save as disclosed above, none of the independent non-executive directors and the non-executive director has entered into any service contract with the Group.

除上文披露者外，概無獨立非執行董事及非執行董事與本集團訂有任何服務合約。

Save as disclosed herein, none of the directors has entered into any service agreements with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

除本報告披露者外，概無董事與本公司或其任何附屬公司訂有任何本集團不可於一年內終止而毋須作出賠償（法定賠償除外）之服務協議。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31st March, 2006, the interests of the directors and the chief executives of the Company and their associates in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the Rules Governing the Listing of Securities on Growth Enterprise Market of the Stock Exchange ("GEM Listing Rules") relating to securities transactions by directors, were as follows:

董事於股份及相關股份之權益及淡倉

於二零零六年三月三十一日，本公司董事及行政總裁及彼等之聯繫人士，於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及香港聯合交易所有限公司（「聯交所」）之權益（包括根據證券及期貨條例有關條文彼等被視作或當作擁有之權益或淡倉），及須記錄於本公司根據證券及期貨條例第352條存置之登記冊之權益，或根據聯交所創業板證券上市規則（「創業板上市規則」）第5.46條有關董事進行證券交易之規定已知會本公司及聯交所之權益如下：

Long positions

(a) Ordinary shares of HK\$0.01 each of the Company and underlying shares

好倉

(a) 本公司每股面值0.01港元之普通股及相關股份

Name of director 董事姓名	Capacity 身分	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Mr. Chu Chien Tung 朱展東先生	Held by controlled corporation (Note) 由受控法團持有（附註）	560,000,000	50.7%

Note:

These shares were held indirectly by Tungda Industrial Limited ("Tungda Industrial") through its beneficial interest in the entire issued share capital of Standard Exceed Limited. Messrs. Chu Chien Tung, Chu Chick Kei and Chu Siu Chun (father of Messrs. Chu Chien Tung and Chu Chick Kei) jointly hold the entire issued share capital of Tungda Industrial.

附註：

該等股份由東大工業（集團）有限公司（「東大工業（集團）」）透過其於Standard Exceed Limited全部已發行股本之實益權益間接持有，朱展東先生、朱植杞先生及朱紹進先生（朱展東先生及朱植杞先生之父親）共同持有東大工業（集團）全部已發行股本。

(b) Share options

Name of directors 董事姓名	Capacity 身分	Number of options held 所持購股權數目	Number of underlying shares 相關股份數目
Mr. Chu Chien Tung 朱展東先生	Beneficial owner 實益擁有人	1,054,944	1,054,944
Mr. Chu Chick Kei 朱植杞先生	Beneficial owner 實益擁有人	1,054,944	1,054,944
Mr. Chu Sen Hei 朱晨曦先生	Beneficial owner 實益擁有人	10,549,440	10,549,440

Other than as disclosed above, none of the directors and chief executives of the Company and their associates has any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations at 31st March, 2006.

SHARE OPTIONS

Pursuant to the Company's share option scheme adopted on 12th July, 2002, the board of directors may grant share options to any directors, full time and part time employees of the Group and the consultant or adviser of the Group. Details of the Company's share option scheme are set out in note 21 to the financial statements.

No share option is granted or exercised during the year.

(b) 購股權

除上文披露者外，於二零零六年三月三十一日，本公司董事及行政總裁及彼等之聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

購股權

根據本公司於二零零二年七月十二日採納之購股權計劃，董事會可向本集團任何董事、全職及兼職僱員以及本集團諮詢顧問或顧問授出購股權。本公司購股權計劃詳情載於財務報表附註21。

年內並無任何購股權獲授出或獲行使。

Report of the Directors 董事會報告

A summary of the movements in the Company's share options during the year is as follows: 本公司購股權於年內之變動概述如下：

					Number of share options 購股權數目		
			Exercise price per share 每股股份 行使價 HK\$ 港元	Closing price at the date of grant 於授出日期 之收市價 HK\$ 港元	At 31st March, 2005 於二零零五年 三月三十一日	Granted or exercised during the year 年內授出或行使	At 31st March, 2006 於二零零六年 三月三十一日
Directors 董事							
Mr. Chu Chien Tung 朱展東先生	21st November, 2003 二零零三年十一月二十一日	29th November, 2003 – 28th November, 2013 二零零三年十一月二十九日至 二零一三年十一月二十八日	0.452	0.440	1,054,944	–	1,054,944
Mr. Chu Chick Kei 朱植杞先生	21st November, 2003 二零零三年十一月二十一日	29th November, 2003 – 28th November, 2013 二零零三年十一月二十九日至 二零一三年十一月二十八日	0.452	0.440	1,054,944	–	1,054,944
Mr. Chu Sen Hei 朱晨曦先生	21st November, 2003 二零零三年十一月二十一日	29th November, 2003 – 28th November, 2013 二零零三年十一月二十九日至 二零一三年十一月二十八日	0.452	0.440	10,549,440	–	10,549,440
Sub-total 小計					12,659,328	–	12,659,328
Employees 僱員							
	3rd October, 2003 二零零三年十月三日	22nd October, 2003 – 21st October, 2013 二零零三年十月二十二日至 二零一三年十月二十一日	0.345	0.345	33,140,672	–	33,140,672
Total 總計					45,800,000	–	45,800,000

Report of the Directors 董事會報告

The directors consider that it is not appropriate to value the share options on the ground that certain crucial factors for such valuation are variables which cannot be reasonably and objectively determined. Any such valuation of the share options based on speculative assumptions in respect of such variables would not be meaningful and the results thereof may be misleading to the shareholders of the Company.

The financial impact of share options granted is not recorded in the balance sheet of the Company until such time as the options are exercised, and no charge is recognised in the income statement in respect of the value of options granted, if any, in the year. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapse or are cancelled are deleted from the register of outstanding options.

Save as disclosed herein, none of the directors and chief executives and their associates has any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the SFO) as recorded in the register to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed above, at no time during the year was the Company, its holding companies, fellow subsidiaries or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. None of the directors of the Company, or their spouses or children under 18 years of age, had any rights to subscribe for the shares of the Company, or had exercised any such right during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTIONS

During the year, the Group paid rental amounting to HK\$108,000 to Tungda Industrial. Details of such transactions are set out in note 24 to the financial statements.

Save as disclosed above, no contracts of significance to which the Company, its holding companies, fellow subsidiaries or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at end of the year or at any time during the year.

董事認為，由於該項估值之若干重要因素含有無法合理及客觀釐定之變數，故評估購股權價值乃不恰當做法。任何基於該等變數所作推測假設而評估購股權價值之意義不大，而當中結果或會誤導本公司股東。

授出購股權之財務影響並無記錄於本公司資產負債表，直至該等購股權獲行使為止，而收入報表亦無就年內授出購股權（如有）價值確認開支。行使購股權時，本公司將按股份面值，將所發行股份記錄為額外股本，而本公司亦將每股股份之行使價與股份面值之差額記錄於股份溢價賬。失效或註銷之購股權自發行在外購股權登記冊中刪除。

除本公佈披露者外，董事及行政總裁及彼等之聯繫人士概無於本公司或任何相聯法團（定義見證券及期貨條例）之任何股份、相關股份及債券中，擁有任何根據證券及期貨條例第352條須予存置之登記冊所記錄之權益或淡倉，或根據創業板上市規則第5.46條規定已知會本公司及聯交所之權益或淡倉。

購買股份或債券之安排

除上文披露之購股權外，本公司、其控股公司、同系附屬公司或其任何附屬公司於年內任何時間概無訂立任何安排，致使本公司董事可透過購入本公司或任何其他法人團體之股份或債券而獲益。本公司董事或彼等之配偶或18歲以下子女亦無擁有或已於年內行使可認購本公司股份的任何權利。

董事於重大合約中之權益及關連交易

年內，本集團向東大工業（集團）支付租金108,000港元。有關交易詳情載於財務報表附註24。

除上文披露者外，本公司、其控股公司、同系附屬公司或其任何附屬公司概無訂立任何於年終或年內任何時間生效而本公司董事於當中直接或間接擁有重大權益之重大合約。

SUBSTANTIAL SHAREHOLDERS

At 31st March, 2006, the following substantial shareholders (other than a director or chief executive of the Company) who have interests or short positions in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

主要股東

根據本公司按證券及期貨條例第336條存置的登記冊所記錄，於二零零六年三月三十一日，除本公司董事或行政總裁外，以下主要股東於股份及相關股份中擁有權益或淡倉：

Name of shareholders	股東姓名／名稱	Number of issued ordinary shares held in the Company 於本公司所持已發行普通股數目	Approximate percentage 概約股權百分比
Standard Exceed Limited (Note 1)	Standard Exceed Limited (附註1)	560,000,000	50.7%
Tungda Industrial Limited (Note 1)	東大工業(集團)有限公司(附註1)	560,000,000	50.7%
Mr. Chu Chien Tung (Note 2)	朱展東先生(附註2)	560,000,000	50.7%
Ms. Chan Pik Kam (Note 3)	陳碧琴女士(附註3)		

Notes:

附註:

- Standard Exceed Limited is wholly and beneficially-owned by Tungda Industrial which in turn is beneficially-owned as to 33.33334% by Mr. Chu Chien Tung, 33.33333% by Mr. Chu Chick Kei and 33.33333% by Mr. Chu Siu Chun. Mr. Chu Siu Chun has no management role in the Group.
- Under Section 336 of the SFO, Mr. Chu Chien Tung is deemed to have interests in all the shares of the Company which Tungda Industrial has interests as he is entitled to exercise more than one-third of the voting power at general meeting of Tungda Industrial. The other two shareholders of Tungda Industrial, namely Messrs. Chu Chick Kei and Chu Siu Chun, are not so deemed as they are not entitled to exercise more than one-third of the voting power at general meetings of Tungda Industrial.
- Ms. Chan Pik Kam is the wife of Mr. Chu Chien Tung. Under Section 336 of the SFO, she is deemed to have interest in all the shares in which Mr. Chu Chien Tung is interested.

- Standard Exceed Limited 乃由東大工業(集團)全資實益擁有，而東大工業(集團)則由朱展東先生、朱植杞先生及朱紹進先生分別實益擁有33.33334%、33.33333%及33.33333%權益。朱紹進先生於本集團並無管理職務。
- 根據證券及期貨條例第336條，基於朱展東先生有權於東大工業(集團)的股東大會上行使超過三分之一的投票權，彼因而被視作於東大工業(集團)擁有權益的所有本公司股份中擁有權益。基於東大工業(集團)另外兩名股東朱植杞先生及朱紹進先生無權於東大工業(集團)股東大會上行使超過三分之一的投票權，故彼等被視為並無擁有該等權益。
- 陳碧琴女士為朱展東先生的妻子。根據證券及期貨條例第336條，彼被視作於朱展東先生擁有權益的所有股份中擁有權益。

Save as disclosed above, no other person (other than a director or chief executive of the Company) has an interest or a short position in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

除上文披露者外，除本公司董事或行政總裁外，概無其他人士擁有須記錄於根據證券及期貨條例第336條存置之登記冊之股份及相關股份之權益或淡倉。

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group, in aggregate, accounted for approximately 78.21% of the Group's total turnover and the largest customer accounted for approximately 42.89% of the total turnover. The five largest suppliers of the Group in aggregate accounted for approximately 67.27% of its total purchases for the year. Purchases from the largest supplier accounted for approximately 25.10% of its total purchases.

None of the directors, their respective associates, or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) has any interest in any of the five largest customers and the five largest suppliers of the Group for the year ended 31st March, 2006.

All transactions between the Group and its customers were carried out on normal commercial terms.

COMPETING INTERESTS

During the year, the board of directors is not aware of any business or interest of each director, management shareholder and their respective associates that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

PRE-EMPTIVE RIGHTS

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

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

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

AUDIT COMMITTEE

The audit committee's principal duties are the review and supervision of the Company's financial reporting process and internal control systems. The existing audit committee comprises two independent non-executive directors, Mr. Hong Yong Hwan and Mr. Zhu Lei Bo.

主要客戶及供應商

年內，本集團五大及最大客戶分別合共佔其總營業額約78.21%及約42.89%，而本集團五大供應商合共佔其本年度採購總額約67.27%，最大供應商之採購額則佔其採購總額約25.10%。

概無董事、彼等各自之聯繫人士或就董事所知悉擁有本公司股本5%以上權益之任何股東，於本集團截至二零零六年三月三十一日止年度之五大客戶及五大供應商中擁有任何權益。

本集團與其客戶間所有交易均按一般商業條款進行。

競爭性權益

年內，董事會並無獲悉董事、管理層股東及彼等各自之聯繫人士，於足以或可能與本集團業務構成競爭的業務中，擁有任何權益或任何該等人士與本集團有或可能有任何其他利益衝突。

優先購買權

本公司之公司組織章程細則或開曼群島法例並無任何有關優先購買權之條文，以使本公司須按比例向現有股東提呈發售新股份。

購買、出售或贖回本公司上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

審核委員會

審核委員會之主要職責為審閱及監察本公司財務申報程序及內部監控系統。現行審核委員會由兩名獨立非執行董事組成，包括洪庸院先生及朱雷波先生。

Report of the Directors 董事會報告

During the year, the then audit committee held two meetings and performed the following duties:

1. reviewed the audited financial statements of the Company and its subsidiaries for the year ended 31st March, 2005.
2. reviewed the unaudited financial statements of the Company and its subsidiaries for the three months ended 30th June, 2005, for the three and six months ended 30th September, 2005 and for the three and nine months ended 31st December, 2005.
3. reviewed the financial reporting process, internal controls of the Company and its subsidiaries for the year ended 31st March, 2005, for the three months ended 30th June, 2005, for the six months ended 30th September, 2005 and for the nine months ended 31st December, 2005.

CORPORATE GOVERNANCE

The Company has complied with the Rules 5.28 to 5.39 of the GEM Listing Rules during the year ended 31st March, 2006, except that the Group has not yet established a remuneration committee, a nomination committee, the non-executive directors and independent non-executive directors of the Company are not appointed for specific terms and are subject to re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association and that only two independent non-executive directors are appointed during the year and to the date of this report.

AUDITORS

The financial statements for the year ended 31st March, 2006 and 2005 were audited by Messrs. TING HO KWAN & CHAN, CERTIFIED PUBLIC ACCOUNTANTS, who retire and being eligible offer themselves for re-appointment. The accounts for the year ended 31st March, 2004 and 2003 were audited by Messrs. Deloitte Touche Tohmatsu.

On behalf of the Board

CHU CHIEN TUNG
CHAIRMAN

Hong Kong, 26th June, 2006

年內，當時之審核委員會曾舉行兩次會議，履行以下職務：

1. 審閱本公司及其附屬公司截至二零零五年三月三十一日止年度之經審核財務報表。
2. 審閱本公司及其附屬公司截至二零零五年六月三十日止三個月、截至二零零五年九月三十日止三個月及六個月和截至二零零五年十二月三十一日止三個月及九個月之未經審核財務報表。
3. 審閱本公司及其附屬公司截至二零零五年三月三十一日止年度、截至二零零五年六月三十日止三個月、截至二零零五年九月三十日止六個月及截至二零零五年十二月三十一日止九個月之財務申報程序及內部監控。

公司管治

本公司於截至二零零六年三月三十一日止年度內，一直遵守創業板上市規則第5.28至5.39條之規定，惟本集團尚未成立薪酬委員會、提名委員會、本公司非執行董事及獨立非執行董事並無固定任期，而須按本公司之公司組織章程細則規定，於本公司股東週年大會膺選連任，以及於本年度及至本報告日期僅已委任兩名獨立非執行董事。

核數師

截至二零零六年及二零零五年三月三十一日止年度之財務報表經執業會計師丁何關陳會計師行審核，其將退任並合資格續聘。截至二零零四年及二零零三年三月三十一日止年度之賬目經德勤•關黃陳方會計師行審核。

代表董事會

主席
朱展東

香港，二零零六年六月二十六日

Report of the Auditors 核數師報告

**To the Shareholders of
Tungda Innovative Lighting Holdings Limited**
(incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 28 to 72 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The 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, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

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, 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 circumstances of the Company and the Group, 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 financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st 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.

TING HO KWAN & CHAN
Certified Public Accountants (practising)

Hong Kong, 26th June, 2006

**致東大新材料照明控股有限公司
全體股東**
(於開曼群島註冊成立之有限公司)

本核數師行已完成審核載於第28頁至第72頁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

董事須負責編製真實公平之財務報表。在編製真實公平之財務報表時，董事必須選擇並貫徹採用合適之會計政策，作出審慎及合理的判斷和估計，並說明任何重大背離適用會計準則的原因。

本核數師行之責任乃根據審核工作之結果，對該等財務報表作出獨立意見，並僅向全體股東報告，且不作其他用途。本核數師行不會就本報告內容向任何其他人士負責或承擔任何責任。

意見基礎

本核數師行乃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財務報表時所作重大估計及判斷、所應用會計政策是否適合貴公司及貴集團之具體情況，以及有否貫徹使用並適當披露該等會計政策。

本核數師行在計劃及進行審核工作時，均以取得一切本核數師行認為必需之資料及解釋為目標，使本核數師行能獲得充分憑證，就該等財務報表是否存在重要錯誤陳述，作出合理確定。於編製意見時，本核數師行亦評估賬目內所呈列資料於整體上是否足夠。本核數師行相信，吾等之審核工作為編製吾等意見提供合理基準。

意見

吾等認為，該等財務報表真實及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，並根據香港公司條例之披露規定妥為編製。

丁何關陳會計師行
執業會計師

香港，二零零六年六月二十六日

Consolidated Income Statement 綜合收入報表

For the Year Ended 31st March, 2006 截至二零零六年三月三十一日止年度

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
TURNOVER	營業額	5	47,106	274,662
COST OF SALES	銷售成本		(19,337)	(165,923)
GROSS PROFIT	毛利		27,769	108,739
OTHER INCOME AND GAINS	其他收入及所得	5	1,606	1,185
SELLING EXPENSES	銷售開支		(1,588)	(4,064)
ADMINISTRATIVE EXPENSES	行政開支		(13,473)	(29,243)
RESEARCH AND DEVELOPMENT EXPENSES	研發開支		–	(558)
IMPAIRMENT ON DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	收購物業、廠房及設備 之訂金付款減值		(42,887)	–
(LOSS)/PROFIT FROM OPERATIONS	經營(虧損)/溢利	6	(28,573)	76,059
FINANCE COSTS	融資成本	7	(26)	(42)
(LOSS)/PROFIT BEFORE TAXATION	除稅前(虧損)/溢利		(28,599)	76,017
TAXATION	稅項	8	(2,879)	(3,587)
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司股東應佔年內 (虧損)/溢利	9	(31,478)	72,430
(LOSS)/EARNINGS PER SHARE – Basic	每股(虧損)/盈利 – 基本	10	(2.85) cents 仙	6.55 cents 仙

The notes on pages 33 to 72 are an integral part of these financial statements. 第33至72頁之附註為本綜合財務報表的組成部分。

Consolidated Balance Sheet 綜合資產負債表

At 31st March, 2006 於二零零六年三月三十一日

			(As restated) (經重列) 2005 二零零五年 HK\$'000 千港元
		Notes 附註	2006 二零零六年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	11	53,792
Leasehold land and land use rights	租賃土地及土地使用權	12	7,013
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之訂金付款	14	10,323
			71,128
			120,478
CURRENT ASSETS	流動資產		
Current portion of leasehold land and land use rights	租賃土地及土地使用權的即期部分	12	152
Inventories	存貨	15	8,894
Trade and other receivables	應收貿易款項及其他應收賬款	16	4,548
Tax refundable	可退回稅項		3,131
Bank balances and cash	銀行結存及現金	18	242,985
			259,710
			238,193
CURRENT LIABILITIES	流動負債		
Trade and other payables	應付貿易款項及其他應付賬款	17	18,084
Obligation under a finance lease – due within one year	融資租約承擔 – 於一年內到期	19	136
Tax payable	應付稅項		6,504
			24,724
			26,931
NET CURRENT ASSETS	流動資產淨值		234,986
			211,262
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		306,114
			331,740
NON-CURRENT LIABILITIES	非流動負債		
Obligation under a finance lease	融資租約承擔	19	183
			319
Net Assets	資產淨值		305,931
			331,421
EQUITY	權益		
CAPITAL AND RESERVES ATTRIBUTABLE TO THE COMPANY'S EQUITY HOLDERS	本公司股東應佔資本及儲備		
Share capital	股本	20	11,056
Reserves	儲備	22	294,875
			11,056
			320,365
Total Equity	總權益		305,931
			331,421

The financial statements on pages 28 to 72 were approved and authorised for issue by the Board of Directors on 26th June, 2006 and are signed on its behalf by:

CHU Chien Tung
朱展東
DIRECTOR
董事

CHU Chick Kei
朱植杞
DIRECTOR
董事

第28至72頁之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刊發，並由下列董事代表簽署：

The notes on pages 33 to 72 are an integral part of these financial statements.

第33至72頁之附註為本綜合財務報表的組成部分。

Balance Sheet 資產負債表

At 31st March, 2006 於二零零六年三月三十一日

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Investments in subsidiaries	附屬公司投資	13	3,128	3,128
CURRENT ASSETS	流動資產			
Other receivables	其他應收賬款		229	195
Amounts due from subsidiaries	應收附屬公司款項		106,025	106,823
Bank balances and cash	銀行結存及現金	18	312	258
			106,566	107,276
CURRENT LIABILITIES	流動負債			
Other payables	其它應付賬款		2,106	1,934
NET CURRENT ASSETS	流動資產淨值		104,460	105,342
NET ASSETS	資產淨值		107,588	108,470
EQUITY	權益			
CAPITAL AND RESERVES ATTRIBUTABLE TO THE COMPANY'S EQUITY HOLDERS	本公司股東應佔資本 及儲備			
Share capital	股本	20	11,056	11,056
Reserves	儲備	22	96,532	97,414
Total Equity	總權益		107,588	108,470

Approved and authorised for issue by the Board of Directors on 26th June, 2006 於二零零六年六月二十六日獲董事會批准及授權刊發

CHU Chien Tung
朱展東
DIRECTOR
董事

CHU Chick Kei
朱植杞
DIRECTOR
董事

The notes on pages 33 to 72 are an integral part of these financial statements. 第33至72頁之附註為本綜合財務報表的組成部分。

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

For the Year Ended 31st March, 2006 截至二零零六年三月三十一日止年度

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元	Translation reserve 匯兌儲備 HK\$'000 千港元	General reserve 一般儲備 HK\$'000 千港元	Proposed dividend 擬派股息 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 31st March, 2004	於二零零四年三月三十一日	11,056	101,669	(2,128)	9	8,172	3,759	140,221	262,758
Proposed final dividend paid	已派擬派末期股息	-	-	-	-	-	(3,759)	-	(3,759)
Currency translation differences	匯兌差額	-	-	-	(8)	-	-	-	(8)
Transfer to general reserve	轉撥至一般儲備	-	-	-	-	8,520	-	(8,520)	-
Profit for the year	年內溢利	-	-	-	-	-	-	72,430	72,430
At 31st March, 2005	於二零零五年三月三十一日	11,056	101,669	(2,128)	1	16,692	-	204,131	331,421
Currency translation differences	匯兌差額	-	-	-	5,988	-	-	-	5,988
Transfer to general reserve	轉撥至一般儲備	-	-	-	-	640	-	(640)	-
Loss for the year	年內虧損	-	-	-	-	-	-	(31,478)	(31,478)
At 31st March, 2006	於二零零六年三月三十一日	11,056	101,669	(2,128)	5,989	17,332	-	172,013	305,931

Consolidated Cash Flow Statement 綜合現金流量報表

For the Year Ended 31st March, 2006 截至二零零六年三月三十一日止年度

	Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務之現金流量		
(Loss)/Profit before taxation	除稅前(虧損)/溢利	(28,599)	76,017
Adjustments for:	調整:		
Interest income	利息收入	(1,576)	(1,100)
Finance costs	融資成本	26	42
Depreciation and amortisation	折舊及攤銷	6,776	4,994
Impairment on deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之訂金付款減值	42,887	—
Impairment on property, plant and equipment	物業、廠房及設備減值	1,204	—
Changes in working capital:	營運資金變動:		
Decrease/(Increase) in inventories	存貨減少/(增加)	1,027	(784)
Decrease in trade and other receivables	應收貿易款項及其他應收賬款減少	8,767	1,067
(Decrease)/Increase in trade and other payables	應付貿易款項及其他應付賬款(減少)/增加	(5,486)	11,202
Cash generated from operations	經營業務所得現金	25,026	91,438
Hong Kong profits tax paid	已付香港利得稅	(2,856)	(844)
PRC Enterprise Income Tax paid	已付中國企業所得稅	(49)	(1)
Net cash generated from operating activities	經營業務所得現金淨額	22,121	90,593
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(507)	(5,382)
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之訂金付款	—	(7,965)
Decrease in pledged bank deposits	已抵押銀行存款減少	—	305
Interest received	已收利息	1,576	1,100
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額	1,069	(11,942)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量		
Dividend paid	已付股息	—	(3,759)
Interest and finance charges paid	已付利息及融資開支	(26)	(42)
Inception of a finance lease	融資租約開始	—	535
Repayment of capital element of a finance lease	融資租約資本部分還款	(126)	(90)
Net cash used in financing activities	融資活動所用現金淨額	(152)	(3,356)
INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加	23,038	75,295
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值項目	214,787	139,492
EXCHANGE GAIN ON CASH AND CASH EQUIVALENTS	現金及現金等值項目之匯兌收益	5,160	—
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終之現金及現金等值項目	242,985	214,787

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

1. GROUP REORGANISATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law (2001 Second Revision) of the Cayman Islands. The shares of the Company are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 26th July, 2002.

The Company's ultimate holding company is Tungda Industrial Limited ("Tungda Industrial"), a company incorporated in Hong Kong.

The Company is an investment holding company and the principal activities of the Group are trading and manufacturing of light source products. The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, British West Indies. The principal place of business of the Company is Room 1007-8, 10th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

At the request of the Company, the Company's shares have been suspended from trading on the Stock Exchange since 29th July, 2004.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which also include Hong Kong Accounting Standards ("HKAS") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group'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, are disclosed in Note 4.

1. 集團重組及財務報表編制基準

本公司根據開曼群島公司法(二零零一年第二次修訂本)在開曼群島註冊成立為獲豁免有限公司。本公司股份自二零零二年七月二十六日起於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。

本公司之最終控股公司為於香港註冊成立之東大工業(集團)有限公司(「東大工業(集團)」)。

本公司為投資控股公司，本集團之主要業務為買賣及製造光源產品。其註冊辦公室地址為Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, British West Indies。本公司之主要營業地點為香港灣仔告士打道39號夏慤大廈10樓1007-8室。

應本公司要求，本公司股份自二零零四年七月二十九日起暫停於聯交所買賣。

2. 主要會計政策之概要

編製該等綜合財務報表所採納之主要會計政策載列如下。除另有說明外，該等政策在所呈報的所有年度內貫徹應用。

(a) 編製基準

本集團綜合財務報表乃根據香港財務報告準則(「香港財務報告準則」)編製，同時包括香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)及其詮釋(「詮釋」、香港公認會計原則及香港《公司條例》的披露規定。綜合財務報表已按照歷史成本法編製。

編製符合香港財務報告準則的財務報表需要使用若干關鍵會計估計。此亦需要管理層在應用本公司會計政策過程中行使其判斷。涉及較高程度之判斷或複雜性之範疇，或涉及對綜合財務報表屬重大假設和估計的範疇，在附註4中披露。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Basis of preparation (Continued)

The adoption of new/revised HKFRS

In 2006, the Group adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2005 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings Per Share
HKAS 36	Impairment of Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations

The adoption of new/revised HKASs and HKFRSs did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 affects the presentation in these financial statements that the Group is no longer permitted to not disclose comparative information for movements in property, plant and equipment.
- HKASs 2, 7, 8, 10, 16, 18, 23, 27, 33, 36 and HKFRS 3 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard. All the Group entities have the same functional currency as the presentation currency for respective entity financial statements.

2. 主要會計政策之概要 (續)

(a) 編製基準 (續)

採納新訂／經修訂香港財務報告準則

於二零零六年，本集團採納以下與其經營業務有關之新訂／經修訂香港財務報告準則。二零零五年之比較數字已根據相關規定作出所需之修訂。

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計之變動及誤差
香港會計準則第10號	結算日後事項
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第18號	收入
香港會計準則第21號	匯率變動之影響
香港會計準則第23號	借貸成本
香港會計準則第24號	關連人士披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第39號	金融工具：確認及計量
香港財務報告準則第2號	以股份支付的支出
香港財務報告準則第3號	業務合併

採納新訂／經修訂香港會計準則及香港財務報告準則並無導致本集團之會計政策產生重大變動。概括如下：

- 香港會計準則第1號影響該等財務報表之呈列方式，故本集團不再容許物業、廠房及設備之變動的比較資料不作披露。
- 香港會計準則第2、7、8、10、16、18、23、27、33、36號及香港財務報告準則第3號並不會對本集團之政策構成重大影響。
- 香港會計準則第21號對本集團之政策並無重大影響。各綜合實體的功能貨幣均已按經修訂會計準則進行重新估量。所有本集團之實體採用之功能貨幣均與各實體財務報表之呈列貨幣相同。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(a) Basis of preparation** *(Continued)***The adoption of new/revised HKFRS** *(Continued)*

- HKAS 24 has affected the identification of related parties and some other related party disclosures.

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. In accordance with the provisions of HKAS 17, a lease of land and building should be split into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the income statement. In prior years, the leasehold land and land use rights were accounted for at cost less accumulated depreciation and accumulated impairment. The new accounting policy has been applied retrospectively to the extent that results in the reclassification of certain leasehold interests in land and land use rights previously included in "Fixed assets" as "Leasehold land and land use rights" with comparatives restated to conform to the current year's presentation. However, this change has no significant impact on the Group's results and equity.

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy for recognition, measurement, derecognition and disclosure of financial instruments. However, the adoption of HKASs 32 and 39 has had no material effect on the Group's results and equity.

The adoption of HKFRS 2 results in a change in the accounting policy for employee share options. Until 31st March, 2005, no amounts were recognised when employees (which term includes directors) were granted share options over shares in the Company. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivables. Following the adoption of HKFRS 2, the fair value of share options at grant date is amortised over the relevant vesting periods to the income statement. However, the Group has not applied this HKFRS retrospectively as share options of the Group granted after 7th November, 2002 had all been vested before 1st April, 2005.

2. 主要會計政策之概要 (續)**(a) 編製基準 (續)****採納新訂／經修訂香港財務報告準則 (續)**

- 香港會計準則第24號影響關連人士之身份及若干其他關連人士之披露。

採納經修訂香港會計準則第17號，導致有關將租賃土地及土地使用權由物業、廠房及設備重新分類為經營租約之會計政策有所變動。根據香港會計準則第17號，一項土地及樓宇租賃應分為租賃土地及租賃樓宇，基準為按於租約開始時租賃土地部份及租賃樓宇部份之租賃權益之相對公平值之比例分類。就租賃土地及土地使用權支付之一次性預付款項，乃於租約期內以直線法在收入報表內列作支出，或倘出現減值，則減值會於收入報表內列作支出。於過往年度，租賃土地及土地使用權是按成本減累積折舊及累計減值入帳。新會計政策已追溯採納，以往計入「固定資產」之若干土地及土地使用權租賃權益被分類為「租賃土地及土地使用權」，其比較數字已重列以符合本年度之呈列方式。然而，該變動並無對本集團之業績及權益構成重大影響。

採納香港會計準則第32及39號導致金融工具之確認、計量、取消確認及披露之會計政策出現變動。然而，採納香港會計準則第32及39號並無對本集團之業績及權益構成重大影響。

採納香港財務報告準則第2號導致僱員購股權之會計政策出現變動。直至二零零五年三月三十一日，當僱員（包括董事）獲授本公司股份之購股權時，其價值尚未被確認。倘僱員選擇行使購股權，股本及股份溢價之面值以應收取之購股權行使價為上限入賬。採納香港財務報告準則第2號後，購股權於授出日期之公平值於相關歸屬期內在收入報表中攤銷。然而，由於本集團於二零零二年十一月七日後獲授之購股權已於二零零五年四月一日前全部歸屬，故本集團並無追溯應用該香港財務報告準則。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Basis of preparation (Continued)

The adoption of revised HKAS 17 resulted in:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Decrease in property, plant and equipment	物業、廠房及 設備減少	(7,165)	(7,144)
Increase in leasehold land and land use rights	租賃土地及土地 使用權增加	7,165	7,144

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31st March.

Subsidiaries

Subsidiaries are those entities in which the Company, directly or indirectly, controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

2. 主要會計政策之概要 (續)

(a) 編製基準 (續)

採納經修訂香港會計準則第17號之結果：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Decrease in property, plant and equipment	(7,165)	(7,144)
Increase in leasehold land and land use rights	7,165	7,144

(b) 綜合基準

本綜合財務報表包括本公司及其所有附屬公司截至三月三十一日止之財務報表。

附屬公司

附屬公司指本集團直接或間接控制董事會之構成、控制過半數投票權或持有過半數已發行股本之公司。

附屬公司自其控制權轉移予本集團當日起計綜合入賬，並於控制權終止當日停止綜合入賬。

本集團採用收購會計法為本集團所收購之附屬公司列賬。收購成本為於交易當日所獲資產之公平值、所發行之股本工具及所產生或承擔之負債，加上直接歸屬予收購事項之成本。在商業合併過程中所收購之可辨別資產、所承擔之負債及或然負債，均於收購當日按其公平值作出初步計量，而毋須計及任何少數股東權益。收購成本超出本集團應佔所收購之可辨別淨資產之差額乃列作商譽。倘收購成本低於所收購附屬公司淨資產之公平值，則有關差額將直接在收入報表內確認。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Basis of consolidation (Continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less any accumulated impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segment operating in other economic environments.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in HK dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

2. 主要會計政策之概要 (續)

(b) 綜合基準 (續)

集團公司之間的交易、結餘及交易之未變現盈餘乃予對銷。除非該交易提供證據證明所轉讓資產出現減值，否則未變現虧損亦予對銷。附屬公司之會計政策已在適當情況下作修訂，以確保與本集團所採納之政策一致。

於本公司之資產負債表內，於附屬公司之投資乃按成本值扣除任何累計減值虧損列賬。附屬公司之業績乃由本公司按已收及應收股息列賬。

(c) 分部報告

業務分部指從事提供產品或服務之一組資產及業務，而該組資產及業務之風險及回報有別於其他業務分部。地區分部乃在某一特定經濟環境下從事提供產品或服務，而該分部之風險及回報有別於在其他經濟環境經營之分部。

(d) 外幣換算

(i) 功能及呈報貨幣

本集團各實體之財務報表所包括之項目，乃按該實體經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港幣呈列，港幣乃本公司之功能及呈報貨幣。

(ii) 交易及結餘

外幣交易均按交易當日之現行匯率換算為功能貨幣。因該等交易結算及按結算日之匯率兌換以外幣計值之貨幣資產及負債而產生之匯兌損益，均於收入報表中確認，惟於股權內遞延作為合資格現金流量的對沖及合資格淨投資的對沖除外。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(d) Foreign currency translation (Continued)****(iii) Group companies**

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

(e) Property, plant and equipment

Property, plant and equipment, comprising buildings, furniture, fixtures and equipment, leasehold improvements, plant and machinery and motor vehicle, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

2. 主要會計政策之概要 (續)**(d) 外幣換算 (續)****(iii) 集團公司**

集團旗下所有實體如持有與呈報貨幣不一致的功能貨幣(其中並無任何公司持有通脹嚴重的經濟體系的貨幣),其業績和財務狀況均按以下方法兌換為呈報貨幣:

- (i) 每項資產負債表的資產及負債均按照該資產負債表結算日的匯率折算為呈報貨幣;
- (ii) 每項收入報表的收入和支出均按照平均匯率折算為呈報貨幣,但若此平均匯率未能合理地反映各交易日之匯率所帶來的累積影響,則按照交易日之匯率折算此等收入和支出;及
- (iii) 所有匯兌差異均確認於權益帳內的一個分項。

(e) 物業、廠房及設備

物業、廠房及設備(包括樓宇、傢俬、裝置及設備、租賃物業裝修、廠房及機器以及汽車)乃按歷史成本減累計折舊及任何累計減值虧損入賬。歷史成本包括收購該等項目直接應佔的開支。

當項目有關的未來經濟利益可能流入本集團,而有關項目的成本能夠可靠地計算時,方會把項目其後產生的成本計入資產賬面值內或確認為獨立資產(若適用)。所有其他維修保養費用於產生的財務期間於收入報表中扣除。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values (if, there are any) over their estimated useful lives, as follows:

Buildings	20 years or the unexpired term of lease, whichever is shorter
Furniture, fixtures and equipment	20%
Leasehold improvements	50%
Plant and machinery	10%
Motor vehicles	20%

The assets' residual values (if any) and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the income statement in the period the item is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(g)).

(f) Leasehold land and land use rights

Leasehold land and land use rights are lump sum upfront payments to acquire long-term interest in lessee-occupied properties. Leasehold land and land use rights relating to buildings of the Group are stated at cost and are amortised over the period of the lease on the straight-line basis to the income statement.

2. 主要會計政策之概要 (續)

(e) 物業、廠房及設備 (續)

物業、廠房及設備的折舊按下列估計可用年期以直線法計算，將其成本攤銷至其剩餘價值 (如有)：

樓宇	20年或按尚餘租期 (以較短者為準)
傢俬、裝置及設備	20%
租賃物業裝修	50%
廠房及機器	10%
汽車	20%

資產之剩餘價值 (如有) 及可用年期將於每一結算日進行審閱及在適當時作出調整。一項固定資產於出售後或當預期持續使用該項資產將不會產生未來經濟利益時取消確認。於取消確認該資產時產生之任何收益或虧損 (以出售所得款項淨額與該項目之賬面值之差額計算) 乃計入於該項目取消確認年度之收入報表內。

倘資產賬面值高於其估計可收回金額 (附註 2(g)) 時，立即將該資產的賬面值減至其可收回金額。

(f) 租賃土地及土地使用權

土地及土地使用權指於購入由承租人佔用之物業的長期權益時須先付的數額。土地及土地使用權內有關之集團物業均以成本列帳及於租契期內按直線法攤銷並列入收入報表。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(g) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

2. 主要會計政策之概要 (續)

(g) 資產減值

具有不確定可用年期之資產毋須攤銷，但該等資產每年均須接受至少一次減值測試，並且當任何事件發生或環境變化預示其帳面值無法收回時，將檢討該資產的減值情況。須攤銷的資產，當任何事件發生或環境變化預示其帳面值無法收回時，將檢討該資產的減值情況。若某項資產的帳面值超過其可收回金額時，會就其差額確認減值損失。可收回價值為資產公平值減出售成本後之價值與其使用價值中較高者。就評估資產減值而言，資產按可獨立地確認其現金流量之最低水平（現金產生單位）集中歸類。

(h) 存貨

存貨乃按成本值與可變現淨值兩者中較低者列賬。成本以加權平均法計算。製成品及在製品之成本包括原材料、直接人工、其他直接成本及相關（根據正常經營能力）生產費用。可變現淨值乃按正常業務過程中的估計售價，減去適用的變動銷售開支計算。

(i) 貿易及其他應收款項

貿易及其他應收款項最初以公平值確認，其後以實際利息法按攤銷成本計量並扣除減值撥備。當有客觀證據顯示本集團無法按應收款項原訂條款於到期時全額收回所有款項時，須對該等貿易及其他應收款項計提減值準備。撥備乃資產賬面值與估計未來現金流量按實際利率貼現後的差額。撥備額於收入報表內確認。

(j) 現金及現金等值項目

現金及現金等值項目包括手頭現金、銀行通知存款、原訂期限三個月或以下的短期高流通性投資項目以及銀行透支（如有）。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Trade and other payables

Trade and other payables are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoiced amount.

(l) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (Treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes,) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(m) Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2. 主要會計政策之概要 (續)

(k) 貿易及其他應付款項

貿易及其他應付款項初步以公平值及(於初步確認後)攤銷成本計量,惟無附帶所述息率及折現影響屬輕微之應付短期款項除外,而該等款項則以其最初發票金額計量。

(l) 股本

普通股分類為權益。

發行新股份或購股權直接應佔遞增成本於權益列示為自所得款項除稅項後扣減。

倘本集團任何公司購買本公司股本(庫存股份),已付代價(包括扣除所得稅後之任何直接應佔遞增成本)自本公司權益持有人應佔權益扣除,直至股份已註銷、重新發行或出售為止。倘該等股份其後售出或重新發行,則任何已收代價(經扣除任何直接應佔遞增交易成本及相關所得稅影響)計入本公司權益持有人應佔權益。

(m) 所得稅

所得稅包括即期及遞延稅項。所得稅於收入報表確認,惟若有關項目於相同或不同期間直接於權益確認,則於權益確認。

遞延稅項乃就資產與負債的稅基及有關資產與負債於綜合財務報表中的帳面值兩者的暫時差額,以負債法作出全數撥備。然而,倘遞延稅項乃產生自於初步確認資產或負債之交易(業務合併除外),而當時之交易並無影響會計或應課稅溢利或虧損,則不會列帳。遞延稅項乃以於結算日之前訂明或實際訂明之稅率(及法例)釐定,並預期於變現相關遞延稅務資產或償還遞延稅務負債時適用。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Income tax (Continued)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(n) Employee benefits

Retirement benefit costs

Payments to the state-managed retirement benefit schemes for staff in the People's Republic of China (the "PRC") and the mandatory provident fund scheme for staff in Hong Kong are charged as expense as they fall due.

(o) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(p) Revenue recognition

Revenue from the sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the goods are delivered to the customers and title has passed.

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

2. 主要會計政策之概要 (續)

(m) 所得稅 (續)

遞延稅務資產之確認以預期日後可能出現應課稅溢利用作抵銷暫時差額為限。

本集團就於附屬公司投資產生之暫時差額作出遞延稅項撥備，除非本集團可控制撥回該暫時差額之時間，且該暫時差額不大可能於可預見將來撥回則屬例外。

(n) 僱員福利

退休福利成本

為中華人民共和國（「中國」）員工之國家管理退休福利計劃及香港員工之強制性公積金計劃作出之供款，乃於到期時以支出入賬。

(o) 撥備

當本集團因過往事件而須承擔現有法律責任或推定責任，而解決責任時很可能消耗資源，則在金額能夠可靠地估算之情況下，將確認撥備。未來營業虧損則不予確認撥備。

倘出現多項類似責任，將以整體類別釐定會否導致消耗資源以及清算責任。即使同類別責任中任何一項可能導致消耗資源的機會不大，仍會確認撥備。

(p) 收入確認

銷售貨品之收入於擁有權之風險及報酬已轉移時入賬，風險及報酬之轉移一般與貨品付運至客戶且所有權已轉讓同時發生。

利息收入採用實際利息法按時間比例基準確認。倘應收款項出現減值，本集團會將帳面值減至其可收回款額，即估計未來現金流量按該工具之原定實際利率貼現之數額，並繼續解除貼現作為利息收入。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(q) Research and development expenditure

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

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised over the life of the project from the date of commencement of commercial operation subject to a maximum period of five years.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

(r) Leases

(i) Operating lease (as the lessee)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Where the Group is the lessee, payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

(ii) Finance lease (as the lessee)

Leases of assets where the Group has substantially obtained all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current bank and other borrowings. The interest element of the finance cost is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The investment properties acquired under finance leases are carried at their fair value, while the property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful lives of the assets or the lease terms.

2. 主要會計政策之概要 (續)

(q) 研發開支

研究工作的開支乃於產生期間確認作年內支出。

倘預期清楚界定項目所產生的開發成本，可於日後透過商業活動收回，開發開支所產生的內部產生的無形資產方會予以確認。所得資產將於開始作商業投產時，按項目年期攤銷，而最長期限為五年。

倘並無確認內部產生的無形資產，則開發開支乃於產生期間確認作支出。

(r) 租約

(i) 經營租約 (作為承租人)

擁有權之大部分風險及報酬由出租人保留之租約，均歸類為經營租約。倘本集團為承租人，則根據經營租約須支付之款項（扣除任何自出租人收取之回贈），在租約年期內以直線法在收入報表中列為開支。

(ii) 融資租約 (作為承租人)

本集團已取得資產所有權之絕大部分風險及報酬之租約乃歸類為融資租約。融資租約乃於租約開始生效時按租賃物業之公平值或最低租金現值（以較低者為準）撥充資本。每項租約付款在負債及融資費用之間分配，以就融資結餘額達致一個固定比率。扣除融資費用後之相應租金承擔計入流動與非流動銀行及其他借貸。融資成本之利息成分於租約期內在收入報表中確認，以就負債餘額於每一期間達致一個固定之定期利率。根據融資租約收購之投資物業按其公平值列賬，而根據融資租約收購之物業、廠房及設備則於資產之可使用年期或租約期兩者中較短者予以折舊。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***(s) Related parties**

A party is related to the Group if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - (1) controls, is controlled by, or is under common control with, the Group;
 - (2) has an interest in the Group that gives its significant influence over the Group; or
 - (3) has joint control over the Group;
- (ii) the party is a jointly-controlled entity;
- (iii) the party is an associate;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly-controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

(t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Group. It can also be a present obligation arising from past events that are not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

2. 主要會計政策之概要 (續)**(s) 關連人士**

與本集團有關連倘：

- (i) 直接或間接透過一名或多名中介人控制、則該方：
 - (1) 受本集團控制或共同控制；
 - (2) 或於本集團擁有對本集團有重大影響之權益；或
 - (3) 或對本集團共同控制；
- (ii) 該方為一間共同控制實體；
- (iii) 該方為一間聯營公司；
- (iv) 該方為本公司或其母公司主要管理人員之成員；
- (v) 該方為(i)或(iv)所指任何個別人士之親密家庭成員；
- (vi) 該方受另一方控制、共同控制或有重大影響之實體、或直接或間接與(iv)或(v)共同居住而擁有重大投票權之實體；或
- (vii) 為本集團僱員利益而參與僱用後福利計劃之一方、或為本集團關連人士之任何實體。

(t) 或然負債

或然負債指因過往事件而可能引起之責任，此等責任只能就本集團不能完全控制之一宗或多宗未來不確定事件會否出現才能確認。或然負債亦可能是因為過往事件而引致之現有責任，惟由於可能毋須消耗經濟資源，或責任金額未能可靠計量而未有確認。

或然負債不會被確認，但會在綜合財務報表附註中披露。假若消耗資源之可能性改變導致可能出現資源消耗，或然負債將被確認為撥備。

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow interest-rate risk. The Group's risk management objectives and policies mainly focus on minimizing the potential adverse effects of these risks on the Group by closely monitoring the individual exposure as follows:

(a) Foreign exchange risk

The PRC operations of the Group operate with most of the transactions denominated and settled in Renminbi ("RMB"). However, Hong Kong Dollars are required to settle the Group's expenses and purchases of plant and equipment. As the historical exchange rate fluctuation on RMB is not significant, there is no significant exposure expected on RMB transactions and balances.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency debts or transactions. However, the management monitors the related foreign currency exposure closely and will consider hedging significant currency exposure should the need arise.

(b) 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. It also sets credit limit on each individual customer and prior approval is required for any transaction exceeding that limit. The customer with sound payment history would accumulate a higher credit limit.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping committed credit lines available and sufficient bank deposits to meet short term cash requirements.

(d) Cash flow interest rate risk

The Group's interest-rate risk arises from bank deposits and finance lease obligations and the exposure to such risk is minimal as the Group's bank deposits are primarily short term in nature.

3. 財務風險管理目標及政策

本集團之業務面臨各種財務風險：外匯風險、信貸風險、流動資金風險及現金流量利率風險。本集團之風險管理宗旨及政策在於密切監控個別風險以盡量減低該等風險對本集團產生之潛在不利影響：

(a) 外匯風險

本集團中國業務大多數交易均以人民幣（「人民幣」）列值及結算。然而，本集團開支以及購買廠房及設備須以港元結算。由於人民幣過往匯率波動並不重大，故人民幣交易及結餘預期將不會遭受重大風險。

本集團目前並無就有關外幣債務或交易之外幣對沖政策。然而，管理層密切監控有關外幣風險，並將於必要時考慮對沖重大貨幣風險。

(b) 信貸風險

本集團並無高度集中之信貸風險。本集團製訂本身之政策，以確保向擁有恰當信貸記錄之客戶銷售產品及提供服務。本集團亦就個別客戶訂立信貸額度而超出額度之交易須要事先批核。擁有良好付款記錄之客戶可累積更高之信貸額度。

(c) 流動資金風險

審慎之流動資金風險管理意味著維持充裕現金及有價證券、透過充足之已承諾信貸融資金額提供資金及有能力平市場倉盤。本集團旨在透過維持可供動用之已承諾信貸額，以保持資金之靈活性，並具備充裕之銀行存款，以應付短期現金需要。

(d) 現金流量利率風險

本集團之利率風險乃來與銀行存款及融資租約承擔，且由於本集團之銀行存款主要為短期性質，故承受此風險較小。

4. 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.

Critical accounting estimates and assumptions

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

(a) Depreciation of property, plant and equipment

The Group's net book value of property, plant and equipment as at 31st March, 2006 was approximately HK\$53,792,000. The Group depreciates the property, plant and equipment on a straight line basis over the estimated useful lives of two to ten years, and after taking into account of their estimated residual values. The estimated useful lives reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Management will increase the depreciation expense where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Income tax

The Group is subject to income taxes in Hong Kong and PRC. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such determination is made.

4. 關鍵之會計估算及判斷

估算和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信為合理的對未來事件的預測。

關鍵之會計估算及假設

本集團就未來作出估算和假設，所得的會計估算會如其定義，很少與其實際結果相同。很大機會導致下個財政年度的資產和負債的帳面值作出重大調整的估算和假設討論如下。

(a) 物業、廠房及設備折舊

於二零零六年三月三十一日，本集團之物業、廠房及設備之賬面淨值約為53,792,000港元。本集團以直線法於估計可使用期（為兩年至十年）內，並經計及該等物業之剩餘價值就物業、廠房及設備計算折舊。估計可用年期為董事預計的期間，該期間本集團預計從使用本集團物業、廠房及設備獲得未來經濟實益。倘可使用年期少於之前估計可使用年期，管理層將增加折舊開支，或將撇銷或撇減已報廢或出售之廢舊技術或已棄置或出售之非策略性資產。

(b) 所得稅

本集團須繳納香港及中國之所得稅。在確定所得稅之撥備時，本集團須作出重大判斷。在正常業務過程中，有許多交易及計算均難以明確作出最終的稅務釐定。本集團須估計未來會否繳納額外稅項，從而確認對預期稅務審核事宜之責任。倘該等事宜之最終稅務結果與起初入賬之金額不同，該等差額將影響稅務釐定期內之所得稅及遞延稅項撥備。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

5. TURNOVER, OTHER INCOME AND GAINS AND SEGMENT INFORMATION

5. 營業額、其他收入及所得及分類資料

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
TURNOVER	營業額		
Sales of light source products	銷售光源產品	47,106	274,662
OTHER INCOME AND GAINS	其他收入及所得		
Bank interest income	銀行利息收入	1,576	1,100
Other income	其他收入	30	85
		1,606	1,185
TOTAL REVENUE	收益總額	48,712	275,847

Business segments

The Group is organised into 2 operating divisions – manufacturing and trading of house brand light source products and the distribution of agency brand light source products. These two operating divisions are the basis on which the Group reports its primary segment information.

業務環節分析

本集團按業務性質編組成兩大部門：本身品牌光源產品的製造及貿易業務，以及代理品牌光源產品的分銷業務。以上兩項業務環節乃本集團就其主要分類資料作出報告所依據的基準。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

5. TURNOVER, OTHER INCOME AND GAINS AND SEGMENT INFORMATION (Continued)

Segment information about these businesses is presented as below:

5. 營業額、其他收入及所得及分類資料 (續)

有關該等業務的分類資料呈列如下：

		House brand light source products 本身品牌 光源產品 HK\$'000 千港元	Agency brand light source products 代理品牌 光源產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
INCOME STATEMENT	收入報表			
For the year ended	截至二零零六年			
31st March, 2006	三月三十一日止年度			
Turnover	營業額	35,555	11,551	47,106
Results	業績			
Segment results	分類業績	21,388	3,053	24,441
Unallocated corporate expenses	未分配公司開支			(54,590)
Interest income, net of finance costs	利息收入·扣除融資成本			1,550
Loss before taxation	除稅前虧損			(28,599)
Taxation	稅項			(2,879)
Loss for the year	年內虧損			(31,478)

		House brand light source products 本身品牌 光源產品 HK\$'000 千港元	Agency brand light source products 代理品牌 光源產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
BALANCE SHEET	資產負債表			
At 31st March, 2006	於二零零六年三月三十一日			
Assets	資產			
Segment assets	分類資產	79,072	4,031	83,103
Unallocated corporate assets	未分配公司資產			247,735
Consolidated total assets	綜合資產總值			330,838
Liabilities	負債			
Segment liabilities	分類負債	19,500	2,093	21,593
Unallocated corporate liabilities	未分配公司負債			3,314
Consolidated total liabilities	綜合負債總額			24,907

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

5. TURNOVER, OTHER INCOME AND GAINS AND SEGMENT INFORMATION (Continued)

Business segments (Continued)

5. 營業額、其他收入及所得及分類資料 (續)

業務環節分析 (續)

		House brand light source products 本身品牌 光源產品 HK\$'000 千港元	Agency brand light source products 代理品牌 光源產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
OTHER INFORMATION	其他資料				
For the year ended	截至二零零六年				
31st March, 2006	三月三十一日止年度				
Additions of property, plant and equipment	添置物業、廠房及設備	4,003	–	4	4,007
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,065	–	559	6,624
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	152	–	–	152
Impairment on property, plant and equipment	物業、廠房及設備減值	1,204	–	–	1,204
Impairment on deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之訂金付款減值	–	–	42,887	42,887

		House brand light source products 本身品牌 光源產品 HK\$'000 千港元	Agency brand light source products 代理品牌 光源產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
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INCOME STATEMENT

For the year ended
31st March, 2005

收入報表

截至二零零五年
三月三十一日止年度

Turnover	營業額	135,904	138,758	274,662
Results	業績			
Segment results	分類業績	97,156	10,853	108,009
Unallocated corporate expenses	未分配公司開支			(33,050)
Interest income, net of finance costs	利息收入·扣除融資成本			1,058
Profit before taxation	除稅前溢利			76,017
Taxation	稅項			(3,587)
Profit for the year	年內溢利			72,430

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

5. TURNOVER, OTHER INCOME AND GAINS AND SEGMENT INFORMATION (Continued) Business segments (Continued)

5. 營業額、其他收入及所得及分類資料 (續)

業務環節分析 (續)

		House brand light source products 本身品牌 光源產品 HK\$'000 千港元	Agency brand light source products 代理品牌 光源產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
BALANCE SHEET	資產負債表			
At 31st March, 2005	於二零零五年三月三十一日			
Assets	資產			
Segment assets	分類資產	133,522	4,996	138,518
Unallocated corporate assets	未分配公司資產			220,153
Consolidated total assets	綜合資產總值			358,671
Liabilities	負債			
Segment liabilities	分類負債	19,151	4,229	23,380
Unallocated corporate liabilities	未分配公司負債			3,870
Consolidated total liabilities	綜合負債總額			27,250

		House brand light source products 本身品牌 光源產品 HK\$'000 千港元	Agency brand light source products 代理品牌 光源產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
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OTHER INFORMATION For the year ended 31st March, 2005

其他資料 截至二零零五年 三月三十一日止年度

Additions of property, plant and equipment	添置物業、廠房及設備	22,807	—	1,040	23,847
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之訂金付款	7,965	—	—	7,965
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,101	—	745	4846
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	148	—	—	148

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

5. TURNOVER, OTHER INCOME AND GAINS AND SEGMENT INFORMATION (Continued)

Geographical segments

The Group's operations are located in the PRC and Hong Kong. The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods:

5. 營業額、其他收入及所得及分類資料 (續)

地區分析

本集團於中國及香港兩地經營業務。下表載列本集團按地區市場劃分(不論貨品原產地)的營業額分析:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The PRC, excluding Hong Kong	中國·不包括香港	52	124,794
Hong Kong	香港	11,819	14,157
Europe	歐洲	20,418	68,504
North America	北美洲	14,817	43,727
Others	其他地區	—	23,480
		47,106	274,662

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment analysed by the geographical areas in which the assets are located:

以下為按資產所在地區分析的分類資產賬面值及添置物業、廠房及設備分析:

		Carrying amount of consolidated segment assets 綜合分類 資產賬面值		Additions to and deposits paid for acquisition of property, plant and equipment 添置物業、廠房 及設備及收購物業、 廠房及設備 之訂金付款	
		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
Hong Kong	香港	65,907	71,321	4	1,041
The PRC, excluding Hong Kong	中國·不包括 香港	264,931	287,350	4,003	30,771
		330,838	358,671	4,007	31,812

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

6. (LOSS)/PROFIT FROM OPERATIONS

6. 經營(虧損)/溢利

		(As restated) (經重列)	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(Loss)/profit from operations has been arrived at after charging:	經營(虧損)/溢利 乃經扣除:		
Directors' remuneration (note)	董事酬金(附註)		
– Fees	– 袍金	–	–
– Other emoluments	– 其他酬金	599	5,625
– Retirement benefits contributions	– 退休福利供款	16	60
		615	5,685
Other staff costs	其他員工成本	4,089	5,532
Retirement benefits contributions for other staff	其他員工退休福利 供款	175	254
Total staff costs	員工總成本	4,879	11,471
Auditors' remuneration	核數師酬金	530	600
Cost of inventories recognised as an expense	存貨成本確認作 開支	19,337	165,923
Depreciation and amortisation on	折舊及攤銷		
– owned assets	– 自置資產	6,517	4,757
– leased asset	– 租賃資產	107	89
– leasehold land and land use rights	– 租賃土地及土地使用權	152	148
Operating lease rentals in respect of land and buildings	土地及樓宇的經營租賃 租金	1,113	1,406
Bad debts written off	壞賬撇銷	76	–
Impairment on property, plant and equipment (note 11)	物業、廠房及設備減值 (附註11)	1,204	–

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

6. (LOSS)/PROFIT FROM OPERATIONS (Continued)

note:

Emoluments of directors and highest paid employees

(i) Directors' emoluments

Directors' remuneration for the year, disclosed pursuant to The Rules Governing the Listing of Securities on the Stock Exchange and Section 161 of the Hong Kong Companies Ordinance, is as follows:

Name of directors 董事姓名		Directors' Fees 董事酬金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 千港元	Retirement benefits contributions 退休福利供款 HK\$'000 千港元	2006 Total 二零零六年 總計 HK\$'000 千港元	2005 Total 二零零五年 總計 HK\$'000 千港元
Mr. Chu Chien Tung	朱展東先生	—	327	2	329	2,325
Mr. Chu Chick Kei	朱植杞先生	—	40	2	42	1,652
Mr. Chu Sen Hei	朱晨曦先生	—	40	2	42	662
Ms. Chow Sau Fong, Fiona (1)	鄒秀芳女士 (1)	—	—	—	—	723
Dr. Fung Shui Lun, Anthony *	馮兆麟博士 *	—	96	5	101	84
Ms. Chang Wai Ling, Lily *(2)	鄭惠玲女士 * (2)	—	—	—	—	11
Mr. Hong Yong Hwan #	洪庸皖先生 #	—	96	5	101	101
Mr. Zhu Lei Bo #	朱雷波先生 #	—	—	—	—	48
Ms. Wu King Yin # (3)	胡景妍女士 # (3)	—	—	—	—	48
Mr. Wong Tik Tung # (4)	汪滌東先生 # (4)	—	—	—	—	31
		—	599	16	615	5,685

* Non-executive director

* 非執行董事

Independent non-executive director

獨立非執行董事

(1) Resigned on 15th February, 2005

(1) 於二零零五年二月十五日辭任

(2) Resigned on 1st June, 2004

(2) 於二零零四年六月一日辭任

(3) Appointed on 1st June, 2004 and resigned on 23rd November, 2004

(3) 於二零零四年六月一日獲委任及於二零零四年十一月二十三日辭任

(4) Appointed on 9th December, 2004 and resigned on 24th March, 2005

(4) 於二零零四年十二月九日獲委任及於二零零五年三月二十四日辭任

Each of Mr. Chu Chien Tung, Mr. Chu Chick Kei and Mr. Chu Sen Hei has waived respectively the amount approximately HK\$1,623,000, HK\$1,650,000, and HK\$610,000 of remuneration for the year ended 31st March, 2006.

於截至二零零六年三月三十一日止年度，朱展東先生、朱植杞先生及朱晨曦先生已各自放棄酬金分別約1,623,000港元、1,650,000港元及610,000港元。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

6. (LOSS)/PROFIT FROM OPERATIONS (Continued)

note: (Continued)

Emoluments of directors and highest paid employees (Continued)

(ii) Employees' emoluments

The five highest paid individuals included one (2005: four) director(s), details of whose emoluments are set out in note (i) above. The emoluments of the remaining four (2005: one) individuals are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits	薪金及福利	1,398	480
Retirement benefits contributions	退休福利供款	48	12
		1,446	492

7. FINANCE COSTS

7. 融資成本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on bank borrowings wholly repayable within five years	須於五年內悉數償還之 銀行借款利息	—	25
Finance charges	融資開支	26	17
		26	42

8. TAXATION

8. 稅項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current taxation:	本期稅項:		
PRC Enterprise Income Tax	中國企業所得稅	2,879	3,587

No provision for Hong Kong profits tax has been provided as the Group has sustained a tax loss for both years.

由於本集團於各年度持續出現稅項虧損，故並無就香港利得稅作出撥備。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

8. TAXATION (Continued)

Pursuant to the relevant laws and regulations in the PRC, two subsidiaries of the Company are entitled to exemption from PRC Enterprise Income Tax for two years commencing from their first profit making year of operations and thereafter, they are entitled to a 50% relief from PRC Enterprise Income Tax which is charged at 24% for the following three years. The first profit making year of the subsidiaries in PRC commenced on 1st January, 2001 and 1st January, 2003 respectively.

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

8. 稅項 (續)

根據中國有關法例及法規，本公司兩間附屬公司可於其首個盈利年度起計兩年獲豁免繳納中國企業所得稅，並可於其後三年獲豁免繳納50%中國企業所得稅（有關稅率為24%）。該等中國附屬公司的首個盈利年度分別於二零零一年一月一日及二零零三年一月一日開始。

本年度稅項支出可按綜合收入報表之除稅前（虧損）／溢利對賬如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(Loss)/profit before taxation	除稅前（虧損）／溢利	(28,599)	76,017
Tax at the domestic income tax rate	按本地所得稅稅率計算之稅項	(5,005)	13,303
Tax effect of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	7,863	125
Tax effect of income not assessable for tax purposes	毋須課稅收入之稅務影響	(3)	(1)
Tax effect of temporary difference unrecognised for the year	本年度未確認暫時差額之稅務影響	506	—
Tax effect of tax losses unrecognised for the year	本年度未確認稅項虧損之稅務影響	754	1,097
Effect of preferential tax rates of subsidiaries operating in other jurisdiction	於其他司法權區經營之附屬公司之優惠稅率影響	(1,306)	(11,013)
Others	其他	70	76
Taxation charged to income statement	於收入報表扣除之稅項	2,879	3,587

No provision for deferred taxation has been made in both years as the amount involved is insignificant.

由於所涉及數額並不重大，故並無就各年度提撥遞延稅項準備。

9. (LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of a loss of HK\$882,000 (2005: a loss of HK\$4,794,000).

9. 本公司股權持有人應佔本年度（虧損）／溢利

本公司股權持有人應佔之虧損已於本公司財務報表內計入，已計入虧損為882,000港元（二零零五年：虧損4,794,000港元）。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

10. (LOSS)/EARNINGS PER SHARE

The calculation of the (loss)/earnings per share is based on the following data:

10. 每股(虧損)/盈利

每股(虧損)/盈利乃按下列數據計算:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(Loss)/earnings (Loss)/profit for the year for the purposes of basic and diluted earnings per share	(虧損)/盈利 就計算每股基本及攤薄盈利 之本年度(虧損)/溢利	(31,478)	72,430
Number of shares Weighted average number of shares for the purpose of basic (loss)/ earnings per share	股份數目 就計算每股基本(虧損)/盈利 之股份加權平均數	1,105,600,000	1,105,600,000

No diluted earnings per share has been presented for the years ended 31st March, 2006 and 2005 as the Company did not have any dilutive potential shares outstanding in both years.

由於本公司於截至二零零六年及二零零五年三月三十一日止年度並無任何具攤薄潛力之未發行股份，故並無呈報兩個年度每股攤薄盈利。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、廠房及設備

		Leasehold buildings 租賃樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及 機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
THE GROUP	本集團						
Cost	成本						
At 1st April, 2004	於二零零四年四月一日						
As previously reported	過往呈報	21,550	1,501	960	24,350	387	48,748
Effect of adopting HKAS 17	採納香港會計準則 第17號之影響	(7,418)	–	–	–	–	(7,418)
As restated	經重列	14,132	1,501	960	24,350	387	41,330
Exchange realignment	匯兌調整	–	–	–	85	–	85
Additions	添置	514	107	473	22,218	535	23,847
At 31st March, 2005, as restated	於二零零五年三月三十一日， 經重列	14,646	1,608	1,433	46,653	922	65,262
At 1st April, 2005, as restated	於二零零五年四月一日， 經重列	14,646	1,608	1,433	46,653	922	65,262
Exchange realignment	匯兌調整	355	10	–	618	9	992
Additions	添置	–	42	–	3,965	–	4,007
At 31st March, 2006	於二零零六年三月三十一日	15,001	1,660	1,433	51,236	931	70,261
Depreciation and impairment	折舊及減值						
At 1st April, 2004	於二零零四年四月一日						
As previously reported	過往呈報	622	529	720	1,882	17	3,770
Effect of adopting HKAS 17	採納香港會計準則 第17號之影響	(126)	–	–	–	–	(126)
As restated	經重列	496	529	720	1,882	17	3,644
Charged for the year, as restated	年內支出， 經重列	718	279	437	3,253	159	4,846
At 31st March, 2005, as restated	於二零零五年三月三十一日， 經重列	1,214	808	1,157	5,135	176	8,490
At 1st April, 2005	於二零零五年四月一日	1,214	808	1,157	5,135	176	8,490
Exchange realignment	匯兌調整	31	5	–	112	3	151
Charged for the year	年內支出	739	286	237	5,184	178	6,624
Impairment loss	減值虧損	–	–	–	1,204	–	1,204
At 31st March, 2006	於二零零六年三月三十一日	1,984	1,099	1,394	11,635	357	16,469
Net book value	賬面淨值						
At 31st March, 2006	於二零零六年三月三十一日	13,017	561	39	39,601	574	53,792
At 31st March, 2005, as restated	於二零零五年三月三十一日， 經重列	13,432	800	276	41,518	746	56,772
Net book value of leased asset	租賃資產賬面淨值						
At 31st March, 2006	於二零零六年三月三十一日	–	–	–	–	339	339
At 31st March, 2005	於二零零五年三月三十一日	–	–	–	–	446	446

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group's buildings are situated in the PRC and are held under land use rights for 50 years expiring in 2053.

Certain plant and machinery have been impaired by reference to the professional valuation at 31st March, 2006 made by qualified valuers, BMI Appraisals Limited. The impairment loss of HK\$1,204,000 (note 6) was made on the carrying value of induction lamps machinery equipment and charged to the consolidated income statement.

11. 物業、廠房及設備 (續)

本集團之樓宇位於中國，乃根據土地使用權持有，於二零五三年屆滿，為期50年。

若干廠房及機器已參照合資格估值師邦盟匯駿評估有限公司於二零零六年三月三十一日作出之專業估值減值。已就無極螢光燈機器設備之賬面值作出1,204,000港元減值虧損（附註6），並已於綜合收入報表扣除。

12. LEASEHOLD LAND AND LAND USE RIGHTS

12. 租賃土地及土地使用權

		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 beginning of the year	年初		
as previously reported	過往呈報	-	-
Effect of adopting HKAS 17	採納香港會計準則第17號之影響	7,418	7,418
As restated	經重列	7,418	7,418
Exchange realignment	匯兌調整	179	-
At end of the year	年終	7,597	7,418
Accumulated amortisation	累計攤銷		
At beginning of the year	年初		
as previously reported	過往呈報	-	-
Effect of adopting HKAS 17	採納香港會計準則第17號之影響	274	126
As restated	經重列	274	126
Exchange realignment	匯兌調整	6	-
Amortisation for the year	本年度攤銷	152	148
At end of the year	年終	432	274
Net book value	賬面淨值		
At end of the year	年終	7,165	7,144
Portion classified as current assets	分類為流動資產之部份	152	148
Long term portion	長期部份	7,013	6,996
At beginning of the year (as restated)	年初（經重列）	7,144	7,292

The leasehold land and land use rights are held for 50 years expiring in 2053.

持有租賃土地及土地使用權之期限將於二零五三年屆滿，為期50年。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

13. INVESTMENTS IN SUBSIDIARIES

13. 附屬公司投資

		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·按成本值	3,128	3,128

Particulars of the Company's subsidiaries at 31st March, 2006 are set out as follows:

本公司之附屬公司於二零零六年三月三十一日之詳情如下：

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立／ 成立地點	Place of operation 經營地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本／ 註冊股本	Percentage of nominal value of issued share capital/registered capital held by the Company 本公司所持 已發行股本／ 註冊股本 面值百分比		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Bright Growth Resources Limited [#]	British Virgin Islands 英屬處女群島	Hong Kong 香港	US\$1 1美元	100	–	Investment holding 投資控股
Bright World Resources Limited [#]	British Virgin Islands 英屬處女群島	Hong Kong 香港	US\$4 4美元	100	–	Investment holding 投資控股
Direct Intelligent Limited [#]	British Virgin Islands 英屬處女群島	Hong Kong 香港	US\$1 1美元	100	–	Not yet commenced business 尚未營運
Ultra Modern Technology Limited [#]	British Virgin Islands 英屬處女群島	Hong Kong 香港	US\$2 2美元	100	–	Investment holding 投資控股
Tungda Electrical & Lighting Limited ("Tungda Electrical") [#] 東大電業照明有限公司 (「東大電業」) [#]	Hong Kong 香港	Hong Kong 香港	HK\$4 4港元	–	100	Trading of light source products 買賣光源產品

Notes to the Financial Statements 財務報表附註

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13. INVESTMENTS IN SUBSIDIARIES (Continued)

13. 附屬公司投資 (續)

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Place of operation 經營地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊股本	Percentage of nominal value of issued share capital/registered capital held by the Company 本公司所持 已發行股本/ 註冊股本 面值百分比		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Light Power (Shenzhen) Company Limited* 光之力照明(深圳)有限公司*	PRC 中國	PRC 中國	HK\$10,000,000 10,000,000港元	—	100	Manufacturing and trading of light source products 製造及買賣光源產品
Tungda Lighting (Fujian) Company Limited ("Tungda Fujian")* 東大照明(福建)有限公司 (「東大福建」)*	PRC 中國	PRC 中國	RMB26,942,748 人民幣26,942,748元	—	100	Manufacturing and trading of light source products 製造及買賣光源產品

Note:

None of the subsidiaries had any debt securities outstanding at 31st March, 2006 or at any time during the year.

Private companies with limited liability.

* Wholly foreign-invested enterprise with limited liability.

附註：

於二零零六年三月三十一日或年內任何時間，概無任何附屬公司有任何尚未償還債務證券。

有限責任的私營公司。

* 有限責任的外商獨資企業。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

14. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

14. 收購物業、廠房及設備之訂金付款

		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
	Notes 附註		
Balance brought forward	承前結餘	56,710	67,105
Addition	添置	–	7,965
Recognised as fixed assets	確認為固定資產	(3,500)	(18,360)
	a	53,210	56,710
Impairment	減值	(42,887)	–
Balance carried forward	結轉結餘	10,323	56,710

Note a: The balances at 31st March, 2006 and 2005 represented outstanding deposits paid for three outstanding contracts for the acquisition of machineries pursuant to contracts with two PRC manufacturers in 2004.

附註 a：於二零零六年及二零零五年三月三十一日之結餘指就購買機器之三份於二零零四年與兩位中國製造商訂立及未完成之合約而支付之結存訂金。

Note b: The Group has since negotiated with the two PRC manufacturers for the refund of HK\$957,000 and HK\$9,366,000 respectively of the deposits paid. Under the proposed arrangement, the non-refundable balances of the deposits can be used to partially settle for the considerations of the machineries supplied by the manufacturers within specified period from the date of agreements but otherwise will be forfeited. Subsequent to the balance sheet date, an agreement has been signed with one of the manufacturers for the refund of HK\$957,000 and the refund for HK\$9,366,000 is subject to both parties' signatures and other further terms of an agreement. As the management of the Group is unable to determine at this stage whether the Group will purchase such machineries and be able to utilise the non-refundable deposits, the directors consider that under the said arrangements, the impairment for the non-refundable balances of HK\$42,887,000 is appropriate and necessary.

附註 b：本集團已就分別退回已付訂金957,000港元及9,366,000港元而與兩位中國製造商協商。根據該項建議訂立之安排，該等訂金之不可退回結餘可部份用作償付該等製造商自協議訂立之日起計所指期間內供應機器之代價，而其他部份將被沒收。於結算日後，其中一位製造商已就退回為數957,000港元而訂立一項協議，而為數9,366,000港元之退款則取決於簽署合同及其他進一步條款。由於本集團管理層現階段未能確定本集團是否將購買該等機器及是否能動用該等不可退回訂金，故董事認為，根據上述安排，就不可退回結餘42,887,000港元作出減值是適宜及必需的。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

15. INVENTORIES

15. 存貨

		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
Raw materials, at cost	原材料·按成本值	2,375	2,372
Finished goods, at cost	製成品·按成本值	6,519	7,455
		8,894	9,827

At 31st March, 2006 and 2005, there were no inventories stated at net realisable value.

於二零零六年及二零零五年三月三十一日，概無存貨按可變現淨值列賬。

16. TRADE AND OTHER RECEIVABLES

The carrying amounts of trade and other receivables are as follows:

16. 應收貿易賬款及其他應收款項

應收貿易賬款及其他應收款項之賬面值如下：

		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
Trade debtors	應收貿易賬款	1,709	2,291
Other debtors, deposits and prepayments	其他應收賬款·按金及預付款項	2,839	10,865
		4,548	13,156

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

董事認為，應收貿易賬款及其他應收款項之賬面值與其公平價值相若。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

16. TRADE AND OTHER RECEIVABLES (Continued)

An aged analysis of the Group's trade debtors, included in trade and other receivables, 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
Within three months	三個月內	1,349	1,796
Four months to six months	四個月至六個月	293	404
Seven months to twelve months	七個月至十二個月	58	67
More than one year	一年以上	9	24
		1,709	2,291

The Group normally allows credit periods ranging from 7 to 90 days to its trade customers.

16. 應收貿易賬款及其他應收款項 (續)

本集團計入應收貿易賬款及其他應收款項內之應收貿易賬款之賬齡分析如下：

本集團一般給予其貿易客戶的信貸期由七日至九十日不等。

17. TRADE AND OTHER PAYABLES

		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 creditors	應付貿易賬款	3,268	6,117
Other creditors and accrued charges	其他應付款項及應計費用	14,816	17,102
		18,084	23,219

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

17. 應付貿易賬款及其他應付款項

董事認為，應付貿易賬款及其他應付款項之賬面值與其公平價值相若。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

17. TRADE AND OTHER PAYABLES (Continued)

An aged analysis of the Group's trade creditors, included in trade and other payables, 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
Within three months	三個月內	1,243	4,419
Four months to six months	四個月至六個月	829	203
Seven months to twelve months	七個月至十二個月	22	1,123
More than one year	一年以上	1,174	372
		3,268	6,117

17. 應付貿易賬款及其他應付款項 (續)

本集團計入應付貿易賬款及其他應付款項內之應付貿易賬款之賬齡分析如下:

18. CASH AND CASH EQUIVALENTS

18. 現金及現金等值項目

		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 balances and cash	銀行結餘及現金	242,985	214,787	312	258

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

19. OBLIGATION UNDER A FINANCE LEASE

At 31st March, 2006, the Group's total minimum lease payment under finance lease arrangement and its present value are as follows:

19. 融資租約承擔

於二零零六年三月三十一日，本集團根據融資租約安排之最低租金總額及其現值如下：

		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
Amounts payable	應付款項		
Within one year	一年內	152	152
In the second to fifth year inclusive	第二至第五年，包括首尾兩年	191	343
Total minimum lease payment	最低租金總額	343	495
Future finance lease charges	未來融資租約開支	(24)	(50)
Present value of total minimum lease payments	最低租金總額 現值	319	445
The present value of finance lease obligation is due as follows:	於下列時間到期之融資租約 承擔之現值：		
Within one year	一年內	136	126
In the second to fifth year inclusive	第二至第五年，包括首尾兩年	183	319
		319	445
Falling due within one year included in current liabilities	計入流動負債 於一年內到期	(136)	(126)
		183	319

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

20. SHARE CAPITAL

20. 股本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Authorised: 5,000,000,000 ordinary shares of HK\$0.01 each	法定： 5,000,000,000股 每股面值0.01港元之普通股	50,000	50,000
Issued and fully paid: 1,105,600,000 ordinary shares of HK\$0.01 each	已發行及繳足： 1,105,600,000股 每股面值0.01港元之普通股	11,056	11,056

21. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 12th July, 2002 for the purpose of providing incentives and rewards to eligible persons, including the directors of the Company, full time and part time employees of the Group and the consultants or adviser of the Group. Pursuant to the Scheme, the board of the directors may grant share options to the eligible persons to subscribe for shares in the Company. Options granted must be taken up within a period of 28 days from the date of options granted and upon payment of HK\$1 as the consideration for the options granted. Unless otherwise terminated or altered, the Scheme will remain in force for a period of ten years.

The maximum number of shares in respect of which options may be granted under the Scheme together with shares previously issued pursuant to options exercised under the Scheme shall not exceed 10% of the issued share capital of the Company from time to time and the maximum number of shares in respect of which options may be granted to any one eligible person in any 12-month period shall not exceed 1% of the issued share capital of the Company from time to time.

The subscription price shall be determined by the board of directors and notified to the eligible persons and shall be at least the highest of (i) the closing price of the shares on the GEM as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a trading day; (ii) the average closing price of the shares on the GEM as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the offer date; (iii) the nominal value of a share.

21. 購股權計劃

本公司於二零零二年七月十二日採納購股權計劃（「計劃」），旨在為合資格人士，包括本公司董事、本集團全職及兼職僱員及本集團之諮詢顧問或顧問等提供獎勵及獎賞。根據計劃，董事會可向合資格人士授予可認購本公司股份之購股權。購股權必須於授出購股權日期起計二十八日期間接納，且於接納獲授購股權時須繳付1港元之代價。除非另行終止或作出修訂外，計劃將於十年內有效。

根據計劃可能授出之購股權所涉及股份數目上限，連同先前根據計劃行使購股權而發行之股份，不得超過本公司不時已發行股本10%，而於任何十二個月期間可能向任何一名合資格人士授出之購股權所涉及之股份數目上限，則不得超過本公司不時已發行股本1%。

認購價須由董事會釐定，並知會合資格人士，且不得低於以下三者中最高者：(i)聯交所日報表所報股份於提呈購股權當日（該日必須為交易日）在創業板之收市價；(ii)聯交所日報表所報股份在緊接提呈購股權當日前五個交易日在創業板之平均收市價；及(iii)股份面值。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

21. SHARE OPTION SCHEME (Continued)

The following tables disclose details of the Company's share options held by employees (including directors) and the movements in such holdings during the year ended 31st March, 2006:

Date of grant 授出日期	Exercise price per share 每股行使價	Exercisable period 行使期間	Outstanding at 31.3.2005 於二零零五年三月三十一日 尚未行使	Exercised or granted during the year 年內行使或授出	Outstanding at 31.3.2006 於二零零六年三月三十一日 尚未行使
3.10.2003	0.345	22.10.2003-21.10.2013	33,140,672	–	33,140,672
21.11.2003	0.452	29.11.2003-28.11.2013	12,659,328	–	12,659,328
			45,800,000	–	45,800,000

22. RESERVES THE GROUP

- (a) Pursuant to the relevant accounting rules and regulations applicable to foreign investment enterprises established in the PRC, the Group's PRC subsidiaries are required to transfer not less than 10% of its profit after taxation to the general reserve fund until the balance of such fund has reached 50% of their respective registered capital. The balances of the general reserve fund cannot be reduced except where approval is obtained from the relevant PRC authority to setoff accumulated losses or increase capital.
- (b) The special reserve represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition under the group reorganisation of the Group took place in July, 2002.

22. 儲備 本集團

- (a) 根據適用於中國成立之外商投資企業之有關會計規則及規例，本集團中國附屬公司須將其稅後溢利不少於10%轉撥至一般儲備，直至該基金結存達至註冊股本之50%為止。除非獲有關中國機構批准用作抵銷累計虧損或增加股本，否則不得減少一般儲備基金之結存。
- (b) 特別儲備指所收購附屬公司之股份面值與根據本集團於二零零二年七月進行之集團重組收購而發行本公司股份面值間之差額。

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31st March, 2006 二零零六年三月三十一日

22. RESERVES (Continued) THE COMPANY

22. 儲備 (續) 本公司

		Share Premium 股份溢價 HK\$'000 千港元	Proposed dividend 建議股息 HK\$'000 千港元	Retained profits/ (accumulated losses) 保留溢利/ (累計虧損) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31st March, 2004	於二零零四年三月三十一日	101,669	3,759	539	105,967
Proposed final dividend paid	擬派末期股息	–	(3,759)	–	(3,759)
Loss for the year	年內虧損	–	–	(4,794)	(4,794)
At 31st March, 2005	於二零零五年三月三十一日	101,669	–	(4,255)	97,414
Loss for the year	年內虧損	–	–	(882)	(882)
At 31st March, 2006	於二零零六年三月三十一日	101,669	–	(5,137)	96,532

The Company's reserves available for distribution represent the net amount of share premium and accumulated losses. Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and/or Articles of Association and provided that immediately following the distribution or dividend the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can be distributed out of the share premium and retained profits of the Company. As at 31st March, 2006, the Company's reserve available for distribution amounted to approximately HK\$96,532,000 (2005: HK\$97,414,000).

本公司之可供分派儲備指股份溢價及累計虧損之淨額。根據開曼群島法例第22章公司法(修訂本)，本公司之股份溢價可供向股東作出分派或派付股息，惟須受本公司組織章程大綱及／或組織章程細則之條文規限，以及於緊隨分派或派息後，本公司必須能於日常業務過程中支付到期應付之債項。根據本公司之組織章程細則，股息可從本公司股份溢價及保留溢利中撥付。於二零零六年三月三十一日，本公司之可供分派儲備約為96,532,000港元(二零零五年：97,414,000港元)。

23. MAJOR NON-CASH TRANSACTIONS

During the year ended 31st March, 2006, certain deposits paid in prior year for acquisition of property, plant and equipment amounting to HK\$3,500,000 (2005: HK\$18,360,000) have been recognised as property, plant and equipment.

23. 主要非現金交易

於截至二零零六年三月三十一日止年度內，上年度就收購物業、廠房及設備支付之訂金3,500,000港元(二零零五年：18,360,000港元)已確認為物業、廠房及設備。

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24. RELATED PARTY TRANSACTIONS

During the year, the Group had the following significant transactions with related parties:

24. 關連人士交易

年內，本集團與關連人士進行以下重大交易：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Ultimate holding company:	最終控股公司：		
Rental paid to Tungda Industrial Limited	付予東大工業(集團)有限公司之租金	108	108

Messrs. CHU Chien Tung, CHU Chick Kei and CHU Siu Chun jointly hold the entire beneficial interest in Tungda Industrial Limited, the ultimate holding company of the Company.

朱展東先生、朱植杞先生及朱紹進先生共同持有本公司最終控股公司東大工業(集團)有限公司全部實益權益。

25. LEASE COMMITMENTS

As at the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

25. 租約承擔

於結算日，本集團根據有關土地及樓宇的不可撤銷經營租約於以下期間到期應付的日後最低租金承擔如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	1,014	1,249
In the second to fifth year inclusive	第二至第五年，包括首尾兩年	171	1,056
		1,185	2,305

The operating lease payments represent rentals payable by the Group for certain of its office premises and factories. Leases are generally negotiated for a term of one to two years.

經營租約租金指本集團就若干辦公室物業及廠房應付之租金。租約一般按一至兩年期洽商。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

26. CAPITAL AND OTHER COMMITMENTS

26. 資本及其他承擔

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Amount contracted for but not provided in the financial statements in respect of	就下列項目已訂約但未於財務報表撥備之款項		
– acquisition of property, plant and equipment	– 收購物業、廠房及設備	24,773	24,773
– research and development expenditure	– 研究及開發開支	200	200
– advertising expenditure	– 廣告開支	880	880
		25,853	25,853

27. POTENTIAL CLAIM

During the year ended 31st March, 2004, the Group received a letter from an overseas manufacturer (the “Manufacturer”) concerning the allegation of potential infringement of certain patent rights of the Manufacturer. Up to the date of this report, the Group has not infringed such patent rights of the Manufacturer. Accordingly, no provision for this potential claim has been made.

27. 潛在索償

截至二零零四年三月三十一日止年度，本集團接獲一名海外製造商（「製造商」）之函件，聲稱本集團可能侵犯製造商之若干專利權。截至本報告日期，本集團並無侵犯製造商之有關專利權。故此，並無就此項潛在索償提撥準備。

28. RETIREMENT BENEFITS SCHEMES

The Group operates a mandatory provident fund scheme (“MPF Scheme”) for all employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

28. 退休福利計劃

本集團為其所有香港僱員設立強制性公積金計劃（「強積金計劃」）。該強積金計劃資產由獨立受託人管理，與本集團資產分開持有。根據該強積金計劃，僱主及其僱員須各自按有關規例之指定比率向該強積金計劃供款。本集團就該強積金計劃須承擔之責任僅為根據強積金計劃作出所需供款。

The Group also participates in a defined contribution retirement scheme organised by the local government of Shenzhen, the PRC. All employees in the PRC are entitled to an annual pension equal to a fixed portion of their individual final basic salaries at their retirement date. The Group is required to make contributions to the retirement scheme at the rate of 9% of the basic salaries of its employees in the PRC.

本集團亦參與中國深圳當地政府設立之定額供款退休計劃，所有中國僱員均有權取得相等於其退休之日最終基本薪金某固定比例之年度退休金，本集團須按其中國僱員基本薪金9%之比率向該退休計劃作出供款。

During the year, the total cost of retirement benefits contributions charged to the income statement of HK\$191,000 (2005: HK\$314,000) represents contributions to the scheme made by the Group at rates specified in the rules of the respective schemes. No forfeited contributions may be used by the employer to reduce the existing level of contributions.

年內計入收入報表之退休福利供款總成本為191,000港元（二零零五年：314,000港元），該數額為本集團按有關計劃規例之指定比率向該等計劃作出之供款額。僱主不得以沒收供款減低其現有供款水平。

Notes to the Financial Statements 財務報表附註

31st March, 2006 二零零六年三月三十一日

29. HONG KONG FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR

The HKICPA has issued the following amendments, new standards and interpretations which are not yet effective as of the date of these financial statements:

29. 本年度已頒佈但未生效之香港財務報告準則

香港會計師公會已頒佈下列修訂、新訂準則及詮釋，但仍未於本年度該等財務報表刊發日期生效：

	Effective for accounting periods beginning on or after 自以下日期或之後 會計期間開始生效
Amendments, as a consequence of the Hong Kong Companies (Amendment) Ordinance 2005, to:	
– HKAS 1 “Presentation of Financial Statements”	1st January, 2006
– HKAS 27 “Consolidated and Separate Financial Statements”	1st January, 2006
– HKFRS 3 “Business Combinations”	1st January, 2006
對二零零五年香港公司條例（經修訂）作出之修訂	
– 香港會計準則第1號「財務報表之呈列」	二零零六年一月一日
– 香港會計準則第27號「綜合及獨立財務報表」	二零零六年一月一日
– 香港財務報告準則第3號「業務合併」	二零零六年一月一日
Amendments to HKAS 39 “Financial Instruments: Recognition and Measurement”:	
– The fair value option	1st January, 2006
– Financial guarantee contracts	1st January, 2006
對香港會計準則第39號「金融工具：確認及計量」作出之修訂	
– 公平價值之選擇	二零零六年一月一日
– 財務擔保合約	二零零六年一月一日
Amendments to HKAS 19 “Actuarial gains and losses, group plans and disclosures”	1st January, 2006
對香港會計準則第19號「精算損益、集團計劃及披露」作出之修訂	二零零六年一月一日
Amendments to HKAS 21 “Net investment in a foreign operation”	1st January, 2006
對香港會計準則第21號「於外國業務之投資淨額」作出之修訂	二零零六年一月一日
HKFRS-Int 4 “Determining whether an Arrangement contains a Lease”	1st January, 2006
香港財務報告準則－詮釋第4號「釐定安排是否包含租約」	二零零六年一月一日
HK(IFRIC)-Int 8 “Scope of HKFRS 2”	1st May, 2006
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」	二零零六年五月一日
HKFRS 7 “Financial Instruments: Disclosures”	1st January, 2007
香港財務報告準則第7號「金融工具：披露」	二零零七年一月一日
Amendments to HKAS 1 “Presentation of Financial Statements: Capital Disclosures”	1st January, 2007
對香港會計準則第1號「財務報表之呈列：資本披露」作出之修訂	二零零七年一月一日

29. HONG KONG FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR

(Continued)

The Group has not early adopted the above standards, interpretations and amendments in the financial statements for the year ended 31st March, 2006. The Group has already commenced an assessment of the related impact to the Group but is not yet in a position to state whether substantial changes to Group's accounting policies and presentation of the financial statements will be resulted.

29. 本年度已頒佈但未生效之香港財務報告準則 (續)

本集團並無提前在於截至二零零六年三月三十一日止年度之財務報表內採納上述準則、詮釋及修訂。本集團已開始評估對集團所產生之有關影響，惟不能預測是否將會對本集團會計政策及財務報表之呈列產生重大影響。