

Notes to the Financial Statements

財政報告附註

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

1. GENERAL

The Company is incorporated in Hong Kong with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The ultimate holding company of the Company is Jade Forest Limited ("Jade Forest"), a limited liability company incorporated in the British Virgin Islands.

The Company is an investment holding company. The activities of its principal subsidiaries at 31st March, 2005 are set out in note 37.

2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

The Hong Kong Institute of Certified Public Accountants ("HKICPA") issued a number of new or revised Hong Kong Accounting Standards ("HKASs") and Hong Kong Financial Reporting Standards ("HKFRSs") which together with the Statements of Standard Accounting Practice and Interpretations issued by the HKICPA are collectively referred to as HKFRSs. The HKFRSs and HKASs are effective for accounting periods beginning on or after 1st January, 2005 except for HKFRS 3 "Business Combination". The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31st March 2005.

HKFRS 3 is applicable to business combinations for which the agreement date is on or after 1st January, 2005. The Group has not entered into any business combination for which the agreement date is on or after 1st January, 2005. Therefore HKFRS 3 did not have any impact on the Group for the year ended 31st March, 2005.

The Group has commenced an assessment of the impact of other new and revised HKFRSs but is not yet in a position to state whether such HKFRSs would have a significant impact on the Group's results of operations and financial position for the accounting year beginning on 1st April, 2005.

1. 總則

本公司為一間在香港註冊成立之有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司之最終控股公司為 Jade Forest Limited（「Jade Forest」），其為一間在英屬處女群島註冊成立之有限公司。

本公司為一間投資控股公司，其主要附屬公司於二零零五年三月三十一日之業務載於財政報告附註37。

2. 最新頒佈之會計準則所產生之潛在影響

香港會計師公會（「香港會計師公會」）頒佈多項新訂立或經修訂香港會計準則及香港財務報告準則（「香港財務報告準則」）。香港會計準則及香港財務報告準則連同香港會計師公會所頒佈之會計實務準則及詮釋統稱為「香港財務報告準則」。除香港財務報告準則第3號「業務合併」外，香港財務報告準則及香港會計準則於二零零五年一月一日或之後開始之會計期間有效。本集團並無於截至二零零五年三月三十一日止年度之財政報告提早採納該等新香港財務報告準則。

香港財務報告準則第3號適用於協議日期為二零零五年一月一日或之後之業務合併。本集團並無訂立協議日期為二零零五年一月一日或之後之任何業務合併。因此，於截至二零零五年三月三十一日止年度，香港財務報告準則第3號對本集團並無造成任何影響。

本集團已開始評估其他新訂立或經修訂香港財務報告準則之影響，惟現時尚未能確定該等香港財務報告準則是否會對本集團於二零零五年四月一日開始之會計年度之經營業績及財政狀況造成重大影響。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st March each year.

All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or an associate at the date of acquisition.

Goodwill is capitalised and amortised on a straight-line basis over its useful economic life of not more than twenty years. Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate. Goodwill arising on the acquisition of subsidiaries is presented separately in the consolidated balance sheet as a separate intangible asset.

On disposal of a subsidiary or an associate, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

Trade marks

Trade marks are measured initially at cost less accumulated amortisation and any recognised impairment loss. The cost of trade marks is amortised on a straight-line basis over their estimated useful lives.

3. 主要會計政策

本財政報告乃根據歷史成本慣例及按照香港普遍採納之會計原則編製。所採用之主要會計政策如下：

綜合賬目基準

綜合財政報告包括本公司及其附屬公司計至每年三月三十一日止之財政報告。

本集團內公司間之所有重大交易及結存均於綜合賬目時抵銷。

年內收購或出售之附屬公司業績，分別由收購之生效日期起計或計至出售之生效日期止（視乎情況而定）計入綜合收益表內。

商譽

綜合賬目時產生之商譽為購買成本超逾本集團佔所收購附屬公司或聯營公司於收購日之可區分資產及負債之公平價值數額。

商譽撥作資本並按其可用年期以直線法攤銷，最長以二十年為限。收購聯營公司時產生之商譽計入該聯營公司之賬面值內。收購附屬公司時產生之商譽在綜合資產負債表上另行作為無形資產呈列。

於出售附屬公司或聯營公司時，應佔未攤銷商譽之數額會計入出售之溢利或虧損內。

商標

商標最初按成本減去累計攤銷及任何已確認減值虧損計算。商標之成本於其估計可用年期內以直線法攤銷。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and amortisation, and any impairment losses.

Depreciation and amortisation are provided to write off the cost of assets over their estimated useful lives and after taking into account the estimated residual value, using the straight-line method, at the following rates per annum:

Leasehold land	Over the unexpired term of the relevant lease
Buildings	Over the estimated useful life of 20 years, or the unexpired term of the relevant lease, whichever is shorter
Plant and machinery	10% – 20%
Leasehold improvements	Over the estimated useful life of 5 years or the unexpired term of the relevant lease, whichever is shorter
Furniture, fixtures and equipment	20% – 33 $\frac{1}{3}$ %
Motor vehicles	20%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of that asset and is recognised in the income statement.

3. 主要會計政策 (續)

物業、機器及設備

物業、機器及設備按成本減去折舊及攤銷與任何減值虧損後入賬。

資產之折舊及攤銷按下列年率於其估計可使用年期內並經計及估計剩餘價值以直線法撇銷成本計算：

租約土地	尚餘有關租約期內
樓宇	二十年之估計可用年期或尚餘有關租約期內 (以較短期者為準)
機器及設備	10%-20%
租賃物業裝修	五年之估計可用年期或尚餘有關租約期內 (以較短期者為準)
傢俬、裝修及器材	20%-33 $\frac{1}{3}$ %
汽車	20%

根據融資租約持有之資產於其預計可使用年期內按與自置資產相同之基準計算折舊。

資產於出售或退廢時產生之收益或虧損，以出售資產所得之款項與其賬面值兩者之差額計算，並於收益表內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment losses.

Club debentures

Club debentures are stated at cost less any identified impairment losses.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss is subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

3. 主要會計政策 (續)

附屬公司投資

附屬公司投資按成本減去任何獲確認之減值虧損後列入本公司之資產負債表。

會所債券

會所債券乃按成本減去任何獲確認之減值虧損後列賬。

減值

於每個結算日，本集團會審閱其資產之賬面值以確定有否任何跡象顯示該等資產已出現減值虧損。倘若某項資產之可收回款額估計低於其賬面值，則該資產之賬面值會相應調低至可收回款額水平。減值虧損會即時確認為開支。

倘若其後出現減值虧損撥回，則該資產之賬面值會回升至經修訂後之估計可收回款額水平，惟所增加後之賬面值數額不得超過倘若於以往年度未有就該資產確認減值之原應獲確定之賬面值。減值虧損撥回會即時確認為收入。

存貨

存貨按成本與可變現淨值兩者中之較低值入賬。成本按先入先出法計算。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research and development expenditure

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

An internally-generated intangible asset arising from development 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.

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

Leases

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. Assets held under finance leases are capitalised at their fair values at the date of acquisition. The corresponding liability to the lessor, net of interest charges, is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the period of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

All other leases are classified as operating leases and the rentals are charged to the income statement on a straight-line basis over the relevant lease term.

3. 主要會計政策 (續)

研發費用

研究活動費用於發生期間確認為開支。

因開發費用而產生之內部自生無形資產唯有當該開發費用有明確專項並預期會透過未來商業活動收回成本之前提下方可被確認。

倘未能確認為內部產生之無形資產，開發費用於其發生期間確認為開支。

租約

倘若租約條款規定有關資產之所有權附帶之絕大部份風險及回報均轉移予本集團，則有關租約列作融資租約。根據融資租約持有之資產按其於收購日之公平價值撥作資本。出租人相應之債務於扣除利息開支後列作融資租約債務計入資產負債表內。財務費用為租賃承擔總額與被收購資產公平價值兩者之差額，於有關租約期內從收益表中扣除，以便就各個會計期間債務之餘額計算出一個不變的定額收費率。

所有其他租約列作經營租約，而租金開支以直線法於有關租約期內從收益表中扣除。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

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

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible.

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred taxation liabilities are generally recognised for all taxable temporary differences, and deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred taxation liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3. 主要會計政策 (續)

稅項

所得稅開支指目前應付稅項及遞延稅項之總額。

目前應付之稅項乃按期內之應課稅溢利計算。由於應課稅溢利不包括於其他期間應課稅或可扣稅之收入或開支項目，亦不包括永不課稅或可扣稅之項目，故此應課稅溢利與收益表所載溢利淨額並不相同。

遞延稅項為就財務報表所載資產及負債之賬面值與計算應課稅溢利之相應稅基兩者之差額而須支付或可收回之稅項，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅暫時差額確認，而遞延稅項資產在可能出現可利用可扣減暫時差額抵銷應課稅溢利時確認。倘若交易中因商譽或因業務合併以外原因首次確認其他資產及負債而引致之暫時差額並不影響應課稅溢利或會計溢利時，則不會確認該等資產及負債。

遞延稅項負債乃按因於附屬公司之投資而引致之應課稅暫時差額而確認，惟倘若本公司可控制暫時差額之撥回而暫時差額有可能不會於可見將來撥回之情況除外。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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

Deferred taxation is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred taxation is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred taxation is also dealt with in equity.

Revenue recognition

Sales of goods are recognised when goods are delivered and title has passed.

Royalty income is recognised on a straight line basis over the terms of the relevant contracts.

Dividend income from investments is recognised when the Group's rights to receive dividend payment have been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates ruling on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statement.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於每個結算日作檢討，並於不再有足夠應課稅溢利恢復全部或部分資產價值時作調減。

遞延稅項乃按預期於負債清償或資產變現期間適用之稅率計算。遞延稅項於收益表中扣除或計入收益表，惟倘遞延稅項關乎直接在股本權益中扣除或貸記之項目，則亦會於股本權益中處理。

收入之確認

銷售貨品之收入於貨品已送交及所有權已轉移之時予以確認。

版權收入以直線法於有關合約期內予以確認。

來自投資之股息收入於本集團確定收取股息款項之權利時予以確認。

利息收入按未償還本金額及適用息率以時間比例累積計算。

外幣

以外幣進行之交易初步按交易日之匯率記錄。以外幣為計價單位之貨幣資產及負債按結算日之匯率重新換算。滙兌所產生之盈虧均撥入收益表處理。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

On consolidation, the assets and liabilities of the Group's operations outside Hong Kong are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange difference arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or expenses in the period in which the operation is disposed of.

Retirement benefits costs

Payments to defined contribution retirement benefit plans, state-managed pension schemes and the mandatory provident fund scheme are charged as an expense as they fall due.

4. SEGMENT INFORMATION

The Group currently has one business segment of development and sale of digital consumer products. In prior year, the Group was also involved in the apparel trading operations which was discontinued since 26th September, 2003, the date on which the Group disposed the entire equity interests in Hamlet Profits Limited and its subsidiaries. The directors considered that the geographical segments by market, irrespective of the origin of the goods/services, is the primary segment.

3. 主要會計政策 (續)

外幣 (續)

綜合賬目時，本集團香港以外業務之資產及負債按結算日之滙率換算。收入及支出項目均按年內平均滙率換算。滙兌差額（如有）均列作權益並轉撥入本集團之換算儲備。該等換算差額均在出售有關業務之期間內確認為收入或支出。

退休福利成本

向定額供款退休福利計劃、國家管理之退休金計劃及強制公積金計劃付款均在到期支付時入賬列作支出。

4. 分類資料

本集團目前僅有一項業務分類—數碼消費產品開發及銷售。去年，本集團亦經營衣飾貿易業務，但於二零零三年九月二十六日（同日本集團出售於Hamlet Profits Limited及其附屬公司之全部股本權益）起終止。董事認為主要分類為按市場（不論貨品／服務之來源地）分析之地區分類。

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4. SEGMENT INFORMATION (CONTINUED)

Primary reporting segment – geographical segments

For the year ended 31st March, 2005

4. 分類資料 (續)

主要報告分類 – 地區分類

截至二零零五年三月三十一日止年度

		Europe 歐洲	USA 美國	Hong Kong 香港	Other regions in the PRC 中國其他地區	Others 其他	Eliminations 抵銷	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Turnover	營業額							
External sales	對外銷售	121,319	773,394	108,695	638,728	61,616	-	1,703,752
Inter-segment sales	集團內部銷售	-	-	23,827	30,122	-	(53,949)	-
Total	總額	121,319	773,394	132,522	668,850	61,616	(53,949)	1,703,752
Segment results	分類業績	9,869	112,507	17,845	85,723	9,297	-	235,241
Interest income	利息收入							2,368
Unallocated corporate expenses	未分配公司開支							(5,870)
Profit from operations	經營溢利							231,739
Finance costs	財務費用							(11,112)
Profit before taxation	除稅前溢利							220,627
Taxation	稅項							(18,888)
Net profit for the year	年度溢利淨額							201,739

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4. SEGMENT INFORMATION (CONTINUED)

Primary reporting segment – geographical segments
(continued)

4. 分類資料 (續)

主要報告分類 – 地區分類 (續)

As at 31st March, 2005

於二零零五年三月三十一日

		Europe 歐洲 HK\$'000 千港元	USA 美國 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Other regions in the PRC 中國其他地區 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Eliminations 抵銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產							
Segment assets	分類資產	77,440	121,719	218,962	1,146,234	77,567	-	1,641,922
Unallocated corporate assets	未分配公司資產							230,250
Consolidated total assets	綜合總資產							1,872,172
Liabilities	負債							
Segment liabilities	分類負債	341	-	49,979	281,414	712	-	332,446
Unallocated corporate liabilities	未分配公司負債							351,104
Consolidated total liabilities	綜合總負債							683,550
Other information	其他資料							
Additions to property, plant and equipment	增添物業、機器及設備	-	-	2,909	42,476	168	-	45,553
Depreciation and amortisation	折舊及攤銷	-	-	2,987	19,738	158	-	22,883
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	-	-	-	885	-	-	885
Allowance for bad and doubtful debts	呆壞賬撥備	7,780	-	-	25,096	-	-	32,876
Allowance for inventories	存貨撥備	-	-	2,232	9,631	-	-	11,863

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

4. SEGMENT INFORMATION (CONTINUED)

Primary reporting segment – geographical segments (continued)

4. 分類資料 (續)

主要報告分類 – 地區分類 (續)

For the year ended 31st March, 2004

截至二零零四年三月三十一日止年度

		USA	Hong Kong	Other regions in the PRC 中國	Others 其他	Eliminations 抵銷	Consolidated 綜合
		美國 HK\$'000 千港元	香港 HK\$'000 千港元	其他地區 HK\$'000 千港元	其他 HK\$'000 千港元	抵銷 HK\$'000 千港元	綜合 HK\$'000 千港元
Turnover	營業額						
External sales	對外銷售						
– Continuing operations	– 持續業務	228,970	12,963	328,127	175	–	570,235
– Discontinued operations	– 終止業務	–	23,935	18,889	–	–	42,824
Total	總額	228,970	36,898	347,016	175	–	613,059
Segment results	分類業績						
– Continuing operations	– 持續業務	31,256	1,770	44,792	24	–	77,842
– Discontinued operations	– 終止業務	–	(1,544)	(1,219)	–	–	(2,763)
		31,256	226	43,573	24	–	75,079
Interest income	利息收入						859
Unallocated corporate expenses	未分配公司開支						(3,418)
Profit from operations	經營溢利						72,520
Finance costs	財務費用						(3,872)
Gain on disposal of discontinued operations	出售終止業務所產生之收益	–	5,636	4,447	–	–	10,083
Profit before taxation	除稅前溢利						78,731
Taxation	稅項						(7,653)
Net profit for the year	本年度淨溢利						71,078

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

4. SEGMENT INFORMATION (CONTINUED)

Primary reporting segment – geographical segments (continued)

4. 分類資料 (續)

主要報告分類 – 地區分類 (續)

As at 31st March, 2004

於二零零四年三月三十一日

		USA 美國 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Other regions in the PRC 中國其他地區 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Eliminations 抵銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產						
Segment assets	分類資產	78,742	153,951	545,930	1,923	-	780,546
Unallocated corporate assets	未分配公司資產						690
Consolidated total assets	綜合總資產						781,236
Liabilities	負債						
Segment liabilities	分類負債	-	51,426	28,725	412	-	80,563
Unallocated corporate liabilities	未分配公司負債						124,095
Consolidated total liabilities	綜合總負債						204,658
Other information	其他資料						
Additions to property, plant and equipment	增添物業、機器及設備						
- Continuing operations	- 持續業務	-	5,221	180,355	841	-	186,417
- Discontinued operations	- 終止業務	-	722	-	-	-	722
Depreciation and amortisation	折舊及攤銷						
- Continuing operations	- 持續業務	-	1,495	7,336	49	-	8,880
- Discontinued operations	- 終止業務	-	492	-	-	-	492
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	-	57	-	-	-	57

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4. SEGMENT INFORMATION (CONTINUED)**Secondary reporting segment – business segments**

An analysis of the Group's turnover by business segments is as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Turnover:	營業額：		
Continuing operations	持續業務		
Development and sale of digital consumer products	數碼消費產品開發及銷售	1,703,752	570,235
Discontinued operations	終止業務		
Apparel trading	衣飾貿易	-	42,824
		1,703,752	613,059

At 31st March, 2005 and 2004, the Group has only one business segment of development and sale of digital consumer products and therefore no analysis of segment assets and liabilities is presented.

5. OTHER OPERATING INCOME

Other operating income for the year includes the following:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest received on bank deposits	銀行存款收取之利息	2,368	859
Royalty income	版權收入	-	663

4. 分類資料 (續)**次要報告分類 – 業務分類**

本集團之營業額按業務分類劃分之分析如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
營業額：			
持續業務			
數碼消費產品開發及銷售		1,703,752	570,235
終止業務			
衣飾貿易		-	42,824
		1,703,752	613,059

於二零零五年及二零零四年三月三十一日，本集團僅有一項數碼消費產品開發及銷售業務，因此並無呈報分類資產及負債之分析。

5. 其他經營收入

年內之其他經營收入包括以下各項：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
銀行存款收取之利息		2,368	859
版權收入		-	663

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

6. PROFIT FROM OPERATIONS

6. 經營溢利

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit from operations has been arrived at after charging:	經營溢利已扣除以下各項：		
Allowance for bad and doubtful debts (note)	呆壞賬撥備(附註)	32,876	—
Allowance for inventories (note)	存貨撥備(附註)	11,863	—
Amortisation of trade marks (note)	商譽攤銷(附註)	2,870	—
Auditors' remuneration	核數師酬金	1,800	1,042
Depreciation and amortisation of property, plant and equipment	物業、機器及設備之折舊及攤銷	22,883	9,372
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	885	57
Operating lease rentals in respects of rented premises	租賃物業之經營租約租金	8,735	7,166
Research and development costs (note)	研發成本(附註)	9,360	127
Royalty expenses	版權費支出	429	2,949
Staff costs, including directors' emoluments	員工成本，包括董事酬金	38,154	28,443
and after crediting:	並已計入以下一項：		
Foreign exchange gain	外匯收益	106	761

Note: Amount included in administrative expenses.

附註：包括於行政開支之款項。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

7. DIRECTORS' AND HIGHEST PAID EMPLOYEES' EMOLUMENTS

7. 董事及最高薪僱員酬金

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Fees to independent non-executive directors	支付予獨立非執行董事之袍金	573	200
Emoluments to executive directors:	支付予執行董事之酬金：		
Fees	袍金	-	-
Salaries and other benefits	薪金及其他福利	8,853	2,640
Retirement benefit scheme contributions	退休福利計劃供款	3	-
		8,856	2,640
		9,429	2,840

Emoluments of the directors were within the following bands:

董事酬金之幅度如下：

		Number of directors 董事人數	
		2005 二零零五年	2004 二零零四年
Nil – HK\$1,000,000	零港元至1,000,000港元	7	3
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	-	2
HK\$7,000,001 – HK\$7,500,000	7,000,001港元至7,500,000港元	1	-
		8	5

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7. DIRECTORS' AND HIGHEST PAID EMPLOYEES' EMOLUMENTS (CONTINUED)

Details of emoluments paid by the Group to the five highest paid individuals (including directors, details of whose emoluments are set out above) are as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	11,425	4,818
Retirement benefit scheme contributions	退休福利計劃供款	20	12
		11,445	4,830

Emoluments of the five highest paid individuals were within the following bands:

		Number of individuals 僱員人數	
		2005 二零零五年	2004 二零零四年
Nil – HK\$1,000,000	零港元至1,000,000港元	1	3
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	3	2
HK\$7,000,001 – HK\$7,500,000	7,000,001港元至7,500,000港元	1	–
Number of directors	董事人數	4	2
Number of employees	僱員人數	1	3

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

7. 董事及最高薪僱員酬金 (續)

本集團支付予五位最高薪僱員(包括董事·其酬金詳情載於下文)之酬金詳情如下:

五位最高薪僱員酬金之幅度如下:

		Number of individuals 僱員人數	
		2005 二零零五年	2004 二零零四年
Nil – HK\$1,000,000	零港元至1,000,000港元	1	3
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	3	2
HK\$7,000,001 – HK\$7,500,000	7,000,001港元至7,500,000港元	1	–
Number of directors	董事人數	4	2
Number of employees	僱員人數	1	3

年內·本集團並無支付酬金予董事或五位最高薪僱員作為加入本集團時或吸引加入本集團之獎金或作為離職之賠償。年內亦無董事放棄或同意放棄任何酬金。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

8. FINANCE COSTS

8. 財務費用

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest on:	下列各項之利息：		
Bank borrowings wholly repayable within five years	須於五年內悉數償還之 銀行借款	(9,502)	(3,431)
Other borrowings wholly repayable within five years	須於五年內悉數償還之 其他借款	(410)	(240)
Finance leases	融資租約	(1,200)	(201)
		(11,112)	(3,872)

9. TAXATION

9. 稅項

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
The charge comprises:	稅項支出包括：		
The Company and subsidiaries:	本公司及附屬公司：		
Hong Kong:	香港：		
– Current year	– 本年度	(8,252)	(7,362)
– Underprovision in prior years	– 以往年度撥備不足	(144)	(110)
PRC Enterprise Income Tax	中國企業所得稅	(10,673)	–
		(19,069)	(7,472)
Deferred taxation credit (charge) for the year (see note 27)	本年度遞延稅項抵免(支出) (見附註27)	181	(181)
		(18,888)	(7,653)

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

9. TAXATION (CONTINUED)

Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profit for the year. Taxation arising in other countries or other regions in the PRC is calculated at the rates prevailing in the relevant jurisdiction. Pursuant to relevant laws and regulations in the PRC, certain subsidiaries of the Group are entitled to exemption from Enterprise Income Tax under certain tax holidays and concessions.

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

9. 稅項 (續)

香港利得稅乃根據本年度之估計應課稅溢利按17.5% (二零零四年: 17.5%) 之稅率計算。其他國家或中國其他地區之稅項乃按有關司法權區所採用之現行稅率計算。根據中國相關法例及法規, 本集團之若干附屬公司有權按若干免稅期及減免豁免繳納企業所得稅。

本年度稅項支出與綜合收益表所列之除稅前溢利對賬如下:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit before taxation	稅前溢利	220,627	78,731
Tax charge at the domestic income tax rate of 17.5% (2004: 17.5%)	按本地稅率17.5% (二零零四年: 17.5%) 計算之稅項支出	(38,610)	(13,778)
Tax effect of income not taxable for tax purpose	非課稅收入之稅務影響	146	1,765
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	(950)	(575)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	(2,690)	(2,055)
Utilisation of tax losses previously not recognised	使用先前未確認之稅項虧損	-	100
Effect of tax exemptions granted to the PRC subsidiaries	中國附屬公司豁免稅項之影響	23,295	7,000
Effect of different tax rate of a subsidiary in the PRC	中國一間附屬公司稅率不同之影響	65	-
Underprovision in prior years	以往年度撥備不足	(144)	(110)
Taxation charge for the year	本年度稅項支出	(18,888)	(7,653)

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

10. DIVIDENDS**10. 股息**

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Proposed final dividend of HK1.5 cents (2004: nil) per share	10,036	-

The final dividend of HK1.5 cents per share has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

本公司董事建議派發末期股息每股1.5港仙，有關建議須於應屆股東週年大會上獲得股東之批准。

11. EARNINGS PER SHARE

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

11. 每股盈利

每股基本及攤薄盈利乃根據下列資料計算：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Earnings		
Profit for the purpose of basic and diluted profit per share (net profit for the year)	201,739	71,078

	2005 二零零五年 Number of shares 股份數目	2004 二零零四年 Number of shares 股份數目
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	532,037,503	337,061,107
Effect of dilutive potential ordinary shares		
– Share options	14,183,598	700,701
Weighted average number of ordinary shares for the purpose of diluted earnings per share	546,221,101	337,761,808

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、機器及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Plant and machinery 機器及 設備 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝修及器材 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
THE GROUP	本集團						
AT COST	成本						
At 1st April, 2004	於二零零四年 四月一日	78,000	155,627	4,419	4,169	4,702	246,917
Additions	增加	36,981	6,590	-	1,210	772	45,553
Disposals	出售	-	-	(525)	-	(1,702)	(2,227)
At 31st March, 2005	於二零零五年 三月三十一日	114,981	162,217	3,894	5,379	3,772	290,243
DEPRECIATION AND AMORTISATION	折舊及攤銷						
At 1st April, 2004	於二零零四年 四月一日	-	8,009	1,244	825	567	10,645
Provided for the year	本年度撥備	1,890	17,055	1,551	1,586	801	22,883
Eliminated on disposals	出售時抵銷	-	-	-	-	(247)	(247)
At 31st March, 2005	於二零零五年 三月三十一日	1,890	25,064	2,795	2,411	1,121	33,281
NET BOOK VALUES	賬面淨值						
At 31st March, 2005	於二零零五年 三月三十一日	113,091	137,153	1,099	2,968	2,651	256,962
At 31st March, 2004	於二零零四年 三月三十一日	78,000	147,618	3,175	3,344	4,135	236,272

Note: On 31st July, 2003, the Group entered into a purchase agreement to acquire the entire equity interests in Best Concord Group Limited, which beneficially owned the land and plant construction situated at Shenzhen, the PRC, from Matsunichi Communications (Hong Kong) Limited, a company which was wholly and beneficially owned by Mr. Pan Su Tong ("Mr. Pan"), a substantial shareholder and a director of the Company, at a consideration of HK\$78,000,000, which is included in the land and buildings. The remaining balance payable outstanding as at 31st March, 2005 of HK\$11,700,000 has been included in the amount due to a related company in the current liabilities (see note 21) which shall be payable upon completion of due registration of the title of the plant in the name of Best Concord Group Limited, with all necessary licences for commencing operation of the plant by Best Concord Group Limited having been obtained. Such registration of the title had not yet been completed as at 31st March, 2005.

附註：於二零零三年七月三十一日，本集團訂立一項購買協議，向松日資訊（香港）有限公司收購Best Concord Group Limited之全部股權。松日資訊（香港）有限公司乃本公司主要股東兼董事潘蘇通先生（「潘先生」）全資及實益擁有。Best Concord Group Limited則實益擁有位於中國深圳市之土地及興建中廠房。有關之代價為78,000,000港元。有關物業已列入土地及樓宇。於二零零五年三月三十一日應付而未付之餘款為11,700,000港元，已列入流動負債中應付一間關連公司款項（見附註21），應付時間為完成廠房業權以Best Concord Group Limited名義正式登記，以及取得Best Concord Group Limited將廠房投產所需之一切許可證明文件。於二零零五年三月三十一日，該業權登記尚未完成。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The land and buildings are held under medium term lease and are located in the PRC.

The net book value of the Group's property, plant and equipment includes an amount of approximately HK\$32,855,000 (2004: HK\$36,511,000) in respect of assets held under finance leases.

13. TRADE MARKS**THE GROUP****COST**

Acquired during the year and
balance at 31st March, 2005

AMORTISATION

Charge for the year and balance
at 31st March, 2005

CARRYING AMOUNT

At 31st March, 2005

On 3rd November, 2004, the Group entered into two purchase agreements to acquire the trade marks, service marks, logos and commercial symbols of "Matsunichi" in Hong Kong and in countries or districts outside the PRC ("non-PRC trade marks") and in PRC ("PRC trade marks") respectively with Matsunichi International Holdings Limited ("MIHL") or/and Guangdong Matsunichi Electronics Limited ("GME"), Guangdong Matsunichi Communication Technology Company Limited ("GMCT") and others, in which Mr. Pan has beneficial interests in MIHL, GME and GMCT (collectively referred to as the "Acquisitions"). The consideration was satisfied by cash of HK\$20,000,000 and issue of 95,000,000 new ordinary shares of HK\$0.05 each.

12. 物業、機器及設備 (續)

該項土地及樓宇乃以中期租約持有並位於中國。

本集團名下物業、機器及設備之賬面淨值中以融資租約持有之資產所佔款額約為 32,855,000 港元 (二零零四年: 36,511,000 港元)。

13. 商標**本集團****成本**

於本年度收購及於二零零五年
三月三十一日之結餘

攤銷

本年度開支及於二零零五年
三月三十一日之結餘

賬面值

於二零零五年三月三十一日

HK\$'000
千港元

229,600

(2,870)

226,730

於二零零四年十一月三日，本集團分別與松日國際集團有限公司（「松日國際集團」）或／及廣東松日電器有限公司（「廣東松日電器」）、廣東松日通訊科技股份有限公司（「廣東松日通訊科技」）及其他人士訂立兩項購買協議，以收購「松日」商標、服務標記、圖案及商業徽號於香港及中國以外國家或地區之權利（「非中國商標」）及於中國之權利（「中國商標」），而潘先生於松日國際集團、廣東松日電器及廣東松日通訊科技均擁有實益權益（統稱為「該等收購事項」）。代價為現金 20,000,000 港元及發行 95,000,000 股每股面值 0.05 港元之新普通股之方式支付。

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13. TRADE MARKS (CONTINUED)

The resolution in respect of the Acquisitions was duly passed by the shareholders at the extraordinary general meeting held on 24th January, 2005. Pursuant to the non-PRC trade marks agreement, HK\$20,000,000 cash was paid and 80,000,000 ordinary shares of the Company were issued and allotted to MIHL or its nominees on 24th January, 2005 resulted in a total consideration of HK\$229,600,000, comprising of HK\$20,000,000 cash and 80,000,000 ordinary shares of the Company issued at a price of HK\$2.62, being the closing price of the Company's shares on 24th January, 2005, the date on which the Group has taken control of the non-PRC trade marks. The remaining 15,000,000 ordinary shares of the Company will be issued and allotted upon completion of the PRC trade marks agreement on or before 1st November, 2005.

The non-PRC trade marks are amortised over their estimated useful lives of 20 years. In the opinion of the directors, the underlying value of the trade marks was not less than the carrying amount as at the balance sheet date.

14. INTERESTS IN SUBSIDIARIES

13. 商標 (續)

有關該等收購事項之決議案經股東於二零零五年一月二十四日舉行之股東特別大會上正式通過。根據非中國商標協議，現金20,000,000港元已支付，而80,000,000股本公司普通股亦已於二零零五年一月二十四日發行及配發予松日國際集團或其代名人，導致總代價為229,600,000港元，包括現金20,000,000港元及按2.62港元（即本公司股份於二零零五年一月二十四日本集團取得非中國商標控制權當日之收市價）之價格發行之80,000,000股本公司普通股。其餘15,000,000股本公司普通股將於中國商標協議於二零零五年十一月一日或之前完成時發行及配發。

非中國商標乃於其估計可用年期20年內攤銷。董事認為，商標之基本價值不低於其於結算日之賬面值。

14. 於附屬公司權益

		THE COMPANY	
		本公司	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份，按成本	78,000	78,000
Unlisted capital contributions, at cost	非上市注資，按成本	158,139	158,061
		236,139	236,061
Amounts due from subsidiaries (Note)	附屬公司欠款(附註)	864,479	214,010
		1,100,618	450,071

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14. INTERESTS IN SUBSIDIARIES (CONTINUED)

Particulars of the Company's principal subsidiaries at 31st March, 2005 are set out in note 37.

Note: The amounts are unsecured, non-interest bearing and have no fixed terms of repayment. In the opinion of directors of the Company, the amounts are unlikely to be repaid within the next twelve months from the balance sheet date and therefore are shown in the balance sheet as non-current.

15. OTHER ASSETS

Club debentures 會所債券
Less: Impairment losses recognised 減：已確認之減值虧損

In the opinion of the directors, the carrying amount of club debentures approximates its fair value.

14. 於附屬公司權益 (續)

本公司主要附屬公司於二零零五年三月三十一日之資料載於附註37。

附註：該等款額乃無抵押、免息且無固定償還期。本公司董事認為該等款額不會於結算日後未來12個月內償還，故列入資產負債表中之非流動項目。

15. 其他資產

THE GROUP AND THE COMPANY 本集團及本公司

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
610	610
(520)	(520)
90	90

董事認為，會所債券之賬面值與其公允價值相若。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

16. INVENTORIES

16. 存貨

		THE GROUP	
		本集團	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原料	150,446	44,978
Work in progress	半製成品	7,739	4,415
Finished goods	製成品	28,912	37,749
		187,097	87,142

At 31st March, 2005, raw materials of approximately HK\$23,307,000 (2004: nil) and finished goods of approximately HK\$11,493,000 (2004: HK\$5,122,000) included above were carried at net realisable value.

於二零零五年三月三十一日，上述約23,307,000港元（二零零四年：無）之原料及約11,493,000港元（二零零四年：5,122,000港元）之製成品以可變現淨值列賬。

17. MACHINERY HELD FOR SALE

Machinery held for sale is stated at cost. Subsequent to 31st March, 2005, the Group entered into a sale and purchase agreement with a third party to dispose of the machinery held for sale for a consideration of approximately HK\$27,000,000, which was settled on 17th June, 2005 in full.

17. 持作出售機器

持作出售機器乃按成本入賬。於二零零五年三月三十一日後，本集團與一名第三方訂立一項買賣協議，以代價約為27,000,000港元出售持作出售機器，代價已於二零零五年六月十七日全數支付。

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18. TRADE AND OTHER RECEIVABLES

The Group allows credit periods ranging from 30 days to 180 days to its trade customers. Longer credit periods are granted to several well established customers with long business relationship.

An aged analysis of trade receivables at the balance sheet date is set out as follows:

0 – 30 days	零至30日
31 – 90 days	31至90日
91 – 180 days	91至180日
Over 180 days	180日以上
Other receivables	其他應收款項

18. 應收賬款及其他應收款項

本集團給予客戶之信貸期介乎30日至180日。數名已建立長期良好業務關係之客戶可獲得較長之信貸期。

以下為於結算日以賬齡劃分之應收賬款分析：

THE GROUP
本集團

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
163,778	35,246
113,620	124,216
247,404	29,282
109,833	275
634,635	189,019
24,789	38,175
659,424	227,194

19. TRADE AND OTHER PAYABLES

An aged analysis of trade payables at the balance sheet date is set out as follows:

0 – 90 days	零至90日
91 – 180 days	91至180日
Over 180 days	180日以上
Other payables	其他應付款項

19. 應付賬款及其他應付款項

以下為於結算日以賬齡劃分之應付賬款分析：

THE GROUP
本集團

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
192,544	17,150
42,923	3,895
29,137	1,550
264,604	22,595
55,154	45,114
319,758	67,709

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20. AMOUNT DUE TO ULTIMATE HOLDING COMPANY**THE GROUP**

The amount is unsecured, interest free and repayable on demand.

21. AMOUNT DUE TO A RELATED COMPANY THE GROUP AND THE COMPANY

The amount represents amount due to Matsunichi Communications (Hong Kong) Limited in which Mr. Pan is the ultimate shareholder and a director (see note 12).

The amount is unsecured, interest free and repayable on demand.

22. BANK BORROWINGS

Bank loans	銀行貸款
Trust receipt loans	信託收據貸款
Bank overdrafts	銀行透支
Analysis as:	分析如下：
Secured	有抵押
Unsecured	無抵押

The bank borrowings bear interest at prevailing market rates and are repayable within one year.

20. 應付最終控股款項**本集團**

有關款項乃無抵押、免息及按要求償還。

21. 應付一間關連公司款項**本集團及本公司**

此筆款額為應付松日資訊(香港)有限公司之款項。潘先生為松日資訊(香港)有限公司之最終股東及董事(見附註12)。

有關款項乃無抵押、免息及按要求償還。

22. 銀行借款

THE GROUP	
本集團	
2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
56,580	-
242,774	80,744
2,999	-
302,353	80,744
2,830	-
299,523	80,744
302,353	80,744

該等銀行借款之利息按當時之市場息率計算，並須於一年內償還。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

23. OBLIGATIONS UNDER FINANCE LEASES

23. 融資租約承擔

		Minimum lease payments		Present value of minimum lease payments	
		最低支付租金額	最低支付租金額	最低支付租金額之現值	最低支付租金額之現值
		2005 二零零五年 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	2004 二零零四年 HK\$'000 千港元
THE GROUP	本集團				
Amounts payable under finance leases:	根據融資租約應付之金額：				
Within one year	一年內	15,134	13,384	14,106	12,030
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	13,713	26,304	12,626	24,395
		28,847	39,688	26,732	36,425
Less: Future finance charges	減：未來融資費用	(2,115)	(3,263)	-	-
Present value of lease obligations	租約債務之現值	26,732	36,425	26,732	36,425
Less: Amounts due for settlement within one year	減：一年內到期償還款額			(14,106)	(12,030)
Amounts due for settlement after one year	一年後到期償還款額			12,626	24,395

The lease terms are three years. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

租約年期為三年。息率於訂立合約日期釐訂。所有租約均採用固定還款基準，並無訂立任何有關支付或然租金之安排。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

24. SHARE CAPITAL

24. 股本

	Notes 附註	Number of shares 股份數目		Share capital 股本	
		2005 二零零五年	2004 二零零四年	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Authorised:	法定：				
At 1st April	於四月一日	10,000,000	50,000,000,000	500,000	500,000
Consolidation of shares	合併股份	-	(40,000,000,000)	-	-
At 31st March	於三月三十一日	10,000,000	10,000,000,000	500,000	500,000
Issued and fully paid:	已發行及繳足：				
At 1st April	於四月一日	509,086,683	707,057,804	25,454	7,071
Issue of new shares	發行新股份	(a) 80,000,000	-	4,000	-
Issue of new shares by way of placement	以配售方式發行新股份	(b) 80,000,000	141,400,000	4,000	1,414
Issue of new shares upon exercise of share options	因行使購股權發行新股份	-	20,001	-	-
		669,086,683	848,477,805	33,454	8,485
Consolidation of shares	股份合併	-	(678,782,244)	-	-
		669,086,683	169,695,561	33,454	8,485
Rights issue of shares	供股發行股份	-	339,391,122	-	16,969
At 31st March	於三月三十一日	669,086,683	509,086,683	33,454	25,454

(a) Pursuant to an agreement dated 3rd November, 2004 for the acquisition of the non-PRC trade marks from MIHL, a company in which Mr. Pan has a beneficial interest, 80,000,000 new shares of HK\$0.05 each in the Company were issued and allotted to MIHL or its nominees on 24th January, 2005. All shares issued rank pari passu with the then existing shares in issue in all respects.

(a) 根據於二零零四年十一月三日與松日國際集團(由潘先生擁有實益權益之公司)訂立之收購非中國商標之協議, 80,000,000股每股面值0.05港元之本公司新股份已於二零零五年一月二十四日發行及配發予松日國際集團或其代名人。所有已發行股份在各方面均與當時之現有已發行股份享有同等權益。

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24. SHARE CAPITAL (CONTINUED)

- (b) On 22nd February, 2005, Jade Forest agreed to place 80,000,000 shares of HK\$0.05 each in the Company to independent investors at a price of HK\$2.6 per share. The placing price represented a discount of 8% to the closing price of HK\$2.825 per share at 22nd February, 2005.

On the same date, Jade Forest agreed to subscribe 80,000,000 new shares of HK\$0.05 each in the Company at a price of HK\$2.6 per share. The shares to be subscribed represented 13.6% of the then existing issued share capital and 12.0% of the enlarged issued share capital of the Company. These shares were allotted and issued on 8th March, 2005. All shares issued rank pari passu with the then existing shares in issue in all respects.

25. SHARE OPTIONS

The Company operates a share option scheme for the purpose of providing incentives or rewards to participants.

Under the share option scheme, the board of directors of the Company may grant options as an incentive to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company at the price determined by the directors, but shall not be lower than the higher of (i) the closing price of the Company's shares on the Stock Exchange of on the date of grant; (ii) the average of the closing prices of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares. The maximum number of shares in respect of which options may be granted under the share option scheme is not permitted to exceed 10% of the issued share capital of the Company from time to time. An option may be exercised at any time within ten years from the date of grant of the relevant options.

24. 股本 (續)

- (b) 於二零零五年二月二十二日，Jade Forest同意按每股2.6港元之價格向獨立投資者配售80,000,000股每股面值0.05港元之本公司股份。配售價較每股股份於二零零五年二月二十二日之收市價2.825港元折讓8%。

同日，Jade Forest同意按每股2.6港元之價格認購80,000,000股每股面值0.05港元之本公司新股份。將予認購之股份相當於本公司之當時現有已發行股本之13.6%及經擴大已發行股本之12.0%。該等股份已於二零零五年三月八日分配及發行。所有已發行股份在各方面均與當時之現有已發行股份享有同等權益。

25. 購股權

本公司運作一項購股權計劃，以鼓勵或嘉許參與者。

根據購股權計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司之董事）授出購股權作為對合資格僱員之鼓勵。合資格僱員可按董事釐定之價格認購本公司股份，惟有關價格不可低於(i)本公司股份於購股權授出日期在聯交所之收市價；(ii)本公司股份於緊接購股權授出日期前五個交易日在聯交所之平均收市價；或(iii)本公司股份之面值（以較高者為準）。根據購股權計劃而授出之購股權獲行使時可發行之股份最高數目不可超逾本公司不時之已發行股本之10%。購股權可在授出有關購股權之日起計10年內任何時間行使。

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25. SHARE OPTIONS (CONTINUED)

The offer of a grant of share options under the scheme may be accepted within 28 days from the date of the offer by the grantee. The vesting and exercise period of the share option granted is determinable at the entire discretion of the board of directors but the exercise period will not exceed a period of ten years immediate after acceptance of grant.

The following tables disclose details of the Company's share options held by employees and movements in such holding during the year:

25. 購股權 (續)

根據該計劃授出購股權之建議可於建議日期起計28日內由承授人接納。已授出購股權之歸屬期及行使期由董事會全權釐定，但行使期不得超逾接納授出後10年。

下表列示年內由僱員持有之本公司購股權之詳情及有關持有量之變動：

Date of grant	Subscription		Number of share options				
	price per share	Exercise period	Outstanding at 1st April, 2003 於二零零三年 四月一日 尚未行使	Grant during the year	Outstanding at 1st April, 2004 於二零零四年 四月一日 尚未行使	Granted during the year	Outstanding at 31st March, 2005 二零零五年 三月三十一日 尚未行使
5th February, 2004 二零零四年二月五日	1.30 (Note 1) (附註1) HK\$ 港元	5th February, 2004 to 4th February, 2014 二零零四年二月五日至 二零一四年二月四日	-	20,000,000	20,000,000	-	20,000,000
20th April, 2004 二零零四年四月二十日	1.54	20th April, 2004 to 19th April, 2014 二零零四年四月二十日至 二零一四年四月十九日	-	-	-	8,350,000	8,350,000
			-	20,000,000	20,000,000	8,350,000	28,350,000

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25. SHARE OPTIONS (CONTINUED)

Details of share options held by the directors included in the above table are as follows:

Date of grant	Subscription		Outstanding at 1st April, 2003 於二零零三年 四月一日 尚未行使	Grant during the year 年內已授出 (Note 2) (附註2)	Number of share options 購股權數目		
	price per share	Exercise period			Outstanding at 1st April, 2004 於二零零四年 四月一日 尚未行使	Granted during the year 年內已授出	Outstanding at 31st March, 2005 二零零五年 三月三十一日 尚未行使
5th February, 2004 二零零四年二月五日	1.30 HK\$ 港元	5th February, 2004 to 4th February, 2014 二零零四年二月五日至 二零一四年二月四日	-	3,100,000	3,100,000	-	3,100,000

Notes:

- (1) The closing prices of the Company's shares immediately preceding the date of grant of 5th February, 2004 and 20th April, 2004 were HK\$1.30 and HK\$1.48, respectively.
- (2) The options were granted prior to Mr. Siu Wai Yip, James, Mr. Huang Hui and Mr. Dong Zhi Qiang appointed as directors of the Company on 3rd January, 2005.

The financial impact of options granted to employees and directors is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charged is recorded in the income statement or balance sheet for their costs. Upon the exercise of the 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.

25. 購股權 (續)

列示於上表由董事持有之購股權詳情如下:

授出日期	每股認購價		於二零零三年 四月一日 尚未行使	年內已授出 (Note 2) (附註2)	購股權數目		
	每股認購價	行使期			於二零零四年 四月一日 尚未行使	年內已授出	於二零零五年 三月三十一日 尚未行使
2004年2月5日	1.30 港幣	2004年2月5日至 2014年2月4日	-	3,100,000	3,100,000	-	3,100,000

附註:

- (1) 本公司股份於緊接購股權授出日期二零零四年二月五日及二零零四年四月二十日之收市價分別為1.30港元及1.48港元。
- (2) 該等購股權乃於蕭偉業先生、黃暉先生及董志強先生在二零零五年一月三日獲委任為本公司董事前授出。

已授予僱員及董事之購股權之財政影響於購股權獲行使時，方於本公司或本集團之資產負債表予以記錄，亦不會就其成本於收益表或資產負債表記錄有關開支。於購股權獲行使時，本公司會將發行之股份按股份面值記錄為額外股本，而本公司會將每股行使價超逾股份面值之金額記錄於股份溢價賬。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

26. RESERVES

THE GROUP

Details of changes in reserves of the Group are set out in the consolidated statement of changes in equity on page 31.

Capital reserve represents the loans waived by former minority shareholders of a wholly-owned subsidiary in the PRC. Pursuant to local regulations, this amount has been transferred to a non-distributable reserve of the subsidiary.

PRC statutory reserves are reserves required to be maintained under the relevant PRC laws applicable to PRC subsidiaries of the Group and are non-distributable reserves of the subsidiaries.

THE COMPANY

26. 儲備

本集團

本集團儲備變動詳情載於第31頁之綜合權益變動表內。

資本儲備指中國全資附屬公司之前少數股東豁免之貸款。根據當地規例，該款項已轉撥至附屬公司之不可分派儲備內。

中國法定儲備指適用於本集團中國附屬公司之相關中國法例規定設立之儲備，並為附屬公司之不可分派儲備。

本公司

		Share premium 股份溢價 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元	Accumulated (losses) profits 累計(虧損)溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Balance at 31st March, 2003	於二零零三年三月三十一日結存	351,013	45,155	(267,434)	128,734
Issue of new shares (note 24)	發行新股份(附註24)	346,464	-	-	346,464
Expenses incurred in connection with issue of shares	因發行股份而引致之支出	(6,326)	-	-	(6,326)
Net profit for the year	本年度溢利淨額	-	-	674	674
Transfer required under the Order on Petition (Note)	根據呈請書指令之規定 而轉撥(附註)	-	100	(100)	-
Balance at 31st March, 2004	於二零零四年三月三十一日結存	691,151	45,255	(266,860)	469,546
Issue of new shares (note 24)	發行新股份(附註24)	409,600	-	-	409,600
Expenses incurred in connection with issue of shares	因發行股份而引致之支出	(5,550)	-	-	(5,550)
Net profit for the year	本年度溢利淨額	-	-	247,452	247,452
Transfer upon full settlement of all outstanding debts at the effective date of the share capital reorganisation (Note)	於股本重組生效日期全數償還 所有未償還債務 時轉撥(附註)	-	(45,255)	45,255	-
Balance at 31st March, 2005	於二零零五年三月三十一日結存	1,095,201	-	25,847	1,121,048

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

26. RESERVES (CONTINUED)**THE COMPANY (continued)**

Note: As part of a share capital reorganisation (the "Reorganisation") (details of which are set out in a circular dated 10th August, 1998), an order dated 2nd March, 1999 confirming the reduction of the capital of the Company (the "Order") was made by the High Court of the Hong Kong Special Administrative Region (the "Court") in connection with the reduction of the capital and of the share premium account of the Company pursuant to which the Company undertook to the Court that any sum received by the Company in respect of the investments or loans or transactions, as more fully described in the Order, whether by reasons of realisation or repayment or recovery of the whole or any part of such investments or loans or transactions or the payment of dividends or interest or otherwise howsoever, up to a maximum amount of HK\$497,509,863.52, would be credited to a special reserve in the accounting records of the Company and that for so long as there remained any debt of or claim against the Company outstanding at the date when the reduction of capital and of the share premium account became effective which, if such date were the date of the commencement of the winding up of the Company, would have been admissible in proof against the Company and the persons entitled to the benefit thereof had not have agreed otherwise, such reserve:

- (i) should not be treated as realised profits; and
- (ii) should, for so long as the Company remained a listed company, be treated as an undistributable reserve of the Company for the purposes of Section 79C of the Companies Ordinance or any statutory re-enactment or modification thereof.

26. 儲備 (續)**本公司 (續)**

附註：作為股本重組（「重組事項」）（詳情載於一九九八年八月十日刊發之通函）之一部份，依據香港特別行政區高等法院（「法院」）於一九九九年三月二日就有關本公司削減股本及股份溢價賬事項而確認削減本公司股本所頒佈之指令（「該指令」），本公司向法院承諾本公司就投資項目或貸款或交易（其具體詳情載於該指令內）所收到之任何款項，無論該等款項是因套現或償還或追回該等投資項目或貸款或交易之全部或其中任何部份所得，或派發股息或利息或從其他方面所得，均須將最多達497,509,863.52港元之款額撥入本公司於會計記錄內所設立之一項特別儲備；只要本公司於削減股本及股份溢價賬事項生效之日（假定該日為本公司開始清盤之日）尚有任何未償還之債務或未解決之索償，則上述債務及索償應獲接納為本公司欠債之證明，而未得具備上述權益之人士同意，則：

- (i) 該儲備不得視作為變現溢利；及
- (ii) 只要本公司仍為上市公司，則就公司條例第79C條或經任何法定程序重新制訂之該條文或其修訂條文而言，該儲備須視作為本公司不可分派之儲備。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

26. RESERVES (CONTINUED)**THE COMPANY (continued)**

It was also provided in the Order that, notwithstanding the above undertaking, the amount standing to the credit of the special reserve might be reduced by the aggregate of any increase in the issued share capital or in the share premium account of the Company resulting from an issue of shares for cash or other new consideration or upon a capitalisation of distributable reserves after the reduction of capital and of the share premium account became effective.

Since the Reorganisation, the Company increased its issued share capital and share premium account by ways of rights issue, share placement for cash consideration and exercise of share options. Details of such increases are as follows:

Increase in issued share capital	增加之已發行股本	25,104,185.87
Increase in share premium account, net of expenses incurred	增加之股份溢價賬， 已扣除引致之支出	568,899,209.42
		<u>594,003,395.29</u>

Accordingly, based on legal opinion, the maximum amount of HK\$497,509,863.52 to be credited to the special reserve of the Company as required by the undertaking in the Order has been achieved through the cumulative increase of share capital and premium of HK\$594,003,395.29 and the special reserve of HK\$45,255,059.82 up to 31st March, 2004.

In March 2005, the Company made an aggregate payments of HK\$1,512,075.27 for the full settlement of all outstanding debts at the effective date when the reduction of capital and the share premium account became effective. Accordingly, the special reserve of HK\$45,255,059.82 was transferred to accumulated losses during the year.

26. 儲備 (續)**本公司 (續)**

該指令內亦規定，儘管有上述承諾，亦須因應按發行股份以換取現金或其他新代價或於削減股本及股份溢價賬事項生效後藉著將可分派儲備撥充資本方式而使本公司已發行股本或股份溢價賬中所增加之總額，對該特別儲備之進賬款項作出相應削減。

自進行重組事項後，本公司曾按現金代價以配售新股、配售股份及行使購股權增加已發行股本及股份溢價賬。有關該等增加之詳情如下：

Up to
31st March, 2004
直至
二零零四年三月三十一日
HK\$
港元

因此，根據法律意見，依據該指令內所載承諾須撥入本公司之特別儲備之最高款額497,509,863.52港元乃透過股本及溢價之累計增加至594,003,395.29港元及截至二零零四年三月三十一日之特別儲備45,255,059.82港元而取得。

於二零零五年三月，本公司合共支付1,512,075.27港元，以於削減股本及股份溢價賬事項之生效日期全數償還所有未償還債務。因此，年內，特別儲備45,255,059.82港元已撥入累計虧損。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

27. DEFERRED TAXATION

The following is the major deferred taxation liability recognised and movements thereon during the current and prior years:

		Accelerated tax depreciation 稅項加速折舊
		HK\$'000 千港元
At 1st April, 2003	於二零零三年四月一日	-
Charge to income statement for the year	於本年度之收益表內扣除	181
At 31st March, 2004	於二零零四年三月三十一日	181
Credit to income statement for the year	計入本年度之收益表	(181)
At 31st March, 2005	於二零零五年三月三十一日	-

At the balance sheet date, the Group had unused tax losses of approximately HK\$62,932,000 (2004: HK\$61,194,000) available for offset future profits. No deferred taxation asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. There were no other significant temporary differences arising during the year or at the balance sheet date.

The Company has no significant temporary differences arising during the year or at the balance sheet date.

27. 遞延稅項

以下為於本年度及過往年度已確認之主要遞延稅項負債及其變動：

於結算日，本集團未動用之稅項虧損約62,932,000港元（二零零四年：61,194,000港元）可用於抵銷日後溢利。由於日後溢利來源之不可預測性，並無就稅項虧損確認任何遞延稅項資產。年內或於結算日並無其他重大暫時差異。

本公司年內或於結算日並無重大暫時差異。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

28. ACQUISITION OF SUBSIDIARIES

28. 收購附屬公司

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Net assets acquired comprise:	購入之資產淨值包括：		
Property, plant and equipment	物業、機器及設備	-	78,000
Satisfied by:	支付方式：		
Cash	現金	-	66,300
Amount due to a related company	應付一間關連公司款項	-	11,700
		-	78,000
Net cash outflow arising on acquisition:	因收購而產生之現金流出淨額：		
Cash consideration paid	支付之現金代價	-	(66,300)

The subsidiaries acquired during the year ended 31st March, 2004 contributed insignificant turnover, profit from operations and cash flow to the Group.

於截至二零零四年三月三十一日止年度內購入之附屬公司對本集團之營業額、經營溢利及現金流量之貢獻不大。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

29. DISPOSAL OF SUBSIDIARIES

On 7th October, 2004, the Company entered into a deed of assignment with an independent third party to assign its beneficial interest in the entire issued share capital of Gainet Asia Limited.

The net liabilities of these subsidiaries disposed of during the year were as follows:

29. 出售附屬公司

於二零零四年十月七日，本公司與一名獨立第三方訂立轉讓契據，以轉讓其於廣益亞洲有限公司之全部已發行股本之實益權益。

於年內出售此等附屬公司所引致之負債淨額如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Net liabilities disposed of comprise:	出售之負債淨值包括：		
Property, plant and equipment	物業、機器及設備	-	1,140
Inventories	存貨	-	44,549
Trade and other receivables	應收賬款及其他應收款項	-	21,246
Pledged bank deposits	已抵押銀行存款	-	25,220
Bank balances and cash	銀行結存及現金	-	2,749
Trade and other payables	應付賬款及其他應付款項	-	(35,347)
Amount due to immediate holding company	應付直接控股公司款項	(11,308)	(332,004)
Bank borrowings	銀行借款	-	(64,200)
		(11,308)	(336,647)
Gain on disposal	出售產生之收益	-	10,083
		(11,308)	(326,564)
Satisfied by:	支付方式：		
Cash	現金	-	5,440
Debt assignment	債務轉移	(11,308)	(332,004)
		(11,308)	(326,564)
Net cash inflow arising on disposal:	因出售而產生之現金流入淨額：		
Cash consideration received	已收現金代價	-	5,440
Bank balances and cash disposed of	已出售之銀行結餘及現金	-	(2,749)
		-	2,691

The subsidiaries disposed of during the year contributed Nil (2004: HK\$42,824,000) to the Group's turnover, and Nil (2004: a profit of HK\$6,353,000) to the Group's net profit for the year.

於年內出售之附屬公司對本集團之營業額貢獻為零港元（二零零四年：42,824,000港元），而對本集團本年度之溢利淨額貢獻則為零港元（二零零四年：溢利6,353,000港元）。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

30. MAJOR NON-CASH TRANSACTIONS

As disclosed in notes 13 and 24(a), 80,000,000 ordinary shares were issued and allotted to MIHL or its nominees for the acquisition of non-PRC trade marks during the year.

31. PLEDGE OF ASSETS

At the balance sheet date, certain borrowings of the Group were secured by the bank deposits of approximately HK\$3,430,000 (2004: HK\$600,000).

32. RETIREMENT BENEFIT SCHEMES**Retirement benefit scheme contributions****30. 主要非現金交易**

誠如附註13及24(a)所披露，年內，80,000,000股普通股已發行及配發予松日國際集團或其代名人，作為收購非中國商標之代價。

31. 資產抵押

於結算日，本集團之若干借款以銀行存款約3,430,000港元（二零零四年：600,000港元）作抵押。

32. 退休福利計劃**退休福利計劃供款**

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Contributions to the defined contribution scheme	界定供款計劃供款	-	795
Contributions to mandatory provident fund scheme ("MPF Scheme")	強制性公積金計劃（「強積金計劃」）供款	292	193
Contributions to PRC state-managed pension schemes	國家管理退休金計劃供款	726	212
Amounts charged to income statement	從收益表扣除之款額	1,018	1,200

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

32. RETIREMENT BENEFIT SCHEMES (CONTINUED)

The Group ceased to operate the defined contribution scheme which is registered under the Occupational Retirement Scheme Ordinance. The assets of the scheme are held separately from those of the Group in funds under the control of independent trustee. The Group now only participates in the MPF Scheme for all employees in Hong Kong which is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. 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 rules of the MPF Scheme, the employer and its employees are each required to make contributions to the Scheme at rate specified in the rules. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the Scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The eligible employees of the Company's subsidiaries in the PRC are members of pension schemes operated by the Chinese local government. The subsidiaries are required to contribute a certain percentage of the relevant cost of the payroll of these employees to the pension schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contribution.

32. 退休福利計劃(續)

本集團不再運作根據職業退休計劃條例註冊之界定供款計劃。該計劃之資產與本集團之資產分開處理，並以基金形式持有及交由獨立託管人管理。本集團現時僅參與為所有香港僱員而設之強積金計劃，強積金計劃乃按照強制性公積金計劃條例而於強制性公積金管理局註冊。強積金計劃之資產與本集團之資產分開處理，並以基金形式持有及交由獨立託管人管理。根據強積金計劃之規則，僱主及其僱員雙方均須按有關規則指定之比率對該計劃供款。本集團有關強積金計劃之唯一責任為根據該計劃作出規定之供款。現時並無已沒收供款可供用作抵銷於未來年度應付之供款。

本公司設於中國之附屬公司之合資格僱員為中國地方政府運作之退休金計劃之成員。該等附屬公司須按照該等僱員之有關薪金成本之某一百分比向該退休金計劃供款，作為福利之資金。本集團有關退休福利計劃之唯一責任為作出規定之供款。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

33. OPERATING LEASE ARRANGEMENTS**The Group as lessee**

At the balance sheet date, the Group had entered into certain non-cancellable operating leases in respect of rented premises. The future minimum lease payments committed by the Group in respect of the leases fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二至第五年(包括首尾兩年在內)

Leases are negotiated for a term ranged from 2 to 3 years.

The Company had no significant operating lease commitments at the balance sheet date.

33. 經營租約安排**本集團作為承租人**

於結算日，本集團訂立若干項有關租賃物業之不可撤銷經營租約。本集團就該等租約而須於日後承擔支付最低租金之支付期如下：

THE GROUP	
本集團	
2005	2004
二零零五年	二零零四年
HK\$'000	HK\$'000
千港元	千港元
2,200	3,022
1,212	1,431
3,412	4,453

磋商之租約年期介乎兩至三年。

本公司於結算日並無任何重大經營租約承擔。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

34. CAPITAL COMMITMENTS**34. 資本承擔**

		THE GROUP 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the financial statements in respect of acquisition of property, plant and equipment	已訂約但未於財政報告中作出購入物業、機器及設備撥備之資本開支	85	1,176

The Company had no significant capital commitments at the balance sheet date.

本公司於結算日並無任何重大資本承擔。

35. CONTINGENT LIABILITIES**THE GROUP**

In 2004, Matsunichi Hi-Tech Limited ("MHT") received summon from an independent third party ("ITP"). The ITP claimed MHT was infringing and/or inducing infringement of 5 patents of ITP ("ITP Patents") in relation to a product designed and manufactured by a supplier of MHT (the "Supplier"). MHT is claimed by damages in an amount of three times of an amount adequate to compensate the ITP for MHT's infringement of the ITP Patents, interest on the said damages and respective costs and attorney's costs. MHT had subsequently entered into an indemnity agreement with the Supplier whereby the Supplier agreed to indemnify MHT for all costs and damages resulted from the claim. In addition, the directors of the Company are of the view that the claim made by the ITP is ground less. Accordingly, no provision is therefore considered necessary in the financial statements.

In addition, there is a claim by a customer against MHT on the alleged basis of the breach of an agreement for development and manufacture of PDA products. Up to the date of the financial statements, the customer has not made a formal claim against MHT. In the opinion of the directors, the aforesaid claim is absolutely unsustainable and unjust. Accordingly, no provision is therefore considered necessary in the financial statements.

35. 或然負債**本集團**

於二零零四年，松日高科有限公司（「松日高科」）收到一名獨立第三方（「獨立第三方」）之傳票。獨立第三方聲稱松日高科就松日高科之供應商（「該供應商」）所設計及生產之一項產品侵犯及／或侵犯獨立第三方之五項專利（「獨立第三方專利」）。松日高科被提出索償，賠償額為足以就松日高科侵犯獨立第三方專利賠償獨立第三方之金額三倍之損失、上述損失之利息及有關成本及律師費。松日高科其後與該供應商訂立賠償協議，據此，該供應商同意就有關索償產生之所有成本及費用賠償松日高科。此外，本公司董事認為獨立第三方提出之索償沒有理據。因此，本集團認為毋須於財政報告作出撥備。

此外，亦有客戶就聲稱違反有關開發及製造電子手帳產品之協議向松日高科提出索償。截至本財政報告刊發日期，該客戶仍未針對松日高科提出正式索償。董事認為，上述索償絕對是沒有理據及並非公平。因此，本集團認為毋須於財政報告作出撥備。

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35. CONTINGENT LIABILITIES (CONTINUED)**THE GROUP (continued)**

The Group had no other significant contingent liabilities at the balance sheet date.

THE COMPANY

The Company has provided a guarantee to banks in respect of credit facilities of finance leases granted to a subsidiary amounting to approximately HK\$664,000 (2004: HK\$664,000). The amount of the credit facilities utilised as at 31st March, 2005 amounting to approximately HK\$340,000 (2004: HK\$469,000).

In addition, at 31st March, 2005, the Company provided several unlimited guarantees, a HK\$60,000,000 guarantee and a HK\$65,000,000 guarantee to certain banks in respect of credit facilities granted to certain subsidiaries. The aggregate amounts utilised by the subsidiaries at 31st March, 2005 was approximately HK\$108,556,000 (2004: HK\$80,744,000).

36. RELATED PARTY TRANSACTIONS

During the year ended 31st March, 2005, the Group had the following transactions with related parties:

- (a) On 3rd November, 2004, the Group entered into agreements with MIHL a company which is wholly and beneficially owned by Mr. Pan, for the acquisition of the trade marks of "Matsunichi" which was satisfied as to HK\$20 million by cash and issue of 95,000,000 new ordinary shares of HK\$0.05 each to MIHL or its nominees.
- (b) During the year, the Group paid rental charges of HK\$444,000 to Matsunichi Properties Holdings (HK) Limited, a company in which Mr. Pan has a beneficial interest.

35. 或然負債 (續)**本集團 (續)**

本集團於結算日並無任何重大或然負債。

本公司

本公司就給予一間附屬公司之信貸融資租約而向銀行作出擔保，總額約為664,000港元（二零零四年：664,000港元）。於二零零五年三月三十一日，該附屬公司已動用之信貸融資約共340,000港元（二零零四年：469,000港元）。

此外，於二零零五年三月三十一日，本公司就若干附屬公司之信貸融資而向若干銀行作出多項無限擔保、一項60,000,000港元之擔保及一項65,000,000港元之擔保。於二零零五年三月三十一日，該等附屬公司已動用之有關總額約共108,556,000港元（二零零四年：80,744,000港元）。

36. 關連人士交易

截至二零零五年三月三十一日止年度，本集團與關連人士之交易如下：

- (a) 於二零零四年十一月三日，本集團與松日國際集團（由潘先生全資及實益擁有之公司）訂立協議，以收購「松日」商標，代價以現金20,000,000港元及發行95,000,000股每股面值0.05港元之新普通股予松日國際集團或其代名人。
- (b) 年內，本集團向松日置業（香港）有限公司（由潘先生擁有實益權益之公司）支付租金開支444,000港元。

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

36. RELATED PARTY TRANSACTIONS (CONTINUED)

During the year ended 31st March, 2004, the Group had the following transactions with related parties:

- (a) On 31st July, 2003, the Group entered into a purchase agreement with Matsunichi Communications (Hong Kong) Limited, a company which is wholly and beneficially owned by Mr. Pan to acquire the entire equity interests in Best Concord Limited and its subsidiary ("the Best Concord Group"), which beneficially owns the land and building situated in Shenzhen, the PRC, with carrying value of HK\$78,000,000 at a consideration of HK\$78,000,000.
- (b) On 9th December, 2002, the Group entered into two deeds with MIHL, and with GMCT and 廣東松日通訊科技股份有限公司 (Guangdong Matsunichi Communications Technology Company Limited) (collectively the "Licensors"), respectively. Mr. Pan has controlling interests in these companies. Pursuant to the deeds, the Licensors granted to the Group non-exclusive licences to use the trade marks of "Matsunichi" on and in relation to MP3 players and digital audio products at a licence fee of HK\$1 per annum each, for a term of 3 years from 1st November, 2003. During the year ended 31st March, 2004, the licence fee paid by the Group amounted to HK\$2. The trade marks of "Matsunichi" were acquired by the Group on 3rd November, 2004 (see note 13).

36. 關連人士交易 (續)

截至二零零四年三月三十一日止年度，本集團與關連人士之交易如下：

- (a) 於二零零三年七月三十一日，本集團訂立一項購買協議，以78,000,000港元代價向松日資訊(香港)有限公司(由潘先生全資及實益擁有之公司)收購Best Concord Limited及其附屬公司(「Best Concord Group」)之全部股本權益，Best Concord Group則實益擁有位於中國深圳市賬面值為78,000,000港元之土地及樓宇。
- (b) 於二零零二年十二月九日，本集團分別與松日國際集團及廣東松日通訊科技及廣東松日通訊科技股份有限公司(統稱「特許商」)訂立兩項契據。潘先生於上述公司擁有控股權益。根據該等契據，特許商向本集團授出非獨家特許權，令本集團之MP3播放機及數碼音響產品可採用「松日」商標。有關之特許權費用為每年1港元，由二零零三年十一月一日起計，為期三年。截至二零零四年三月三十一日止年度，本集團已支付之特許權費為2港元。本集團於二零零四年十一月三日收購「松日」之商標(見附註13)。

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37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31st March, 2005 are as follows:

37. 主要附屬公司詳情

本公司之主要附屬公司於二零零五年三月三十一日之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 註冊／成立／ 營運地點	Nominal value of issued ordinary share capital/ registered and fully paid capital 已發行 普通股面值／ 註冊及繳足股本	Proportion of equity interests held by the Company		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Ample Field Investments Limited	British Virgins Islands/ Hong Kong and PRC 英屬處女群島／香港及中國	US\$10,000 10,000美元	100%	–	Investment holding and trading of digital consumer products 投資控股及買賣數碼消費產品
Best Concord Group Limited	British Virgins Islands/ Hong Kong 英屬處女群島／香港	US\$1 1美元	100%	–	Investment holding 投資控股
Matsunichi Digital Technology (Shenzhen) Co., Ltd. 松日數碼深圳有限公司	PRC* 中國*	RMB99,216,000 人民幣99,216,000	100%	–	Manufacture and trading of digital consumer products 製造及買賣數碼消費產品
Matsunichi Hi-Tech Germany GmbH	Germany 德國	Eur300,000 300,000歐羅	100%	–	Trading of digital consumer products 買賣數碼消費產品

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37. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(CONTINUED)

37. 主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 註冊／成立／ 營運地點	Nominal value of issued ordinary share capital/ registered and fully paid capital 已發行 普通股面值／ 註冊及繳足股本	Proportion of equity interests held by the Company		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Matsunichi Hi-Tech Limited 松日高科有限公司	Hong Kong 香港	HK\$100 100港元	100%	–	Trading of digital consumer products 買賣數碼消費產品
Matsunichi Information Technology (Shenzhen) Co., Ltd. 松日信息科技 (深圳)有限公司	PRC * 中國 *	RMB144,522,088 人民幣144,522,088	–	100%	Manufacture and trading of digital consumer products 製造及買賣數碼 消費產品
Matsunichi Technology (Dalian) Co., Ltd. 松日科技(大連) 有限公司	PRC * 中國 *	RMB59,945,220 人民幣59,945,220	100%	–	Manufacture and trading of digital consumer products 製造及買賣數碼 消費產品
Matsunichi Media Agency Limited 松日傳訊有限公司	Hong Kong 香港	HK\$100 100港元	100%	–	Provision of agency service 提供代理服務
Matsunichi (Shenzhen) R&D Centre Co., Ltd. 松日通訊控股研發 (深圳)有限公司	PRC * 中國 *	RMB9,551,700 人民幣9,551,700	100%	–	Manufacture and trading of digital consumer products 製造及買賣數碼 消費產品

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37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

- * These companies were established in the PRC in the form of wholly foreign-owned enterprise.
- (a) None of the subsidiaries had any debt securities subsisting at 31st March, 2005 or at any time during the year.
- (b) The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results of the year or formed a substantial portion of the assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

37. 主要附屬公司詳情 (續)

- * 該等公司以外商獨資企業形式在中國成立。
- (a) 於二零零五年三月三十一日或年內任何時間，各附屬公司並無任何債務證券。
- (b) 依本公司董事之意見，上表列舉本公司之附屬公司為主要影響本集團本年度業績或合佔本集團資產相當比重之公司。董事認為列出其他附屬公司之詳情會令篇幅過於冗長。