

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2005

### 1. BASIS OF PREPARATION

#### (a) General information

The Company was incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “SEHK”). The principal activities of the Company and its subsidiaries (the “Group”) are the distribution of communications electronics components, the manufacture and trading of automotive components and investment.

#### (b) Basis of consolidation

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

A subsidiary is a company in which the Group or the Company, directly or indirectly, controls more than half of its voting power of issued share capital or controls the composition of its board of directors. Subsidiaries are considered to be controlled if the Group or the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

## 財務報表附註

截至二零零五年三月三十一日止年度

### 1. 編製基準

#### (a) 一般資料

本公司於百慕達註冊成立，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司及其附屬公司（「本集團」）之主要業務為通訊電子零件分銷、汽車零件製造及貿易及投資。

#### (b) 綜合基準

綜合財務報表包括本公司及其附屬公司截至三月三十一日止之財務報表。

附屬公司為一間由本集團或本公司直接或間接控制其已發行股本一半投票權以上或控制其董事會組成之公司。倘若本集團或本公司有權直接或間接規管附屬公司之財務及經營政策，從而自其業務獲得利益，則該附屬公司會被視為受控制。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**(b) Basis of consolidation** (Continued)

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

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

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill or negative goodwill which was not previously charged or recognised in the consolidated income statement.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**(b) 綜合基準** (續)

附屬公司投資以成本減任何已確認之減值虧損列入本公司資產負債表。年內收購或出售附屬公司之業績，於收購生效日期起或截至出售生效日期(如適用)列入綜合收益表內。

本集團內各成員公司間之所有重大交易及結餘均已於綜合時抵銷。

出售一家附屬公司之收益或虧損指出售所得款項與本集團應佔其淨資產(連同過往並未於綜合收益表中扣除或確認之任何未攤銷商譽或負商譽)兩者之間之差額。

少數股東權益指外界股東於附屬公司之經營業績及淨資產之權益。

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

### 2. IMPACT OF RECENTLY ISSUED HONG KONG FINANCIAL REPORTING STANDARDS

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of new Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, herein collectively referred to as the new HKFRSs, which are generally effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in preparing the financial statements for the year ended 31 March 2005.

The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

### 3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with Statements of Standard Accounting Practice (“SSAP”) and Interpretations issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements are prepared under the historical cost convention. A summary of the significant accounting policies adopted by the Group is set out below.

## 財務報表附註 (續)

截至二零零五年三月三十一日止年度

### 2. 近期頒佈之香港財務報告準則之影響

香港會計師公會(「香港會計師公會」)已頒佈多項新訂立之香港財務報告準則及香港會計準則(統稱「新香港財務報告準則」)，該等準則適用於二零零五年一月一日或之後開始之會計期間。本集團於編製截至二零零五年三月三十一日止年度之財務報表時，並未提早採納上述新香港財務報告準則。

本集團已開始評估該等新香港財務報告準則之影響，惟仍未可評論該等新香港財務報告準則會否對經營業績及財務狀況產生重大影響。

### 3. 主要會計政策概要

本財務報表乃根據香港普遍採納之會計準則編製，並遵守香港會計師公會頒佈之會計實務準則(「會計實務準則」)及詮釋，以及香港公司條例之披露規定。財務報表乃根據歷史成本法編製。本集團採納之主要會計政策概要於下文載列。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)*For the year ended 31 March 2005***3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES***(Continued)***(a) Interests in associates**

An associate is an enterprise over which the Group is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Any excess (deficiency) of the cost of acquisition over (below) the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill (negative goodwill).

Where a Group enterprise transacts with an associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associate, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred.

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**3. 主要會計政策概要** (續)**(a) 於聯營公司之權益**

聯營公司乃本集團透過參與其財務及經營決策而可對其行使重大影響力之企業，惟並非控制該企業。

聯營公司之業績及資產與負債乃以權益會計法，計入此等財務報表內。於聯營公司之投資乃按成本(按本集團應佔聯營公司淨資產之收購後變動作出調整)，減個別投資價值之任何減值於資產負債表列賬。收購成本超出(少於)本集團於收購日應佔聯營公司可確定資產淨額之公平值之任何多出(少於)之款項，確認為商譽(負商譽)。

當本集團企業與其聯營公司進行交易時，未變現之溢利及虧損會按本集團佔有關聯營公司之權益予以撇銷，惟倘若未變現虧損能證明已轉讓之資產出現減值則除外。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES**

(Continued)

**(b) Property, plant and equipment**

Property, plant and equipment are stated at cost, less provisions for depreciation and any impairment losses. Details are set out in note 12. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of the fixed asset. When an asset is sold, its cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from the disposal, being the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement.

Depreciation is provided on the straight-line method, based on the estimated economic useful lives of the individual assets, at the following rates of depreciation are used:

Leasehold improvements	20%
Furniture and equipment	20%
Motor vehicles	20%
Plant and machinery	9% to 18%

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**3. 主要會計政策概要** (續)

**(b) 物業、廠房及設備**

物業、廠房及設備按成本值減折舊撥備及任何減值虧損入賬。詳情載於附註12。資產之成本包括其購入價及將資產達至其運作狀況及地點作擬定用途之直接應佔成本。物業、廠房及設備投產後之開支(例如維修保養及大修費用)一般在產生年度之收益表扣除。倘能明確顯示該開支能因使用該固定資產而預期於日後令經濟利益增加時，該開支則予以資本化，並列為固定資產之額外成本。當固定資產已出售，其成本及累積折舊則從財務報表中撇銷，且因出售而產生之任何溢利或虧損(為該資產出售所得款項淨額與賬面金額之差額)將計入收益表內。

折舊以直線法於個別資產之估計可使用年期內按下列折舊年率作出撥備：

租賃樓宇裝修	20%
傢具及設備	20%
車輛	20%
廠房及機器	9%至18%

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES**

(Continued)

**(c) Intangible assets**

Intangible assets include goodwill, commercial records, customer lists, supplier lists, book debt and customer contracts, which were purchased by the Group from one of its former subsidiaries.

Intangible assets are stated at cost less amortisation over a period of ten years and any impairment loss.

**(d) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**(e) Investments in securities**

Investment in securities held on a continuing basis with an identified long-term strategic purpose are stated at cost and subject to impairment review at each reporting date to reflect any diminution in their value, which is expected to be other than temporary. The amount of provisions is recognised in the income statement in the period in which the decline occurs.

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**3. 主要會計政策概要** (續)**(c) 無形資產**

無形資產包括本集團自其一家前附屬公司購得之商譽、商務記錄、客戶名單、供應商名單、賬面債項及客戶合約。

無形資產按成本值減攤銷(為期十年)及任何減值虧損列賬。

**(d) 存貨**

存貨按其成本與可變現淨值兩者之較低者列賬。成本包括直接材料及(如適用)直接勞工成本以及該等使存貨達至現時地點及狀況之經常費用。成本以加權平均法計算。可變現淨值乃按估計銷售價格減所有完成所需之估計成本及將因市場推廣、銷售及分銷會產生之成本計算。

**(e) 證券投資**

以持續基準持有並具有確定長期策略目的之證券投資乃按成本值列賬，並須於各申報日期作減值評估以反映其價值有否減少(預期非暫時性者)。撥備款項乃於減值發生期間於收益表確認。

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

### 3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (f) Other investments

Other investments consist of investment in securities not held for a strategic long-term purpose and are carried at market value. Other investments are either included within investments in securities where the investments are identified as being held for a long-term purpose or are classified as other investments within current assets where the investments are held for short-term trading purposes. Gains and losses arising from changes in fair value are recognised in the income statement.

#### (g) Trade receivables

Provision is made against trade receivables to the extent they are considered to be doubtful. Trade receivables in the balance sheet are stated net of such provision.

#### (h) Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value having been within three months of maturity when acquired.

## 財務報表附註 (續)

截至二零零五年三月三十一日止年度

### 3. 主要會計政策概要 (續)

#### (f) 其他投資

其他投資包括並非策略性長期持有之證券投資，乃按市值列賬。倘其他投資確定為長期持有，則該等投資列入證券投資；或倘其他投資持作短期買賣用途，則該等投資歸類為流動資產中之其他投資。因公平值變動而產生之損益於收益表內確認入賬。

#### (g) 應收貿易賬款

應收貿易賬款中被視為呆賬的部分將作出撥備。資產負債表內之應收貿易賬款按扣除該等撥備後列賬。

#### (h) 現金及現金等價物

就綜合現金流量表而言，現金等價物指銀行及手頭現金、存於銀行及其他財務機構之活期存款，以及短期高流動投資；而此等投資可隨時變現為可知數量之現金，而所須承受之價值改變之風險輕微，以及在購入後之三個月內到期。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)*For the year ended 31 March 2005***3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES***(Continued)***(i) Finance and operating leases**

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessees. Assets held under finance leases are recognised as assets of the Group at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges 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 obligation for each accounting period.

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

**(j) Foreign currencies**

Transactions in foreign currencies are translated into Hong Kong dollars at the rates ruling on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

**財務報表附註** (續)*截至二零零五年三月三十一日止年度***3. 主要會計政策概要** (續)**(i) 融資租約及經營租約**

倘租約條款將擁有權之大部分風險及回報轉嫁予承租人，租約則歸類為融資租約。根據融資租約持有之資產乃按於收購日期之公平值確認為本集團資產，或倘屬較低價值者，則按最低租賃付款之現值確認。對出租人承擔之相應負債已計入資產負債表作為融資租約承擔。租賃付款於財務費用與減少租約承擔之間作出分配，從而使承擔之結餘維持穩定之利率。財務費用已在相關租賃期內於收益表內扣除，以便於每段會計期間內就承擔之結餘達致固定支出比率。

所有其他租約乃分類為經營租賃。經營租約年度租金按有關租約年期以直線法自收益表中扣除。

**(j) 外幣**

外幣交易按交易日之匯率換算為港元。以外幣計值之貨幣資產及負債，均按結算日之匯率換算為外幣。匯兌損益則撥入收益表內處理。



**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES**

(Continued)

**(j) Foreign currencies** (Continued)

On consolidation, the assets and liabilities of the Group's overseas operations 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 differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expense in the period in which the operation is disposed of.

**(k) Deferred taxation**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount 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 tax liabilities are generally recognised for all taxable temporary differences, and deferred tax 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 negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that neither the tax profit nor the accounting profit.

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

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**3. 主要會計政策概要** (續)**(j) 外幣** (續)

於綜合賬目時，本集團海外業務之資產及負債按結算日之現行匯率換算。收入及開支項目則按本年度之平均匯率換算。所產生之匯兌差額（如有）列作資本，並轉換為本集團匯兌儲備。該等匯兌差額於處置該業務之期間確認為收入或開支。

**(k) 遞延稅項**

遞延稅項指就財務報表所載資產與負債與計算應課稅溢利所採用之相應稅基，兩者賬面金額間之差異而預期應付或可收回之稅項，並採用資產負債表負債法計算。一切應課稅暫時性差異一般確認為遞延稅項負債，而倘應課稅溢利可能足以抵銷可以使用之可獲減免暫時性差異，則確認為遞延稅項資產。倘若暫時性差異乃基於商譽（或負商譽）或初步確認（業務合併之情況下除外）不影響稅項溢利或會計溢利之交易之其他資產與負債而產生，則有關資產及負債不予確認。

附屬公司及聯營公司投資以及於合營企業之權益所產生之應課稅暫時性差異確認為遞延稅項負債，惟以本集團能控制暫時性差異之撥回及暫時性差異於可見將來可能不會撥回則除外。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES**

(Continued)

**(k) Deferred taxation** (Continued)

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

**(l) Impairment**

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**3. 主要會計政策概要** (續)**(k) 遞延稅項** (續)

遞延稅項資產之賬面金額會於各結算日審核，以及調低至再無可能有應課稅溢利足以撥回全部或部份資產。

遞延稅項乃按預期於償還負債或變現資產期間適用之稅率計算。遞延稅項將於收益表扣除或計入收益表，惟遞延稅項與直接於權益扣除或計入權益之項目有關則除外，在此情況下則遞延稅項亦計入權益內。

**(l) 減值**

本集團於各結算日均會評估其有形及無形資產之賬面金額，以決定是否有跡象顯示該等資產出現減值虧損。倘存在任何該跡象，則對資產之可收回數額進行估計以釐定減值虧損之程度(如有)。倘無法估計個別資產之可收回數額，則本集團對該資產所屬之現金產生單位之可收回數額進行估計。

可收回數額乃淨售價與使用價值之較高者。評估使用價值時，採用稅前折現率將估計日後現金流量折現至其現值，以反映當前市場對貨幣時間價值及資產特定風險之評估。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES**

(Continued)

**(l) Impairment** (Continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

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

**(m) Provisions and contingent liabilities**

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

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**3. 主要會計政策概要** (續)**(l) 減值** (續)

倘估計資產(或現金產生單位)之可收回數額低於其賬面金額，則將該資產(現金產生單位)之賬面金額削減至其可收回數額。減值虧損隨即確認為開支。

倘減值虧損隨後撥回，則該資產(現金產生單位)之賬面金額增加至其可收回數額之經修訂估計數字，惟在假設於過往年度並無就該資產(現金產生單位)確認減值虧損，則該等增加之賬面金額不得高於此情況下釐定之賬面金額。減值虧損之撥回隨即確認為收益，惟倘有關資產以重估數額列賬，則減值虧損之撥回視為重估增加。

**(m) 撥備及或然負債**

倘本公司或本集團因過往事件而負有法定或推定責任，及可能須撥付經濟利益以清償此責任並可作出可靠估計之數額時，則會就不確定時間或數額之責任確認作出撥備。倘貨幣之時間價值重大，則撥備按預期清償責任所需開支之現值列賬。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)*For the year ended 31 March 2005***3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES***(Continued)***(n) Borrowing costs**

Borrowing costs are recognised in net profit or loss in the period in which they are incurred.

**(o) Contributions to retirement benefits schemes and share option scheme**

The Group's subsidiary in the PRC participates in the provincial/municipal defined contribution retirement benefit schemes managed by the respective provincial/municipal bureau. Pursuant to the relevant provisions, the subsidiary is required to make monthly contributions at rates prevailing in the relevant province on the employees' monthly salaries. The retirement benefit costs are charged to the income statement.

The Hong Kong subsidiaries operate defined contribution retirement benefit schemes under the Mandatory Provident Fund ("MPF") Scheme Ordinance. The MPF Scheme Ordinance requires both the company and the employees to contribute 5% of the employees' monthly gross earnings with a ceiling of HK\$1,000 per month. The assets of the MPF Scheme are held separately from those of the company in independently administered funds. The contributions payable to the scheme are charged to the income statement as incurred.

The retirement benefits costs charged to the income statement represent contributions payable by the Group to retirement benefits schemes.

**財務報表附註** (續)*截至二零零五年三月三十一日止年度***3. 主要會計政策概要** (續)**(n) 借貸成本**

借貸成本按其產生期間之純利或虧損淨額確認入賬。

**(o) 退休福利計劃及購股權計劃供款**

本集團之中國國內附屬公司參加由各省／市機關管理之省／市界定供款退休福利計劃。根據有關規定，附屬公司須按相關省內適用之僱員月薪比率每月作出供款。退休福利成本於收益表內扣除。

香港附屬公司根據強制性公積金(「強積金」)計劃條例運作界定供款退休福利計劃。強積金計劃條例規定公司及僱員同時作出僱員每月總收入5%之供款，最高上限為每月1,000港元。強積金計劃資產與本公司資產分別於獨立管理之基金分開管理。應付計劃之供款於產生時於收益表內扣除。

於收益表扣除之退休福利開支指本集團應向退休福利計劃作出之供款。

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

### 3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (o) Contributions to retirement benefits schemes and share option scheme (Continued)

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no change is recognised in the income statement in respect of the value of options granted 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 lapsed or cancelled prior to their exercise date are deleted from the register of outstanding options.

#### (p) Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

#### (q) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) From the sale of goods, when the significant risks and rewards of ownership have been transferred which generally coincides with the time when the goods are delivered to customers and the title has passed.

## 財務報表附註 (續)

截至二零零五年三月三十一日止年度

### 3. 主要會計政策概要 (續)

#### (o) 退休福利計劃及購股權計劃供款 (續)

除非已授出之購股權獲行使，否則有關購股權之財務影響不會記錄於本公司或本集團之資產負債表，而年內概無就有關購股權之價值於收益表確認任何變動。於購股權獲行使時，因此而發行之股份由本公司按股份面值入賬列作額外股本，而每股行使價超逾股份面值之數額由本公司列入股份溢價賬。於行使日期前失效或被註銷之購股權，將於尚未行使購股權登記冊上刪除。

#### (p) 關連方

倘一方可直接或間接控制另一方，或在作出財務及經營決策方面可對另一方施加重大影響力，則雙方視為關聯方。倘雙方受共同控制或共同重大影響，則彼等亦被視為關聯方。

#### (q) 收益確認

收益乃於本集團可取得有關經濟利益及能可靠地計算有關收益時按下列基準確認：

- (i) 銷售貨品之收益於貨品所有權之重大風險及回報轉移時（一般指貨品交予客戶及所有權轉移當時）確認入賬。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)*For the year ended 31 March 2005***3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES***(Continued)***(q) Revenue recognition** (Continued)

(ii) Interest, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

(iii) From the sale of listed equity investments, on the trade day.

**(r) Segment reporting**

The Group is engaged in the business of manufacturing and trading of automotive components, trading of communications electronics components and investment in the Greater China Region.

In accordance with Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format. No geographical segments are presented as substantial all the activities arose from the Greater China Region.

Segment assets consist primarily of fixed assets, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities.

**財務報表附註** (續)*截至二零零五年三月三十一日止年度***3. 主要會計政策概要** (續)**(q) 收益確認** (續)

(ii) 利息收益乃按時間比例基準並計及本金結餘與適用之實際利率計算確認。

(iii) 出售上市股權投資於交易日確認。

**(r) 分類申報**

本集團在大中華區從事汽車零件製造及貿易、通訊電子零件貿易及投資之業務。

根據本集團內部財務申報，本集團已決定以第一申報方式呈示業務分類，而並無按地區分類呈示，原因為絕大部份業務均源自大中華地區。

分類資產主要包括固定資產、存貨、應收賬款及經營現金。分類負債包括經營負債。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

4. TURNOVER AND SEGMENTAL INFORMATION

The analysis of the business segments of operations of the Group are as follows:

財務報表附註 (續)

截至二零零五年三月三十一日止年度

4. 營業額及分類資料

本集團業務之業務分類分析如下：

	2005 二零零五年			
	Manufacturing and trading of automotive components* 汽車零件之 製造及貿易* HK\$'000 千港元	Trading of electronics components 電子零件 之貿易 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合數額 HK\$'000 千港元
Turnover 營業額	749	15,289	—	16,038
Segment results 分類業績	(2,737)	(4,906)	(1,326)	(8,969)
Unallocated group expenses 未分配集團開支				(27,309)
Loss from operations 經營虧損				(36,278)
Finance costs 財務費用				(1,406)
Share of profit of associates 應佔聯營公司之溢利				527
Loss before taxation 除稅前虧損				(37,157)
Taxation 稅項				—
Loss before minority interests 未計少數股東權益前虧損				(37,157)
Minority interests 少數股東權益				—
Loss for the year 年內虧損				(37,157)
Segment assets 分類資產	—	39,706	9,932	49,638
Investment in associates 於聯營公司之投資				31,194
Unallocated 未分配				10,118
Total assets 總資產				90,950
Segment liabilities 分類負債	—	(1,945)	(3,431)	(5,376)
Unallocated 未分配				(21,110)
Total liabilities 總負債				(26,486)
Capital expenditure 資本支出	—	4,500	110	4,610
Unallocated capital expenditure 未分配資本支出				100
				4,710
Depreciation 折舊	—	900	157	1,057
Unallocated depreciation 未分配折舊				199
				1,256

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

4. TURNOVER AND SEGMENTAL INFORMATION (Continued)

\* The segment of manufacturing and trading of automotive components mainly included the results of a subsidiary, Tianjin Guangying Automotive Mirror Company Limited ("Tianjin Guangying") which had ceased operations since December 2004. In the opinion of directors, the Group will continue to focus on business of this segment. Therefore, this segment is still considered by the directors of the Company as a continuing operation as at 31 March 2005.

財務報表附註 (續)

截至二零零五年三月三十一日止年度

4. 營業額及分類資料 (續)

\* 製造及貿易汽車零件分部主要包括附屬公司天津光盈汽車鏡有限公司(「天津光盈」)之業績。該公司自二零零四年十二月起已終止業務。董事認為，本集團將繼續專注於此分類業務。因此，於二零零五年三月三十一日，此分類業務仍被本公司董事視為持續經營業務。

2004  
二零零四年

	Manufacturing and trading of automotive components 汽車零件之製造及貿易 HK\$'000 千港元	Trading of electronics components 電子零件之貿易 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合數額 HK\$'000 千港元
Turnover 營業額	9,350	20,388	—	29,738
Segment results 分類業績	(325)	(4,725)	(520)	(5,570)
Unallocated group expenses 未分配集團開支				(11,629)
Loss from operations 經營虧損				(17,199)
Finance costs 財務費用				(950)
Share of loss of associates 應佔聯營公司之虧損				(88)
Loss before taxation 除稅前虧損				(18,237)
Taxation 稅項				—
Loss before minority interests 未計少數股東權益前虧損				(18,237)
Minority interests 少數股東權益				(202)
Loss for the year 年內虧損				(18,439)
Segment assets 分類資產	6,630	14,857	7,811	29,298
Investment in associates 於聯營公司之投資				32,782
Unallocated 未分配				16,015
Total assets 總資產				78,095
Segment liabilities 分類負債	(3,893)	(159)	—	(4,052)
Unallocated 未分配				(8,307)
Total liabilities 總負債				(12,359)
Capital expenditure 資本支出	39	—	681	720
Unallocated capital expenditure 未分配資本支出				1,891
				2,611
Depreciation 折舊	293	—	137	430
Unallocated depreciation 未分配折舊				378
				808



NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

5. OTHER NET LOSS

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Net (loss)/gain from disposal of investment in securities 出售證券投資之(虧損)/收益淨額	(1,349)	543
Unrealised holding losses on investment in securities 證券投資之未變現持有虧損	(140)	(1,063)
Exchange gain on investment in foreign currency warrants 投資外幣認股權證之匯兌收益	163	—
Interest income 利息收入	2	—
Others 其他	—	40
	<u>(1,324)</u>	<u>(480)</u>

6. FINANCE COSTS

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest on convertible bonds 可換股債券利息	1,241	—
Interest on bank overdrafts 銀行透支利息	1	—
Interest on other loan 其他貸款利息	128	925
Finance charges on leases 租賃財務費用	36	25
	<u>1,406</u>	<u>950</u>

財務報表附註(續)

截至二零零五年三月三十一日止年度

5. 其他虧損淨額

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Net (loss)/gain from disposal of investment in securities 出售證券投資之(虧損)/收益淨額	(1,349)	543
Unrealised holding losses on investment in securities 證券投資之未變現持有虧損	(140)	(1,063)
Exchange gain on investment in foreign currency warrants 投資外幣認股權證之匯兌收益	163	—
Interest income 利息收入	2	—
Others 其他	—	40
	<u>(1,324)</u>	<u>(480)</u>

6. 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 convertible bonds 可換股債券利息	1,241	—
Interest on bank overdrafts 銀行透支利息	1	—
Interest on other loan 其他貸款利息	128	925
Finance charges on leases 租賃財務費用	36	25
	<u>1,406</u>	<u>950</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註 (續)

截至二零零五年三月三十一日止年度

7. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging/(crediting):

7. 經營虧損

經營虧損已扣除/(計入)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
Auditors' remuneration 核數師酬金		
— for the current year 本年度	300	162
— underprovision in prior year 以往年度撥備不足	80	—
Amortisation of intangible assets 無形資產攤銷	50	50
Amortisation of goodwill 商譽攤銷	2,115	130
Cost of inventories sold 出售存貨成本	15,195	25,472
Directors' emoluments 董事酬金	5,556	2,910
Depreciation of property, plant and equipment 物業、廠房及設備之折舊		
— owned assets 自置資產	1,256	430
— leased asset 租賃資產	—	378
Operating lease charges in respect of rented premises 承租物業之經營租賃支出	549	1,131
Provision for bad and doubtful debts: 呆壞賬撥備：		
— Others 其他	2,499	85
— Advance payments to suppliers 預付供應商款項	—	5,530
	2,499	5,615
Provision/(reversal) for impairment and write offs of: 減值撥備/(撥回)及撇銷：		
— Plant and machinery 廠房及機器	1,451	—
— Long term investment 長期投資	2,087	—
— Inventories 存貨	3,750	(730)
— Intangible assets 無形資產	350	—
	7,638	(730)
Staff costs (excluding directors' emoluments) 僱員支出 (不包括董事酬金)		
— salaries and allowances 薪金及津貼	2,959	2,161
— contributions to retirement benefits schemes (Note) 退休福利計劃供款 (附註)	135	97

Note: At 31 March 2005, the group had no forfeited contributions available to reduce its contributions to its retirement benefits schemes in future years (2004: HK\$Nil).

附註：於二零零五年三月三十一日，本集團並無沒收供款(二零零四年：零港元)，可用作減少未來年度向退休福利計劃作出之供款。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

8. TAXATION

No provision for Hong Kong Profits Tax and overseas tax in which the Group operates, have been made in the financial statements as the Group did not have any assessable profits derived from Hong Kong or any other jurisdictions for both years.

Hong Kong profits tax is calculated at 17.5% (2004: 17.5%) on the estimated assessable profit for the year.

The taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the year can be reconciled to the loss per income statement as follows:

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Loss before taxation 除稅前虧損	<b>(37,157)</b>	(18,237)
Tax at the domestic income tax rate at 17.5% (2004: 17.5%) 按本地利得稅率17.5%(二零零四年: 17.5%) 課稅	<b>(6,503)</b>	(3,191)
Tax effect of expenses that are not deductible in determining taxable profit 釐定應課稅溢利時不可減扣支出所受之稅務影響	<b>3,024</b>	230
Tax effect of income that are not assessable in determining taxable profit 釐定應課稅溢利時不可評估收入所受之稅務影響	—	(189)
Tax effect of accelerated tax depreciation not previously recognized 過往未確認之加速稅務折舊之稅務影響	<b>(452)</b>	(51)
Deferred tax assets not recognised 未確認之遞延稅項資產	<b>4,109</b>	3,174
Effect of different tax rate of subsidiaries operating in other jurisdictions 於其他司法權區經營之附屬公司之不同稅率影響	<b>(178)</b>	27
	<b>—</b>	—

No share of tax of associates for both years.

At 31 March 2005, the group has unprovided deferred tax assets of approximately HK\$4,109,000 (2004: HK\$4,050,000), primarily representing the tax effect of cumulative tax losses (subject to agreement by relevant tax authorities). The deferred tax assets have not been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

財務報表附註 (續)

截至二零零五年三月三十一日止年度

8. 稅項

由於本集團於兩個年度內並無在香港或任何其他司法權區產生任何應課稅溢利，故並無於財務報表內就香港利得稅及本集團經營所在地區之海外稅項作出撥備。

香港利得稅乃按本年度之估計應課稅溢利以稅率17.5%(二零零四年: 17.5%)計算。

其他司法權區之稅項乃按各司法權區之現行稅率計算。

年內之支出可按以下收益表所列虧損作出對賬：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
除稅前虧損	<b>(37,157)</b>	(18,237)
按本地利得稅率17.5%(二零零四年: 17.5%) 課稅	<b>(6,503)</b>	(3,191)
釐定應課稅溢利時不可減扣支出所受之稅務影響	<b>3,024</b>	230
釐定應課稅溢利時不可評估收入所受之稅務影響	—	(189)
過往未確認之加速稅務折舊之稅務影響	<b>(452)</b>	(51)
未確認之遞延稅項資產	<b>4,109</b>	3,174
於其他司法權區經營之附屬公司之不同稅率影響	<b>(178)</b>	27
	<b>—</b>	—

該兩年均無應佔聯營公司稅項。

於二零零五年三月三十一日，本集團有未撥備遞延稅項資產約4,109,000港元(二零零四年: 4,050,000港元)，主要為累計稅項虧損之稅務影響(須待有關稅務當局同意)。由於未來溢利流量不可預測，該遞延稅項資產未被確認。該稅項虧損有可能被無限期結轉。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**9. LOSS ATTRIBUTABLE TO SHAREHOLDERS**

The consolidated loss attributable to shareholders includes a loss of approximately HK\$84,264,000 (2004: HK\$16,921,000) dealt with in the financial statements of the company.

**10. DIVIDENDS**

No dividends were paid or declared by the company during the year (2004: HK\$Nil).

**11. LOSS PER SHARE****(a) Basic loss per share**

The basic loss per share is calculated based on the consolidated loss attributable to shareholders of HK\$37,157,000 (2004: HK\$18,439,000) and the weighted average number of 1,438,706,742 (2004: 885,539,516) ordinary shares in issue during the year.

**(b) Diluted loss per share**

No amount has been presented for the diluted loss per share for the year ended 31 March 2005 as the conversion of the outstanding share options would reduce the loss per share from continuing ordinary operations.

No diluted loss per share for 2004 has been presented as the impact of the warrants was anti-dilutive.

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**9. 股東應佔虧損**

股東應佔綜合虧損包括已在本公司財務報表中處理之虧損約84,264,000港元(二零零四年: 16,921,000港元)。

**10. 股息**

年內本公司並無派發或宣派任何股息(二零零四年: 無)。

**11. 每股虧損****(a) 每股基本虧損**

每股基本虧損乃根據股東應佔綜合虧損37,157,000港元(二零零四年: 18,439,000港元), 以及年內已發行普通股之加權平均數1,438,706,742股(二零零四年: 885,539,516股)計算。

**(b) 每股攤薄虧損**

由於轉換尚未行使購股權將減少持續日常營運之每股虧損, 因此並未呈列截至二零零五年三月三十一日止年度之每股攤薄虧損。

由於認股權證具有反攤薄影響, 因此並未呈列二零零四年之每股攤薄虧損。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註(續)

截至二零零五年三月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

Group	本集團				
	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	Furniture and equipment 傢俬及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Cost 成本</b>					
At 1 April 2004 於二零零四年四月一日	364	4,459	119	2,089	7,031
Additions 添置	11	—	4,599	100	4,710
Disposal of a subsidiary 出售一間附屬公司	—	—	—	(1,991)	(1,991)
At 31 March 2005 於二零零五年三月三十一日	375	4,459	4,718	198	9,750
<b>Accumulated depreciation and impairment 累計折舊及減值</b>					
At 1 April 2004 於二零零四年四月一日	73	3,008	24	418	3,523
Charge for the year 本年度支出	75	—	943	238	1,256
Impairment 減值	—	1,451	—	—	1,451
Disposal of a subsidiary 出售一間附屬公司	—	—	—	(577)	(577)
At 31 March 2005 於二零零五年三月三十一日	148	4,459	967	79	5,653
<b>Net book value 賬面淨值</b>					
At 31 March 2005 於二零零五年三月三十一日	227	—	3,751	119	4,097
At 31 March 2004 於二零零四年三月三十一日	291	1,451	95	1,671	3,508

The carrying amount of the group's motor vehicles included an amount of HK\$Nil (2004: HK\$1,513,000) in respect of assets held under finance leases.

本集團汽車之賬面值包括按融資租賃持有之資產有關之零港元(二零零四年：1,513,000港元)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

13. INTERESTS IN SUBSIDIARIES

財務報表附註 (續)

截至二零零五年三月三十一日止年度

13. 於附屬公司之權益

	Company 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
Unlisted shares, at cost 非上市股份，按成本	99	88
Amounts due from subsidiaries 應收附屬公司款項	121,135	81,678
Less: Provision for impairment 減：減值撥備	(85,731)	(11,954)
	<b>35,503</b>	<b>69,812</b>

The amounts due from subsidiaries are unsecured, interest free and have no fixed terms for repayment.

應收附屬公司款項乃無抵押、免息及無固定償還期。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

13. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the principal subsidiaries as at 31 March 2005 are as follows:

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Nominal value of issued and fully paid/ registered capital 已發行及繳足股本 面值/註冊資本	Percentage held by the 持股百分比		Principal activities 主要業務
			Company 本公司	Group 本集團	
Basland Enterprises Limited	British Virgin Islands 英屬維爾京群島	100 ordinary shares of US\$1 each 100股普通股 每股面值1美元	100%	100%	Investment holding 投資控股
Bright Focus Development Limited	British Virgin Islands 英屬維爾京群島	10,000 ordinary shares of US\$1 each 10,000股普通股 每股面值1美元	100%	100%	Investment holding 投資控股
Cheer Asia Investment Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股普通股 每股面值1美元	100%	100%	Investment holding 投資控股
Crownville Development Limited 堅和發展有限公司	Hong Kong 香港	2 ordinary shares of HK\$1 each 2股普通股 每股面值1港元	100%	100%	Dormant 暫無營業

財務報表附註 (續)

截至二零零五年三月三十一日止年度

13. 於附屬公司之權益 (續)

於二零零五年三月三十一日，主要附屬公司之詳情如下：

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註 (續)

截至二零零五年三月三十一日止年度

13. INTERESTS IN SUBSIDIARIES (Continued)

13. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Nominal value of issued and fully paid/ registered capital 已發行及繳足股本 面值/註冊資本	Percentage held by the 持股百分比		Principal activities 主要業務
			Company 本公司	Group 本集團	
Crown Wealth Development Limited 冠添發展有限公司	Hong Kong 香港	2 ordinary shares of HK\$1 each 2股普通股 每股面值1港元	50%	100%	Investment holding 投資控股
Gorient (Hong Kong) Limited 協里(香港)有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股普通股 每股面值1港元	100%	100%	Investment holding 投資控股
Glory Era Limited 鴻歷有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股普通股 每股面值1港元	100%	100%	Investment holding 投資控股
Innovative International (Holdings) Limited	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股普通股 每股面值1港元	100%	100%	Dormant 暫無營業
Lucky Metro Trading Limited	British Virgin Islands 英屬維爾京群島	100 ordinary shares of US\$1 each 100股普通股 每股面值1美元	—	100%	Investment holding 投資控股



NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

13. INTERESTS IN SUBSIDIARIES (Continued)

財務報表附註 (續)

截至二零零五年三月三十一日止年度

13. 於附屬公司之權益 (續)

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Nominal value of issued and fully paid/ registered capital 已發行及繳足股本 面值/註冊資本	Percentage held by the 持股百分比		Principal activities 主要業務
			Company 本公司	Group 本集團	
Prime Year Investments Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股普通股 每股面值1美元	100%	100%	Investment holding 投資控股
Tianjin Guangying Automotive Mirror Company Limited * 天津光盈汽車鏡 有限公司 (see note (a) below) (見下文附註(a))	The People's Republic of China 中華人民共和國	US\$500,000 500,000美元	—	50%	Manufacturing and trading of automotive components 汽車零件製造及 貿易
Sky Era Limited 天歷有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股普通股 每股面值1港元	—	100%	General trading 一般貿易
Yinshau Limited 盈濤有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股普通股 每股面值1港元	100%	100%	Investment holding and trading of electronic components 投資控股及 電子零件貿易

\* Not audited by CCIF CPA Limited

\* 未經陳葉馮會計師事務所有限公司審核

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

13. INTERESTS IN SUBSIDIARIES (Continued)

Notes:

- (a) Tianjin Guangying Automotive Mirror Company Limited (“Tianjin Guangying”) is a Sino-foreign owned joint venture enterprise under the PRC law. It has been regarded as a subsidiary and its accounts have been consolidated since in the opinion of the directors, the group has the power to govern its financial and operating policies. Tianjin Guangying ceased its operations since December 2004. Full provision for bad debts and plant and machinery amounted to HK\$749,000 and HK\$1,451,000 respectively were made for the year ended 31 March 2005.

The above table lists the subsidiaries of the company which, in the opinion of the directors, principally affected the results for the year formed a substantial portion of the net assets of the group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

14. INTERESTS IN ASSOCIATES

Group

Share of net liabilities 應佔負債淨值

Unamortised goodwill on acquisition (note a) 收購時未攤銷商譽 (附註a)

Loan to associates (note b) 給予聯營公司貸款 (附註b)

Less: Provision for bad and doubtful debts 減：呆壞賬撥備

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
	(2,425)	(2,952)
	25,479	27,594
	23,054	24,642
	9,890	8,140
	(1,750)	—
	8,140	8,140
	31,194	32,782

財務報表附註 (續)

截至二零零五年三月三十一日止年度

13. 於附屬公司之權益 (續)

附註：

- (a) 天津光盈汽車鏡有限公司(「天津光盈」)是根據中國法律成立之中外合資企業。由於董事認為本集團有權規管天津光盈之財務及營運政策，因此該公司已被視為附屬公司，而其賬目經已綜合。天津光盈自二零零四年十二月起終止其業務。截至二零零五年三月三十一日止年度，已就壞賬及廠房及機器分別作出749,000港元及1,451,000港元之全數撥備。

上表呈列本公司之附屬公司，董事認為，該等附屬公司原則上影響本年度業績或構成本集團資產淨值之重要部份。董事認為，提供其他附屬公司詳情將導致有關資料之篇幅過度冗長。

14. 於聯營公司之權益

本集團

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

14. INTERESTS IN ASSOCIATES (Continued)

(a) Goodwill on acquisition

	HK\$'000 千港元
Cost 成本	
At 1 April 2004 and 31 March 2005 於二零零四年四月一日及二零零五年三月三十一日	27,812
Accumulated amortisation 累計攤銷	
At 1 April 2004 於二零零四年四月一日	218
Charge for the year 年度攤銷	2,115
At 31 March 2005 於二零零五年三月三十一日	2,333
Net book value 賬目淨值	
At 31 March 2005 於二零零五年三月三十一日	25,479
At 31 March 2004 於二零零四年三月三十一日	27,594

財務報表附註 (續)

截至二零零五年三月三十一日止年度

14. 於聯營公司之權益 (續)

(a) 收購產生之商譽

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註 (續)

截至二零零五年三月三十一日止年度

14. INTERESTS IN ASSOCIATES (Continued)

- (b) The loans are unsecured, interest free and have no fixed terms for repayment except the amount of \$1,750,000 will be repaid on its maturity date of 31 March 2007.

Details of the associates are as follows:

14. 於聯營公司之權益 (續)

- (b) 該貸款為無抵押、免息及無固定還款期，惟款額1,750,000元須於到期日二零零七年三月三十一日償還。

聯營公司之詳情如下：

Name of company 公司名稱	Place of incorporation 註冊成立地點	Percentage of equity shares held by the company 佔公司所持有 權益股份之百分比		Principal activities 主要業務
		Directly 直接	Indirectly 間接	
Intelligent Transport System Holdings Limited *	British Virgin Islands 英屬維爾京群島	—	50%	Investment holding 投資控股
ITS Car Alarm Limited (formerly known as Intelligent Transport System Limited) * (前稱Intelligent Transport System Limited) *	Hong Kong 香港	—	50%	Trading of motor car alarm systems 汽車警報系統貿易
Intelligent Transport System (Telematics) Limited *	Hong Kong 香港	—	50%	Dormant 暫無營業
Intelligent Transport System Asia Limited *	British Virgin Islands 英屬維爾京群島	—	50%	Provision of consultancy service 提供顧問服務
Wide and Bright Limited *	British Virgin Islands 英屬維爾京群島	—	30%	Distribution, sale and sublicensing of distributorship right 分銷、銷售及分包分銷權

\* Not audited by CCIF CPA Limited

\* 未經陳葉馮會計師事務所有限公司審核。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註 (續)

截至二零零五年三月三十一日止年度

15. INTANGIBLE ASSETS

15. 無形資產

Group

本集團

HK\$'000 千港元

**Hived-down assets, at cost** 債務脫手資產，按成本

At 1 April 2004 and at 31 March 2005 於二零零四年四月一日及二零零五年三月三十一日 500

**Less: Accumulated amortisation and impairment** 減：累計攤銷及減值

At 1 April 2004 於二零零四年四月一日 100

Charge for the year 本年度支出 50

Impairment loss 減值虧損 350

At 31 March 2005 於二零零五年三月三十一日 500

**Net book value** 賬面淨值

At 31 March 2005 於二零零五年三月三十一日 —

At 31 March 2004 於二零零四年三月三十一日 400

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註 (續)

截至二零零五年三月三十一日止年度

16. INVESTMENT IN SECURITIES

16. 證券投資

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
Investment in securities, at cost 證券投資，按成本	1,450	950
Less: Impairment loss 減：減值虧損	(1,450)	—
	—	950
Other investment 其他投資	1,680	1,680
Less: Impairment loss 減：減值虧損	(1,174)	(537)
	506	1,143
	506	2,093

Investment in securities made for the long-term with an identified strategy purpose represents:

就已確定策略之長期證券投資指：

Name of company 公司名稱	Place of incorporation 註冊成立地點	Percentage of equity shares held by the Group 佔本集團所持 權益股份之百分比	Principal activity 主要業務
Icared.com Limited	Hong Kong 香港	10%	Community Web Site 社區網站
Media Savvy Limited	Hong Kong 香港	15%	Provision of outdoor advertising service 提供戶外廣告服務

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**16. INVESTMENT IN SECURITIES** (Continued)

Other investment held for long-term capital gain only represents:

**16. 證券投資** (續)

就資本收益而長期持有之其他投資僅指：

Name of company 公司名稱	Place of incorporation 註冊成立地點	Percentage of equity shares held by the Group 佔本集團所持權益股份之百分比	Principal activity 主要業務
Bangkok Mass Transit System Public Company Limited	Thailand 泰國	0.05%	Operation of the elevated Mass Transit Railway in Bangkok 於曼谷經營高架集體運輸鐵路

**17. INVENTORIES**

Group

**17. 存貨**

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
Raw materials 原料	—	333
Work in progress 在製品	—	36
Finished goods 製成品	<b>20,605</b>	380
	<b>20,605</b>	749

The inventories are stated at net realisable value.

存貨乃以可變現淨值列賬。

**18. AMOUNTS DUE FROM RELATED COMPANIES**

The amounts due from related companies are unsecured, interest free and have no fixed terms for repayment.

**18. 應收關連公司款項**

應收關連公司款項乃無抵押、免息及無固定償還期。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註(續)

截至二零零五年三月三十一日止年度

19. TRADE AND OTHER RECEIVABLES

19. 貿易及其他應收賬款

	Group 本集團		Company 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	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade receivable (note a) 應收貿易賬款 (附註a)	13,613	3,582	—	—
Advances to suppliers 墊付供應商款項	—	21,490	—	—
Other receivables (note b) 其他應收賬款 (附註b)	8,002	677	—	129
	<b>21,615</b>	<b>25,749</b>	<b>—</b>	<b>129</b>

Note:

附註：

(a) The ageing analysis of the trade receivable was as follows:

(a) 應收貿易賬款之賬齡分析如下：

	Group 本集團		Company 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	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within 3 months 三個月內	7,203	1,787	—	—
4 to 6 months 四至六個月	6,410	170	—	—
Over 6 months 六個月以上	—	1,625	—	—
	<b>13,613</b>	<b>3,582</b>	<b>—</b>	<b>—</b>

The normal credit period granted to trade debtors is 30 to 90 days.

授予貿易債務人之一般信貸期為三十至九十日。

(b) Other receivables included the amount of HK\$8,000,000 of deposit paid by a subsidiary for a proposed investment. A termination agreement signed in 7 February 2005 for the termination of the proposed investment. Partial deposit of HK\$3,000,000 was refunded up to the date of report and the remaining balance of HK\$5,000,000 will be refundable within next twelve months.

(b) 其他應收賬款包括一家附屬公司就建議投資支付之按金8,000,000港元。本公司於二零零五年二月七日簽訂終止協議以終止建議投資。截至本報告日期，部份按金3,000,000港元已退回，而餘額5,000,000港元將於未來十二個月退回。



NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註 (續)

截至二零零五年三月三十一日止年度

20. OTHER INVESTMENTS

20. 其他投資

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
Shares listed in Hong Kong, at net realisable value 香港上市股份，按可變現淨值	<b>8,468</b>	<b>7,811</b>

21. TRADE AND OTHER PAYABLES

21. 貿易及其他應付賬款

	Group 本集團		Company 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	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade payable 應付貿易賬款	—	3,148	—	—
Other payables and accruals 其他應付賬款及應計費用	<b>6,106</b>	3,082	<b>2,590</b>	1,068
	<b>6,106</b>	6,230	<b>2,590</b>	1,068

The ageing analysis of the trade payable was as follows:

應付貿易賬款之賬齡分析如下：

	Group 本集團		Company 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	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within 3 months 三個月內	—	3,148	—	—

The normal credit period granted by trade creditors is 30 to 90 days.

由貿易債權人授予之一般信貸期為三十至九十日。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)*For the year ended 31 March 2005***22. SHAREHOLDER'S LOAN**

The shareholder's loan is unsecured, interest free and has no fixed terms of repayment.

**23. CONVERTIBLE BONDS**

On 20 April 2004, the company issued convertible bonds of HK\$18,000,000 bears interest rate of 8% per annum which entitle the bond holders to subscribe for 100,000,000 shares at a subscription price of HK\$0.18 per share. During the year, 11,111,111 shares of HK\$0.10 each were issued on conversion of the subscription rights of HK\$2,000,000 convertible bonds. The outstanding HK\$16,000,000 convertible bonds subsequently matured on 19 April 2005 and the company repaid the outstanding amount in full to the bond holders.

**24. OTHER LOAN**

Other loan represents an amount advanced by a third party and bears monthly interest of 1.5%. It is secured by a director and is repayable within twelve months. It is fully repaid by the Group during the year.

**財務報表附註** (續)*截至二零零五年三月三十一日止年度***22. 股東貸款**

股東貸款乃無抵押、免息及無固定還款期。

**23. 可換股債券**

於二零零四年四月二十日，本公司發行18,000,000港元年利率為8厘之可換股債券，授權可換股債券持有人可按認購價每股0.18港元認購100,000,000股股份。年內，已發行11,111,111股每股面值0.10港元之股份以兌換2,000,000港元可換股債券之認購權。16,000,000港元之尚未行使可換股債券隨後已於二零零五年四月十九日到期，本公司已向債券持有人悉數償還未償付款額。

**24. 其他貸款**

其他貸款指第三方作出之墊款金額，月息為1.5厘。該貸款由一名董事作擔保，並須於十二個月內償還。該款項已於年內由本集團悉數償還。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註 (續)

截至二零零五年三月三十一日止年度

25. FINANCE LEASE OBLIGATION

The future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:

25. 融資租賃承擔

融資租賃下未來最低租賃付款及最低租賃付款淨額現值如下：

	2005 二零零五年		2004 二零零四年	
	Minimum leases payments 最低租賃付款 HK\$'000 千港元	Present value of minimum lease payments 最低租賃付款現值 HK\$'000 千港元	Minimum leases payments 最低租賃付款 HK\$'000 千港元	Present value of minimum lease payments 最低租賃付款現值 HK\$'000 千港元

Amounts payable under finance leases:

融資租賃應付款額：

Within one year 一年內	—	—	414	376
In the second to fifth years inclusive 二至五年內(包括首尾兩年)	—	—	1,378	1,253
	—	—	1,792	1,629
Less: Future finance charges 減：未來融資費用	—	—	(163)	—
Present value of lease obligation 租賃承擔現值	—	—	1,629	1,629
Less: Amount due from settlement within 12 months (shown under current liabilities) 減：須在十二個月內結付之款額(列作流動負債)				(376)
Amount due for settlement after 12 months 須在十二個月後結付之款額				1,253

The obligation of finance lease of a subsidiary, which was disposed during the year, disposed consequently at the date of disposal.

於年內出售一間附屬公司，其融資租賃承擔其後已於出售日期出售。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註(續)

截至二零零五年三月三十一日止年度

26. SHARE CAPITAL

26. 股本

	Note 附註	2005 二零零五年		2004 二零零四年	
		'000 千股	HK\$'000 千港元	'000 千股	HK\$'000 千港元
Authorised: 法定股本:					
At the beginning of year 年初					
Ordinary shares of HK\$0.10 each (2004: HK\$0.01 each) 每股面值0.10港元之普通股(二零零四年: 每股面值0.01港元)		3,000,000	300,000	10,000,000	100,000
Capital Reorganisation 股本重組 (a)		27,000,000	—	(27,000,000)	—
Increase in authorised capital 增加法定股本 (b)		20,000,000	200,000	20,000,000	200,000
At the end of year 年終					
Ordinary shares of HK\$0.01 each (2004: HK\$0.1 each) 每股面值0.01港元之普通股(二零零四年: 每股面值0.1港元)		50,000,000	500,000	3,000,000	300,000
Issued and fully paid: 已發行及繳足股本:					
At the beginning of year 年初					
Ordinary shares of HK\$0.10 each (2004: HK\$0.01 each) 每股面值0.10港元之普通股(二零零四年: 每股面值0.01港元)		1,258,127	125,813	7,328,952	73,290
Capital Reorganisation 股本重組 (a)		—	(120,915)	(11,323,143)	—
Shares issued on: 因下列情況而發行股份:					
— conversion of convertible bonds 兌換可換股債券 (c)		11,111	1,111	312,500	3,125
— exercise of warrants 行使認股權證 (d)		4,379	438	1,422,000	14,220
— subscriptions of new shares 認購新股 (e)		260,000	2,600	3,517,818	35,178
— exercise of share options 行使購股權 (f)		193,560	8,225	—	—
At the end of year 年終					
Ordinary shares of HK\$0.01 each (2004: HK\$0.1 each) 每股面值0.01港元之普通股(二零零四年: 每股面值0.1港元)		1,727,177	17,272	1,258,127	125,813

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**26. SHARE CAPITAL** (Continued)**(a) Capital reorganisation**

By the resolutions passed at the annual general meeting held on 23 August 2004, effective from 24 August 2004:

- (1) the nominal value of the shares in issue was reduced from HK\$0.10 each to HK\$0.01 each by canceling the issued share capital to the extent of HK\$0.09 paid up on each of the issued shares ("Capital Reduction");
- (2) all the authorised but unissued share capital of the Company were cancelled and subsequently the authorised share capital was increased to the original authorised share capital of HK\$300,000,000 by the creation of such number of the new shares taking into account the number of issued new shares ranking pari passu with the existing shares of the Company;
- (3) credit arising from the Capital Reduction was entirely transferred to the contributed surplus account of the Company;
- (4) the entire amount standing to the credit of the share premium account of the Company as at 30 June 2004 was cancelled ("Share Premium Reduction") and the credit arising from the Share Premium Reduction was entirely transferred to the contributed surplus account of the Company; and
- (5) an amount equivalent to the amount of the accumulated losses of the Company as at 31 March 2004 was applied from the contributed surplus account against such accumulated losses in full.

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**26. 股本** (續)**(a) 股本重組**

於二零零四年八月二十三日舉行之股東週年大會上通過決議案，自二零零四年八月二十四日起：

- (1) 註銷每股已發行股份之繳足已發行股份0.09港元，使已發行股份之面值由每股0.10港元削減至0.01港元（「削減股本」）；
- (2) 註銷本公司所有法定但未發行之股本，並於其後藉發行在各方面與本公司現有股份享有同等權益之新股，將法定股本增至原法定股本300,000,000港元，而增設新股之數目經計入已發行之新股數目；
- (3) 削減股本產生之進賬全部轉至本公司之繳入盈餘賬；
- (4) 註銷本公司於二零零四年六月三十日股份溢價賬之全部進賬（「削減股份溢價」），而削減股份溢價所產生之進賬全部轉至本公司之繳入盈餘賬；及
- (5) 動用繳入盈餘賬中相等於本公司於二零零四年三月三十一日之累計虧損金額之數額，以悉數抵銷本公司該累計虧損。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**26. SHARE CAPITAL** (Continued)**(a) Capital reorganisation** (Continued)

By an ordinary resolution passed at special general meeting held on 2 February 2004, the Company's authorised share capital was increased to HK\$300,000,000 by the creation of an additional 20,000,000,000 ordinary shares of HK\$0.01 each for the year ended 31 March 2004.

On 30 March 2004, a resolution was passed to consolidate 10 ordinary shares of HK\$0.01 each into 1 ordinary share of HK\$0.1 each.

**(b) Increase in authorised capital**

On 24 August 2004, the Company's authorised share capital was increased to HK\$500,000,000 by the creation of an additional 20,000,000,000 ordinary shares of HK\$0.01 each, ranking pari passu with the existing shares of the Company.

**(c) Conversion of convertible bonds**

On 3 June 2004 to 17 June 2004, the Company issued 11,111,111 ordinary shares of HK\$0.10 each to two convertible bond holders at a subscription price of HK\$0.18 per share. Upon the Capital Reduction, the shares became HK\$0.01 each.

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**26. 股本** (續)**(a) 股本重組** (續)

根據於二零零四年二月二日舉行之股東特別大會上通過之一項普通決議案，本公司於截至二零零四年三月三十一日止年度藉增設20,000,000,000股每股面值0.01港元之普通股將法定股本增至300,000,000港元。

於二零零四年三月三十日，本公司通過一項決議案，將10股每股面值0.01港元之普通股合併為1股每股面值0.1港元之普通股。

**(b) 增加法定股本**

於二零零四年八月二十四日，藉額外發行在各方面與本公司現有股份享有同等權益之20,000,000,000股每股面值0.01港元之普通股，將本公司之法定股本增至500,000,000港元。

**(c) 兌換可換股債券**

於二零零四年六月三日至二零零四年六月十七日，本公司以認購價每股0.18港元向各自兩名可換股債券持有人發行11,111,111股每股面值0.10港元之普通股。削減股本後，股份為每股面值0.01港元。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**26. SHARE CAPITAL** (Continued)

**(d) Exercise of warrants**

On 24 May 2004, the Company issued 4,379,039 ordinary shares of HK\$0.10 each at par value to the holders of the Company's warrants. Upon the Capital Reduction, the shares became HK\$0.01 each.

**(e) Subscriptions of new shares**

On 19 January 2005, the Company issued 260,000,000 ordinary shares of HK\$0.01 each at a price of HK\$0.08 to the investor Power Assets Enterprises Limited.

**(f) Exercise of share options**

During the year, options were exercised to subscribe for 193,560,000 ordinary shares in the Company. The net consideration was HK\$12,647,000 of which HK\$8,225,000 was credited to share capital and the balance of HK\$4,422,000 was credited to the share premium account.

All the new ordinary shares issued during the year ranked pari passe in all respects with the existing ordinary shares of the Company.

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**26. 股本** (續)

**(d) 行使認股權證**

於二零零四年五月二十四日，本公司按面值向本公司認股權證持有人發行4,379,039股每股面值0.10港元之普通股。削減股本後，股份之價格為每股0.01港元。

**(e) 認購新股**

於二零零五年一月十九日，本公司以0.08港元之價格向投資者Power Assets Enterprises Limited發行260,000,000股每股面值0.01港元之普通股。

**(f) 行使購股權**

年內，已行使購股權以認購193,560,000股本公司普通股。代價淨額為12,647,000港元，其中8,225,000港元已計入股本，而餘額4,422,000港元計入股份溢價賬內。

所有於年內發行之新普通股在各方面與本公司現有普通股享有同等權益。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註(續)

截至二零零五年三月三十一日止年度

27. RESERVES

27. 儲備

Group

本集團

	Share premium 股份溢價 HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Enterprises development reserve 企業發展儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2003 於二零零三年四月一日	—	201	—	1,868	803	(77,014)	(74,142)
Issue of new shares 發行新股	31,109	—	—	—	—	—	31,109
Exchange differences on translation of the financial statements of a foreign subsidiary 折算海外附屬公司財務報表時產生之匯兌差額	—	34	—	—	—	—	34
Loss for the year 本年度虧損	—	—	—	—	—	(18,439)	(18,439)
At 31 March 2004 and 1 April 2004 於二零零四年三月三十一日及二零零四年四月一日	31,109	235	—	1,868	803	(95,453)	(61,438)
Capital reduction 削減股本	—	—	120,915	—	—	—	120,915
Cancellation of share premium 註銷股份溢價	(32,185)	—	32,185	—	—	—	—
Transfer 轉讓	—	—	(94,415)	—	—	94,415	—
Issue of new shares 發行新股	23,511	—	—	—	—	—	23,511
Loss for the year 本年度虧損	—	—	—	—	—	(37,157)	(37,157)
At 31 March 2005 於二零零五年三月三十一日	22,435	235	58,685	1,868	803	(38,195)	45,831
Reserves retained by: 由下列公司保留儲備:							
Company and subsidiaries 本公司及附屬公司	22,435	235	58,685	1,868	803	(36,389)	47,637
Associates 聯營公司	—	—	—	—	—	(1,806)	(1,806)
At 31 March 2005 於二零零五年三月三十一日	22,435	235	58,685	1,868	803	(38,195)	45,831
Company and subsidiaries 本公司及附屬公司	31,109	235	—	1,868	803	(95,235)	(61,220)
Associates 聯營公司	—	—	—	—	—	(218)	(218)
At 31 March 2004 於二零零四年三月三十一日	31,109	235	—	1,868	803	(95,453)	(61,438)



NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註 (續)

截至二零零五年三月三十一日止年度

27. RESERVES (Continued)

27. 儲備 (續)

Company

本公司

	Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2003 於二零零三年四月一日	—	—	1,868	(77,494)	(75,626)
Issue of new shares 發行新股	31,109	—	—	—	31,109
Loss for the year 本年度虧損	—	—	—	(16,921)	(16,921)
At 31 March 2004 and 1 April 2004 於二零零四年三月三十一日 及二零零四年四月一日	31,109	—	1,868	(94,415)	(61,438)
Capital reduction 削減股本	—	120,915	—	—	120,915
Share premium reduction 削減股份溢價	(32,185)	32,185	—	—	—
Transfer 轉讓	—	(94,415)	—	94,415	—
Issue of new shares 發行新股	23,511	—	—	—	23,511
Loss for the year 本年度虧損	—	—	—	(84,264)	(84,264)
At 31 March 2005 於二零零五年三月三十一日	22,435	58,685	1,868	(84,264)	(1,276)

The Company has no reserves available for distribution as at 31 March 2005 (2004: HK\$Nil).

本公司於二零零五年三月三十一日並無可供分派之儲備(二零零四年：零港元)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

28. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

Disposal of subsidiaries

Net liabilities disposed of: 出售之淨負債：

Property, plant and equipment 物業、廠房及設備

Trade and other payables 貿易及其他應付賬款

Obligation under finance lease 融資租賃承擔

Satisfied by: 支付方式：

Cash consideration 現金代價

Gain on disposal of subsidiaries 出售附屬公司之收益

財務報表附註(續)

截至二零零五年三月三十一日止年度

28. 綜合現金流量表附註

出售附屬公司

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
----------------------------------	----------------------------------

1,414

—

(209)

(24)

(1,285)

—

(80)

(24)

(2)

—

(82)

(24)

29. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

(a) Directors' remuneration

The aggregate amounts of emoluments payable to the directors of the company during the year are as follows:

Fees 袍金

Executive directors 執行董事

Non-executive directors 非執行董事

Independent non-executive directors 獨立非執行董事

Other emoluments for directors 董事之其他報酬

Salaries and other benefits 薪金及其他福利

Retirement benefits scheme contributions 退休福利計劃供款

29. 董事及高級管理人員之薪酬

(a) 董事之薪酬

年內，付予本公司董事之報酬總額如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
----------------------------------	----------------------------------

—

—

—

—

—

—

—

—

5,556

2,910

24

21

5,580

2,931

5,580

2,931

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**29. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION**  
(Continued)

**29. 董事及高級管理人員之薪酬** (續)

**(a) Directors' remuneration** (Continued)

**(a) 董事之薪酬** (續)

The emoluments of the Directors fell within the following bands:

董事報酬之幅度如下：

	Number of Directors	
	2005	2004
	二零零五年	二零零四年
HK\$Nil — HK\$1,000,000 零港元 — 1,000,000港元	12	8
HK\$1,000,001 — HK\$1,500,000 1,000,001港元 — 1,500,000港元	—	—
HK\$1,500,001 — HK\$2,000,000 1,500,001港元 — 2,000,000港元	2	—
HK\$2,000,001 — HK\$2,500,000 2,000,001港元 — 2,500,000港元	1	1

In addition to the above emoluments, 12,000,000 (2004: Nil) share options were granted to a non-executive director. The details of these benefits in kind are disclosed under the paragraph "Share Option Scheme" in the report of the directors and note 30.

除以上報酬外，亦向一位非執行董事授予12,000,000份(二零零四年：無)購股權。該等實物利益之詳情於董事會報告書「購股權計劃」一段及附註30披露。

During the year, no Directors waived remuneration and no emoluments of the Directors were incurred as an inducement to join or upon joining the Company or as compensation for loss of office.

年內，概無董事放棄酬金，亦無就邀請董事加入本公司或於董事加入本公司後或離職(作為賠償)時付予董事報酬。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

財務報表附註 (續)

截至二零零五年三月三十一日止年度

29. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION  
(Continued)

29. 董事及高級管理人員之薪酬 (續)

(b) Five highest paid individuals

(b) 五位最高薪僱員

The five highest paid individuals of the Group for the year ended 31 March 2005 included one (2004: three) executive Director, two (2004: nil) non-executive Directors and Nil (2004: nil) independent non-executive Director, details of whose emoluments are set out above. The emoluments of the remaining two (2004: two) employees for the year ended 31 March 2005 were as follows:

截至二零零五年三月三十一日止年度，本集團五位最高薪僱員包括一位(二零零四年：三位)執行董事、兩位(二零零四年：零位)非執行董事及零位(二零零四年：零位)獨立非執行董事，有關彼等之薪酬詳情載於上文。截至二零零五年三月三十一日止年度，其餘兩位(二零零四年：兩位)僱員之薪酬詳情如下：

	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	517	219
Retirement benefits scheme contributions 退休福利計劃供款	23	11
	<u>540</u>	<u>230</u>

The emoluments were within the following bands:

報酬幅度如下：

	Number of employees 僱員人數	
	2005 二零零五年	2004 二零零四年
HK\$Nil — HK\$1,000,000 零港元 — 1,000,000港元	2	2
HK\$1,000,001 — HK\$1,500,000 1,000,001港元 — 1,500,000港元	—	—
HK\$1,500,001 — HK\$2,000,000 1,500,001港元 — 2,000,000港元	—	—
HK\$2,000,001 — HK\$2,500,000 2,000,001港元 — 2,500,000港元	—	—

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**30. SHARE OPTION SCHEME**

On 30 March 2004, a share option scheme (the "Scheme") was approved and adopted by the shareholders of the Company with the purpose to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group, which is effective for ten years until 29 March 2014.

Pursuant to the Scheme, the board of directors of the Company may at any time within ten years from the adoption date, offer any eligible participant (including any executive director of the Company or any of its subsidiaries) options to subscribe for shares in the Company at a price not less than the highest of:

- (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for trades in one or more board lots of shares on the offer date;
- (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and
- (iii) the nominal value of the shares of the Company on the date of grant.

The maximum number of shares which may be allotted and issued upon exercise of all outstanding options granted and not yet exercised under the Scheme and any other share option scheme of the Group shall not exceed 30% of the shares capital of the Company in issue from time to time. The total number of shares which may be allotted and issued upon exercise of all options to be granted under the Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue as at the date of approval of the Scheme. The maximum entitlement of each participant in any twelve month period under the Scheme shall not exceed 1% of the issued share capital of the Company for the time being.

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**30. 購股權計劃**

於二零零四年三月三十日，本公司股東批准採納一項購股權計劃（「該計劃」），使本集團可授予選定參與人購股權，以獎勵及嘉許彼等為本集團作出貢獻。計劃將於截至二零一四年三月二十九日止十年期間有效。

根據該計劃，本公司董事會可於採納日期起十年內任何時間向任何合資格參與人（包括本公司或其任何附屬公司之任何執行董事）授出購股權，以按不少於下列最高者之價格認購本公司股份：

- (i) 本公司股份於建議授出購股權日期在聯交所每日報價表所報買賣一手或多手股份之收市價；
- (ii) 本公司股份於緊接建議授出購股權日期前五個營業日在聯交所每日報價表所報之平均收市價；及
- (iii) 於購股權授出日期之本公司股份之面值。

因行使根據該計劃及本集團任何其他購股權計劃已授出但未行使之所有未行使購股權而可能配發及發行之最高股份數目，不得超過本公司不時已發行股本之30%。因行使根據該計劃及本集團任何其他購股權計劃將授出之所有購股權而可能配發及發行之股份總數合共不得超過批准該計劃當日已發行股份之10%。根據該計劃每位參與者於任何十二個月期間之最大獲授額不得超過當時本公司已發行股本之1%。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**30. SHARE OPTION SCHEME** (Continued)

Each grant of options to any director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors. In addition, any grant of options to a substantial shareholder or an independent non-executive director, or any of their respective associates, would result in the shares issuable upon exercise of all options granted and to be granted to such person in the twelve month period up to and including the date of such grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares quoted on the Stock Exchange on the date of grant) in excess of HK\$5 million, such further grant of options shall be subject to approval by the shareholders in general meeting.

Options granted must be taken up within 21 days from the date of grant, upon payment of the consideration of HK\$1 per each grant of option. The exercise period of the options is determinable by the directors, and shall expire not later than ten years from the date of grant. The Scheme does not specify the requirement as to minimum period for which an option must be held.

During the year, options carrying the right to subscribe for 196,980,000 shares were granted to advisers and consultants of the Group as means to establish long term relationship with the grantees.

The directors considered that it is not appropriate to value the share options on the ground that the valuation based on certain assumptions on variables which cannot be reasonably determined at this stage. Therefore, the directors have determined not to early adopt HKFRS 2 in the preparation of the financial statements for the year ended 31 March 2005.

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**30. 購股權計劃** (續)

每次向本公司任何董事、主要行政人員或主要股東或彼等之任何聯繫人授出購股權須經獨立非執行董事批准。此外，倘向主要股東或獨立非執行董事或彼等各自之任何聯繫人授出任何購股權，將導致因行使該名人士於截至該等購股權授出日期(包括該日)止十二個月期間獲授或將獲授之所有購股權而可予發行之股份超過本公司已發行股份之0.1%，且其總值(按於購股權授出日期本公司股份在聯交所所報之收市價計算)超過5,000,000港元，則該進一步授出購股權須經股東在股東大會上批准後方可作實。

所授購股權須於授出日期起二十一日內接納，接納時須就授出之每份購股權支付代價1港元。購股權行使期由董事釐定，並將不會遲於授出日期起十年後屆滿。該計劃並無規定購股權所須持有之最短期限。

年內，本集團已向其諮詢人及顧問授出附有權利可認購196,980,000股股份之購股權，藉以與承授人建立長久之關係。

由於現階段未能合理地確定根據若干變數假設計算之估值，故董事認為並不適宜評估購股權之價值。因此，董事決定不會就編製截至二零零五年三月三十一日止年度財務報表提前採納香港財務報告準則第2號。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

30. SHARE OPTION SCHEME (Continued)

The following table disclosed the details of the Company' share options and movements in such holdings during the year ended 31 March 2005:

Category of participants 參與者類別	Date of grant 授出日期	Outstanding at 1/4/2004 於二零零四年 四月一日 尚未行使	Granted during the year 於年內授出	Exercised during the year 於年內 已行使	Lapsed during the year* 於年內 已失效*	Outstanding at 31/3/2005 於二零零五年 三月三十一日 尚未行使	Exercise period 行使期間	Weighted average market price of securities immediately before the exercise date 緊接行使日期前證券之加權平均市價	Market price of the securities immediately before the dates on which the options were granted 緊接授出購股權日期前證券之市價
Directors 董事	28/4/2004 二零零四年四月二十八日	—	12,000,000	(2,400,000)	(9,600,000)	—	28/4/2004 – 27/4/2014 二零零四年四月二十八日 – 二零零四年四月二十七日	0.10 0.1090	0.1050
Employees 僱員	15/4/2004 – 23/8/2004 二零零四年四月十五日 – 二零零四年八月二十三日	—	16,760,000	(14,760,000)	(2,000,000)	—	15/4/2004 – 22/6/2014 二零零四年四月十五日 – 二零零四年六月二十二日	0.10 - 0.105 0.0495	0.074 – 0.11
	24/8/2004 – 17/11/2004 二零零四年八月二十四日 – 二零零四年十一月十七日	—	24,440,000	(24,440,000)	—	—	24/8/2004 – 24/6/2014 二零零四年八月二十四日 – 二零零四年六月二十四日	0.03 - 0.073 0.0344	0.03 – 0.07
Advisers and Consultants 顧問	15/4/2004 – 23/8/2004 二零零四年四月十五日 – 二零零四年八月二十三日	—	87,100,000	(52,720,000)	—	34,380,000	15/4/2004 – 22/6/2014 二零零四年四月十五日 – 二零零四年六月二十二日	0.10 - 0.105 0.0751	0.055 – 0.11
	24/8/2004 – 31/12/2004 二零零四年八月二十四日 – 二零零四年十二月三十一日	—	109,880,000	(99,240,000)	—	10,640,000	24/8/2004 – 24/6/2014 二零零四年八月二十四日 – 二零零四年六月二十四日	0.027 - 0.078 0.0433	0.027 – 0.076
		—	196,980,000	(151,960,000)	—	45,020,000			
		—	250,180,000	(193,560,000)	(11,600,000)	45,020,000			

\* The share options lapsed during the year resulted from the resignation of the director and employees.

\* 購股權因董事及僱員辭任而於年內失效。

財務報表附註 (續)

截至二零零五年三月三十一日止年度

30. 購股權計劃 (續)

下表披露截至二零零五年三月三十一日止年度本公司之購股權及持有該等購股權之變動詳情：

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

31. COMMITMENTS UNDER OPERATING LEASES

At the balance sheet date, the Group had outstanding minimum commitments under non-cancellable operating leases in respect of land and buildings as follows:

Operating leases which expire: 經營租約屆滿期限：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year 一年內	318	340
Two to five years 兩年至五年內	—	425
	318	765

The Company had no significant commitments at the both balance sheet dates.

32. RELATED PARTY TRANSACTIONS

The following is a summary of significant related party transactions during the year:

	Notes 附註	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
Consultancy and professional fees paid to a related company 支付予關聯公司之顧問及專業費用	1	166	111
Disposal of subsidiary to a related company 向關聯公司出售附屬公司	2	2	—
Operating expenses paid to a related company 支付予關聯公司之營運開支	3	200	931
Rental expenses paid to a related company 支付予關聯公司之租金支出	4	100	—
Salaries and MPF paid to a connected person 支付關連人士之薪金及強積金	5	248	178
Fixed assets purchased from a related company 從關聯公司購入之固定資產	6	—	350
Professional fee paid to a related company 支付予關聯公司之專業費用	7	—	500
		—	500

財務報表附註 (續)

截至二零零五年三月三十一日止年度

31. 經營租約承擔

於結算日，本集團根據有關土地及樓宇之不可撤銷經營租約之未償付最低承擔如下：

	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
Within one year 一年內	318	340
Two to five years 兩年至五年內	—	425
	318	765

於各結算日，本公司並無任何重大承擔。

32. 關聯方交易

年內，重大關聯方交易概述如下：



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

### 32. RELATED PARTY TRANSACTIONS (Continued)

Notes:

- (1) Fees paid for consultancy and company secretarial services rendered by a related company.
- (2) Sold a subsidiary to a related party at a cash consideration of HK\$2,000.
- (3) Operating expenses paid to a related company represents administrative services provided to the Group and were reimbursed at cost.
- (4) Rental expenses paid to a related company on normal commercial terms.
- (5) Salaries paid to a connected person for her employment with a subsidiary.
- (6) Fixed assets were purchased from a related company on normal commercial terms.
- (7) Fee paid for advice on various investment strategies provided by a related company.

### 33. SUBSEQUENT EVENTS

#### (a) Advances from a shareholder

On 19 April 2005, the Company entered into a facility letter with a shareholder, Star Metro Investments Limited, in which a maximum of HK\$15,000,000 loan facility with an interest rate of 8% per annum is granted to the Company to repay the outstanding principal sum of convertible bonds of HK\$15,000,000. Up to the approval date of the financial statements, the advances of HK\$15,000,000 was drawn down and applied by the Company for the repayment of the matured bonds.

## 財務報表附註 (續)

截至二零零五年三月三十一日止年度

### 32. 關聯方交易 (續)

附註：

- (1) 就一間關聯公司提供之顧問及公司秘書服務而支付之費用。
- (2) 以現金代價2,000港元向一關聯方出售一間附屬公司。
- (3) 支付予關聯公司營運開支指由本集團提供之行政服務，並按成本償付。
- (4) 按一般商業條款向一間關聯公司支付租金支出。
- (5) 向一名由附屬公司聘用之關連人士支付薪金。
- (6) 按一般商業條款向一間關聯公司購入固定資產。
- (7) 就一間關聯公司提供之各種投資策略意見而支付之費用。

### 33. 結算日後事項

#### (a) 從一名股東獲得之墊款

於二零零五年四月十九日，本公司與一名股東Star Metro Investments Limited訂立貸款確認書，據此按年利率8厘向本公司授予最多為15,000,000港元之貸款融資，以償還未償付可換股債券本金總額15,000,000港元。於財務報表獲批准日期之前，本公司已提取及動用墊款15,000,000港元以償還到期債券。

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

For the year ended 31 March 2005

**33. SUBSEQUENT EVENTS** (Continued)**(b) Conditional placing of new shares**

On 13 May 2005, the Company entered into a conditional placing agreement (the "Agreement") with Kim Eng Securities (Hong Kong) Limited to place an aggregate of 345,000,000 shares at the price of \$0.04 per share to at least six independent investors. The completion of the Agreement is conditional upon the obtaining of the approvals from the relevant authorities on 13 June 2005. Further details are set out in the Company's announcement dated 18 May 2005.

**(c) A non-legally binding memorandum of understanding ("MOU") for an acquisition of 30% of issued capital of Challenger Group of Companies Limited ("Challenger")**

On 16 June 2005, the Company entered into a non-legally binding MOU with Challenger and the shareholders of Challenger, pursuant to which the Company intends to acquire 30% of issued share capital of Challenger at a consideration of no less than HK\$9,000,000 from its existing shareholders, which is expected to be satisfied by issue of convertible bonds of the Company at the equivalent amount of HK\$9,000,000 and to subscribe new shares of Challenger at a cash consideration of HK\$15 million.

Further details are set out in the Company's announcement dated 17 June 2005.

**財務報表附註** (續)

截至二零零五年三月三十一日止年度

**33. 結算日後事項** (續)**(b) 有條件配售新股份**

於二零零五年五月十三日，本公司與金英證券(香港)有限公司訂立有條件配售協議(「該協議」)，以每股0.04元價格向最少六名獨立投資者配售合共345,000,000股股份。該協議須於二零零五年六月十三日獲得相關機構批准後方告完成。進一步詳情載於本公司日期為二零零五年五月十八日之公佈。

**(c) 就收購Challenger Group of Companies Limited (「挑戰者」) 30%已發行股本之無法律約束力之諒解備忘錄(「諒解備忘錄」)**

於二零零五年六月十六日，本公司與挑戰者及挑戰者股東訂立無法律約束力之諒解備忘錄，據此，本公司擬以不少於9,000,000港元之代價(預期將以發行相等於9,000,000港元之本公司可換股債券支付)向其現有股東收購挑戰者已發行股本30%及以15,000,000港元現金代價認購挑戰者之新股份。

進一步詳情載於本公司日期為二零零五年六月十七日之公佈。

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2005

### 34. COMPARATIVE FIGURES

With a review of financial statements' presentation, certain items in the financial statements were reclassified which would result in a more appropriate presentation of events or transactions. Accordingly, comparative figures have been reclassified to conform with the current year's presentation.

## 財務報表附註(續)

截至二零零五年三月三十一日止年度

### 34. 比較數字

經審閱財務報表之呈報方式後，其內若干項目已予重新分類，更為適合於事件或交易之呈報。因此，為符合本年度之呈報方式，比較數字已予重新分類。