

1 GENERAL INFORMATION

Karrie International Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) are principally engaged in the manufacture and sale of computer casings, office automation products, moulds, plastic and metal parts and provision of electronic manufacturing services.

The Company was incorporated in Bermuda on 6 December 1996. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company’s shares were listed in the Main Board of The Stock Exchange of Hong Kong Limited on 16 December 1996.

These consolidated accounts are presented in thousands of Hong Kong dollars (HK\$’000), unless otherwise stated, and have been approved for issue by the Board of Directors on 29 June 2006.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated accounts have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated accounts have been prepared under the historical cost convention, except for financial assets and liabilities (including derivative instruments) at fair value through profit and loss, which are carried at fair value.

1 一般資料

嘉利國際控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事製造及銷售電腦外殼、辦公室文儀產品、模具、塑膠及金屬部件及電子專業代工業務。

本公司於一九九六年十二月六日於百慕達註冊，辦事處地址是Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

本公司之股份於一九九六年十二月十六日於香港聯合交易所有限公司主板上市。

綜合帳目以港幣千元列報(除非另有說明)。綜合帳目已經由董事會在二零零六年六月二十九日批准刊發。

2 重要會計政策摘要

編制本帳目採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

2.1 編製基準

本綜合帳目乃按照香港財務報告準則(「香港財務報告準則」)頒佈之會計標準編製。本綜合帳目並依據歷史成本常規法編製。除了財務資產及負債(包括衍生工具)以公平值計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

The preparation of accounts in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated accounts, are disclosed in Note 4.

The adoption of new/revised HKFRS

In the current year, the Group adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. Last year's comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

編制符合香港財務報告準則之帳目需要使用若干關鍵會計估算。這亦需要管理層在應用本集團會計政策過程中行使其判斷。涉及高度之判斷或高度複雜性之範圍，或涉及對綜合帳目屬重大假設和估算之範疇，在附註 4 中披露。

採納新訂／經修訂香港財務報告準則

本年，本集團採納下列與其業務相關之新訂／經修訂財務準則及詮釋。去年之比較數字已按有關之規定作出修訂。

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估算更改及錯誤更正
香港會計準則第10號	結算日以後事項
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第23號	借貸成本
香港會計準則第24號	有關連人士之披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第28號	聯營公司投資
香港會計準則第32號	財務工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	準備、或有負債及或有資產

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS Int-15	Operating Leases – Incentives
HKFRS 2	Share-based Payments

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 21, 23, 24, 27, 28, 33, 36, 37 and HKAS-Int 15 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures.
- HKASs 2, 7, 8, 10, 16, 23, 27, 28, 33, 36, 37 and HKAS-Int 15 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance in the revised standard. All the Group entities have the same functional currency as the presentation currency for the respective entity accounts.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

香港會計準則第39號	財務工具：確認及計量
香港會計準則第39號 (修訂)	財務資產及財務負債之過渡性及初步確認
香港會計準則詮釋第15號	經營租賃－優惠
香港財務報告準則第2號	以股份為基礎之支付

採納新訂／經修訂香港會計準則第1、2、7、8、10、16、21、23、24、27、28、33、36、37號及香港會計準則詮釋第15號並無導致本集團的會計政策出現重大變動。總括而言：

- 香港會計準則第1號影響少數股東權益、應佔聯營公司除稅後業績淨額之呈列及其他披露。
- 香港會計準則第2、7、8、10、16、23、27、28、33、36、37號及香港會計準則詮釋第15號對本集團政策並無重大影響。
- 香港會計準則第21號對本集團政策並無重大影響。各綜合實體之功能貨幣已根據經修訂準則之指引重新估值。所有本集團實體均採用相同功能貨幣，作為各實體帳目之呈報貨幣。
- 香港會計準則第24號影響有關連人士之確認及若干其他有關連人士之披露。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the profit and loss account on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the profit and loss account. In prior years, the leasehold land and land use rights were accounted for at fair value less accumulated depreciation and accumulated impairment.

The adoption of HKASs 32,39 and 39 (Amendment) has resulted in a change in the accounting policy relating to the recognition, measurement and classification of financial instruments.

The adoption of HKFRS 2 has resulted in a change in accounting policy for share-based payments. Until 31 March 2005, the provision of share options to employees did not result in an expense in the profit and loss account. Effective 1 April 2005, the Group expenses the cost of share options in the profit and loss account. As a transitional provision, the cost of share options granted after 7 November 2002 which had not yet vested on 1 April 2005 was expensed retrospectively in the profit and loss account of the respective periods (Note 2.14(v)).

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

採納經修訂香港會計準則第17號導致有關租賃土地及土地使用權由物業、廠房及設備重新分類至經營租賃之會計政策變更。為租賃土地及土地使用權所付之預付款項於租期內以直線法於損益表內扣除，如出現減值，則減值將於損益表內扣除。於以往年度，租賃土地及土地使用權按成本減累計折舊及累計減值列帳。

採納經變更之香港會計準則第32、39及39（修訂）所涉及之範圍包括財務工具之計量及分類。

採納香港財務報告準則第2號導致有關股份報酬之會計政策改變。截至二零零五年三月三十一日止，給予僱員購股權毋須在損益表作為開支。由二零零五年四月一日起，本集團將購股權成本在損益表列作開支。根據過渡條文，於二零零二年十一月七日後授出且於二零零五年四月一日仍未歸屬之購股權成本，已追溯到有關期間之損益表列作開支（附註 2.14(v)）。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All standards adopted by the Group require retrospective application other than:

- HKAS 16 – the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only with respect to future transactions;
- HKAS-Int 15 – does not require the recognition of incentives for leases beginning before 1 January 2005;
- HKAS 39 – does not permit the Group to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous SSAP 24 “Accounting for investments in securities” to investments in securities and also to hedge relationships for the 2004 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39 are determined and recognised at 1 April 2005; and
- HKFRS 2 – only retrospective application for equity instruments granted after 7 November 2002 and not vested at 1 April 2005.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

會計政策所有改變均依照相關準則之規定。本集團採納之所有準則均須追溯處理，惟以下者除外：

- 香港會計準則第16號－在資產置換交易中購入物業、廠房及設備項目之初步計量，僅就未來交易按公平值列帳；
- 香港會計準則詮釋第15號－於二零零五年一月一日之前開始之租賃毋須確認優惠。
- 香港會計準則第39號－不容許根據本準則按追溯基準入帳確認、自帳目剔除及計量財務資產及負債。本集團就證券投資及二零零四年度之對比資料採用舊有之香港標準會計實務準則：「會計實務準則」第24號「證券投資的入帳」。就會計實務準則第24號與香港會計準則第39號之間的會計差異所須作出之調整於二零零五年四月一日釐定及確認；
- 香港財務報告準則第2號－僅對二零零二年十一月七日後授出而於二零零五年四月一日尚未生效之股權工具產生追溯性效力。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

The effect of changes in the above accounting policies on the Group's consolidated balance sheet is as follows:

		As at 31 March 2006 二零零六年三月三十一日			
		HKAS 16 香港 會計準則 第16號 HK\$'000 千港元	HKAS 17 香港 會計準則 第17號 HK\$'000 千港元	HKFRS 2 香港財務 報告準則 第2號 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Decrease in property, plant and equipment	物業、廠房及設備減少	(16,288)	(67,064)	-	(83,352)
Increase in leasehold land and land use rights	租賃土地及土地使用權增加	-	48,560	-	48,560
Decrease in deferred tax liabilities	遞延稅項負債減少	(799)	(893)	-	(1,692)
Increase in employee share-based compensation reserve	以股份支付之僱員酬金儲備增加	-	-	10,658	10,658
(Decrease)/increase in retained profits	保留溢利(減少)/增加	(6,561)	4,000	(11,337)	(13,898)
Increase in share premium	股份溢價增加	-	-	679	679
Decrease in fixed assets revaluation reserve	固定資產重估儲備減少	(8,928)	(21,611)	-	(30,539)

		As at 31 March 2005 二零零五年三月三十一日			
		HKAS 16 香港 會計準則 第16號 HK\$'000 千港元	HKAS 17 香港 會計準則 第17號 HK\$'000 千港元	HKFRS 2 香港財務 報告準則 第2號 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Decrease in property, plant and equipment	物業、廠房及設備減少	(16,721)	(44,178)	-	(60,899)
Increase in leasehold land and land use rights	租賃土地及土地使用權增加	-	11,868	-	11,868
Increase in deposit for land use rights	土地使用權按金增加	-	13,292	-	13,292
Decrease in deferred tax liabilities	遞延稅項負債減少	(799)	(893)	-	(1,692)
Increase in employee share-based compensation reserve	以股份支付之僱員酬金儲備增加	-	-	5,486	5,486
(Decrease)/increase in retained profits	保留溢利(減少)/增加	(6,994)	3,486	(5,486)	(8,994)
Decrease in fixed assets revaluation reserve	固定資產重估儲備減少	(8,928)	(21,611)	-	(30,539)

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

以上會計政策之變動對本集團綜合資產負債表之影響如下：

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

The effect of changes in the above accounting policies on the Group's consolidated profit and loss account is as follows:

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

以上會計政策之變動對本集團綜合損益表之影響如下：

		For the year ended 31 March 2006 截至二零零六年三月三十一日止			
		HKAS 16 香港 會計準則 第16號 HK\$'000 千港元	HKAS 17 香港 會計準則 第17號 HK\$'000 千港元	HKFRS 2 香港財務 報告準則 第2號 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Increase in employee share option benefits	僱員購股權利益增加	-	-	(7,311)	(7,311)
Decrease in depreciation of property, plant and equipment	物業、廠房及設備折舊減少	433	-	-	433
Decrease in amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷減少	-	514	-	514
Total increase/(decrease) in profit	總溢利增加/(減少)	433	514	(7,311)	(6,364)
Increase/(decrease) in basic earnings per share (HK cents)	每股基本溢利增加/(減少) (港仙)	0.11	0.13	(1.79)	(1.55)
Increase/(decrease) in diluted earnings per share (HK cents)	每股攤薄溢利增加/(減少) (港仙)	0.10	0.12	(1.77)	(1.55)

		For the year ended 31 March 2005 截至二零零五年三月三十一日止			
		HKAS 16 香港 會計準則 第16號 HK\$'000 千港元	HKAS 17 香港 會計準則 第17號 HK\$'000 千港元	HKFRS 2 香港財務 報告準則 第2號 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Increase in employee share option benefits	僱員購股權利益增加	-	-	(4,718)	(4,718)
Decrease in depreciation of property, plant and equipment	物業、廠房及設備折舊減少	433	-	-	433
Decrease in amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷減少	-	514	-	514
Total increase/(decrease) in profit	總溢利增加/(減少)	433	514	(4,718)	(3,771)
Increase/(decrease) in basic earnings per share (HK cents)	每股基本溢利增加/(減少) (港仙)	0.11	0.13	(1.17)	(0.93)
Increase/(decrease) in diluted earnings per share (HK cents)	每股攤薄溢利增加/(減少) (港仙)	0.11	0.12	(1.15)	(0.92)

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

Standards, interpretations and amendments to published standards that are not yet effective.

The Group has not early adopted the following new standards or interpretations that have been issued and are not yet effective, which are relevant to the operations of the Group. The Directors consider that the adoption of such standards or interpretations will not result in substantial changes to the Group's accounting policies.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKAS 19 (Amendment)	Employee Benefits
HKAS 39 & HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS-Int 4	Determining whether an Arrangement contains a Lease

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

已頒佈之準則、詮釋、修訂尚未生效。

本集團並無提早採納下列已頒佈但尚未生效及與本集團業務有關之新增準則或詮釋。董事認為預期採納該等準則或詮釋將不會導致本集團之會計政策出現重大變動。

香港會計準則第1號(修訂)	財務報表之呈報：資本披露
香港會計準則第19號(修訂)	僱員福利
香港會計準則第39號及香港財務報告準則第4號(修訂)	財務擔保合約
香港財務報告準則－詮釋第4號	釐定一項安排是否包含租賃

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation

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

(a) Subsidiaries

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

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

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

2 重要會計政策摘要 (續)

2.2 綜合帳目

綜合帳目包括本公司及各附屬公司截至三月三十一日止之帳目。

(a) 附屬公司

附屬公司指本集團有權管控其財政及營運政策而控制所有實體，一般附帶超過半數投票權之股權。在評定本集團是否控制另一實體時，目前可行使或可兌換之潛在投票權之存在及影響均予考慮。

附屬公司在控制權轉移至本集團之日全面綜合入帳。附屬公司在控制權終止之日起停止綜合入帳。

會計收購法乃用作本集團收購附屬公司之入帳方法。收購之成本根據於交易日期所給予資產、所發行之股本工具及所產生或承擔的負債之公平值計算，另加該收購直接應佔之成本。在企業合併中所收購可識別的資產以及所承擔的負債及或然負債，首先以彼等於收購日期之公平值計量，而不論任何少數股東權益之數額。收購成本超過本集團應佔所收購可識別資產淨值公平值之數額記錄為商譽。若收購成本低於所購入附屬公司資產淨值之公平值，該差額直接在損益表確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation (Cont'd)

(a) Subsidiaries (Cont'd)

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

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

(b) Associate

Associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in an associate is accounted for by the equity method of accounting and is initially recognised at cost.

The Group's share of its associate's post-acquisition profit or loss is recognised in the profit and loss account, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2 重要會計政策摘要 (續)

2.2 綜合帳目 (續)

(a) 附屬公司 (續)

集團內公司之間之交易、交易之結餘及未實現收益予以對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。附屬公司之會計政策已按需要作出改變，以確保與本集團採用之政策符合一致。

在本公司之資產負債表內，於附屬公司之投資按成本值扣除減值虧損準備列帳。附屬公司之業績由本公司按已收及應收股息入帳。

(b) 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權之實體，通常附帶有20%-50%投票權的股權。聯營公司投資以權益會計法入帳，初始以成本確認。

本集團應佔收購後聯營公司之溢利或虧損於損益表內確認，而應佔收購後儲備之變動則於儲備帳內確認。投資帳面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一間聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation (Cont'd)

(b) Associate (Cont'd)

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investment in an associated company is stated at cost less provision for impairment losses. The result of an associated company is accounted for by the Company on the basis of dividend received and receivable.

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) Functional and presentation currency

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

2 重要會計政策摘要 (續)

2.2 綜合帳目 (續)

(b) 聯營公司 (續)

本集團與其聯營公司之間交易之未實現收益按集團應佔聯營公司權益之數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司之會計政策已按需要作出改變，以確保與本集團採用之政策符合一致。

在本公司之資產負債表內，於聯營公司之投資按成本值扣除減值虧損準備列帳。聯營公司之業績由本公司按已收及應收股息入帳。

2.3 分部報告

業務分部指從事提供產品或服務之一組資產及業務，而產品或服務之風險和回報與其他業務分部之不同。地區分部指在某個特定經濟環境中從事提供產品或服務，其產品或服務之風險和回報與在其他經濟環境中營運之分部之不同。

2.4 外幣換算

(a) 功能及呈列貨幣

本集團各實體之帳目內之項目均以該實體經營之主要經濟環境通行之貨幣（「功能貨幣」）計算。港幣為本公司之功能及呈列貨幣，而其綜合帳目以港幣呈列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Foreign currency translation (Cont'd)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) Group companies

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

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

2 重要會計政策摘要 (續)

2.4 外幣換算 (續)

(b) 交易及結餘

外幣交易均按交易當日之匯率折算為功能貨幣。此等交易結算以及按年結日之匯率折換外幣資產和負債而產生之匯兌收益及虧損，均於損益表內確認。

非貨幣項目之匯兌差異，例如按公平值列入損益表之股本工具，均列報為公平值收益或虧損之一部分，至於非貨幣項目之匯兌差異，例如歸類為可出售財務資產之股票等，均列入權益帳之公平價值儲備內。

(c) 集團公司

功能貨幣與呈列貨幣不同之所有集團實體（各實體均無極高通脹經濟地區之貨幣）之業績及財務狀況均按以下方法換算為呈列貨幣：

- (i) 每份呈列之資產負債表之資產與負債均以該資產負債表之結算日之收市匯率換算；
- (ii) 每份損益表之收入及支出項目均按平均匯率換算（除非此匯率並不代表交易日期匯率的累計影響的合理約數，在此情況下，收入及支出項目以交易日期之匯率換算）；及
- (iii) 所有匯兌差異乃獨立確認為權益部份。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Foreign currency translation (Cont'd)

(c) Group companies (Cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale.

2.5 Property, plant and equipment

Previously, land and building was stated at valuation. The increase in fair value was credited to revaluation reserve. A decrease in fair value was first set off against increases on earlier valuations on an individual property basis and thereafter expensed in the profit and loss account. The adoption of the cost method for the year ended 31 March 2006 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy. The effect of changes in this accounting policy is summarised in note 2.1.

All other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

2 重要會計政策摘要 (續)

2.4 外幣換算 (續)

(c) 集團公司 (續)

在綜合賬目時，換算海外實體之淨投資，以及換算借貸及其他指定作為該等投資對沖之貨幣工具所產生之匯兌差額列入股東權益。當售出一項海外業務時，該等匯兌差額在損益表確認為出售盈虧之一部份。

2.5 物業、廠房及設備

以往土地及樓宇以估值列帳。公平值之增值會撥入重估儲備，公平值之減值則首先與先前重估增值組合對銷，然後於損益表支銷。截至二零零六年三月三十一日止年內採用成本法表示會計政策之變動，該變動已追溯應用導致比較數字經重列以符合變動之政策。會計政策之變動之影響簡要見附註 2.1。

所有其他物業、機器及設備按歷史成本減折舊和減值虧損列帳。歷史成本包括收購該項目直接應佔之開支。成本可包括從權益中轉撥的有關該物業、機器及設備利用外幣購買之合資格現金流量對沖產生之任何收益／損失。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment (Cont'd)

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

Buildings are depreciated over the period of the leases or the estimated useful lives, whichever is shorter. Depreciation of other property, plant and equipment, other than construction in progress, is calculated using the straight-line method to allocate cost less their residual values over their estimated useful lives, as follows:

Buildings	2% to 4%
Fixtures and leasehold improvements	8% to 12%
Machinery	10% to 15%
Moulds and tooling	15%
Furniture and computer equipment	15% to 33.33%

Effective from 1 April 2005, the annual rate of depreciation of certain buildings and leasehold improvements was changed from 2% and 8%, to 4% and 12%, respectively, as the Company's Directors consider the new depreciation rate reflects more fairly the estimated useful lives of these assets based on current business conditions. This change in estimate resulted in additional depreciation of approximately HK\$7,122,000 during the year ended 31 March 2006.

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

2 重要會計政策摘要 (續)

2.5 物業、廠房及設備 (續)

其後成本只有在與該項目有關之未來經濟利益有可能流入本集團，而該項目之成本能可靠計量時，才包括在資產之帳面值或確認為獨立資產(按適用)。所有其他維修及保養在產生之財政期間內於損益表支銷。

樓宇按租賃年期或估計可用年期以較短者折舊。除在建工程外，其他物業、機器及設備之折舊採用以下之估計可使用年日期將成本或重估值按直線法分攤至剩餘價值計算：

樓宇	2% to 4%
物業裝修	8% to 12%
機器	10% to 15%
模具及工具	15%
傢俬及電腦設備	15% to 33.33%

基於現在商業因素，本公司董事考慮新折舊年率更公正地反映固定資產可用年期。因此數字及物業裝修之折舊年率分別轉變由2%至4%，及由8%至12%。在二零零六年三月三十一日年度內，這折舊年率之轉變估計會導致增加折舊金額約7,122,000港元。

資產之剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment (Cont'd)

Property, plant and equipment held under finance leases are recorded and depreciated on the same basis as described above.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss account.

2.6 Construction-in-progress

Construction-in-progress represents buildings, plant and machinery under construction and pending installation and is stated at cost. Cost includes the costs of construction of buildings, the costs of plant and machinery and interest charges arising from borrowings used to finance such assets during the period of construction or installation and testing, if any. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy stated in note 2.5 in this Section.

2 重要會計政策摘要 (續)

2.5 物業、廠房及設備 (續)

以融資租賃方式所持有之物業、廠房及設備採用上述之相同基準予以記錄及計算折舊。

若資產之帳面值高於其估計可收回價值，其帳面值即時撇減至可收回值(附註 2.7)。

出售固定資產之收益或虧損乃出售所得收入淨額與資產帳面值之差額，將列算於損益表內。

2.6 在建工程

在建工程指在建樓宇、廠房及有待安裝之機器，並按成本入帳。成本包括於建築或安裝及測試(如有)期內之樓宇建築成本、廠房及機器成本以及就該等資產融資之借貸利息開支。在建工程項目直至有關資產完成及可作擬定用途前不作折舊準備。當有關資產投入運作時，將成本轉撥至其他物業、廠房及設備，並按本節附註2.5所述之政策折舊。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Impairment of non-financial assets

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

2.8 Inventories

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

2 重要會計政策摘要 (續)

2.7 非財務資產減值

沒有確定使用年期之資產無需攤銷，但至少每年就減值進行測試，及當有事件出現或情況改變顯示帳面值可能無法收回時就減值進行檢討。須作攤銷之資產，當有事件出現或情況改變顯示帳面值可能無法收回時就減值進行檢討。減值虧損按資產之帳面值超出其可收回金額之差額於損益表內確認。可收回金額以資產之公平值扣除銷售成本與使用價值兩者之較高者為準。於評估減值時，資產將按可識辨現金流量（現金產生單位）之最低層次組合。商譽以外出現減值之非財務資產均於每個報告日期進行審閱，以釐訂減值是否可予撥回。

2.8 存貨

存貨包括原材料、半製成品及製成品，按成本與可變現淨值二者之較低者入帳。成本以先進先出法計算。製成品及半製成品之成本並包括原材料、直接勞工，其他直接成本及相關之生產經常開支（依照正常營運能力），但不包括借貸成本。可變現淨值乃在通常業務過程中之估計銷售價減適用之變動銷售費用計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.11 Share capital

Ordinary shares are classified as equity.

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

2 重要會計政策摘要 (續)

2.9 貿易帳款與其他應收帳款

貿易帳款與其他應收帳款初步按公平值確認，其後按實際利息法按攤薄成本值計算並扣除減值準備。當有客觀證據顯示本集團無法按應收帳款之原先期限收回全部到期款項時，則會作出應收帳款之減值準備。應收帳客戶對嚴重財政困難，應收客戶將會破產或財務重組及違約未付或逾期未付款項均被視為應收貿易帳款出現減值之跡象。準備金額為資產帳面值與按實際利率貼現計算之估計未來現金流之現值之差額。準備金額乃於損益表內確認。

2.10 現金及現金等值物

現金及現金等值物包括現金、銀行通知存款、原到期日為三個月或以下之其他短期高流動性投資，以及銀行透支。銀行透支在資產負債表之流動負債內貸款中列示。

2.11 股本

普通股被列為權益。

直接歸屬於發行新股或認股權的新增成本在權益中列為所得款之減少(扣除稅項)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.13 Deferred income tax

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

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

2 重要會計政策摘要 (續)

2.12 借貸

借貸初步按公平值扣除已產生之交易成本確認。交易成本為直接與收購、發行或出售財務資產或財務負債有關之生增成本，包括向代理商、顧問、經紀及交易商支付之費用及佣金、監管代理機構及證券交易所徵收之費用及過戶登記稅項及印花款。借款其後按攤銷成本列帳；所得款項(扣除交易成本)與贖回價值間之任何差額於借貸期使用實際利息法在損益表確認。

除非本集團有權無條件地延遲清償債項最少至結算日後十二個月，借貸一概分類為流動負債。

2.13 遞延所得稅

遞延所得稅利用負債法就資產和負債之稅基與在資產和負債在帳目之帳面值之差產生之暫時差異全數作準備。然而，若遞延所得稅來自在交易(不包括企業合併)中對資產或負債之初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記帳。遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率(及法例)而釐定。

遞延所得稅資產是就可能未來應課稅溢利與可動用之暫時差異抵銷而確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Deferred income tax (Cont'd)

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

2.14 Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Bonus plans

The expected cost of bonus payments wholly due within twelve months after the balance sheet date are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2 重要會計政策摘要 (續)

2.13 遞延所得稅項 (續)

遞延稅項就投資於附屬公司及聯營公司之暫時差異而作準備，但假若可以控制暫時差異之撥回時間，及該暫時差異有可能在可預見將來不會撥回則除外。

2.14 僱員福利

(i) 僱員應享假期之權利

僱員享有之年假和長期服務休假於僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出準備。僱員享有之病假及產假不作確認，直至僱員正式休假為止。

(ii) 獎金計劃

當本集團因為僱員已提供之服務而產生現有法律或推定性責任，而責任金額能可靠估計時，則在結算日後十二個月內結欠之獎金預計成本確認為負債入帳。獎金計劃之負債預期須在十二個月內償付，並根據在償付時預期會支付之金額計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Employee benefits (Cont'd)

(iii) Pension obligations

Group companies operate several pension schemes. The plans are generally funded through payments to trustee-administered funds. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due and are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Long service payments

The Group's net obligation in respect of long service payments to its employees upon the termination of their employment or retirement when the employee fulfils certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

The obligation is calculated using the projected unit credit method, discounted to its present value and reduced by entitlements accrued under the Group's retirement plans that are attributable to contributions made by the Group. The discount rate is the yield at the balance sheet date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability.

2 重要會計政策摘要 (續)

2.14 僱員福利 (續)

(iii) 退休金責任

本集團公司營運多個退休金計劃。此等計劃一般透過向受託管理基金付款而注資。定額供款計劃指本集團以強制、合約或自願基準向獨立實體作出定額供款之退休金計劃。倘基金並無持有足夠資產向所有僱員就當期及以往期間之僱員服務支付福利。本集團並無法定或推定責任作出進一步供款。供款將會於到期支付時確認為僱員福利費用，且不會全數歸屬供款前離開計劃之僱員所放棄之供款扣減。預付供款按照現金退款或扣減未來付款時確認為資產。

(iv) 長期服務金

本集團根據香港《僱傭條例》在若干情況下終止聘用僱員或退休而支付之長期服務金所衍生之責任淨額，是指僱員現時及以往期過之服務所賺取之未來福利。

該責任以預計單位信貸法計算其貼現值，並扣除本集團退休計劃下本集團供款所佔之應計權益。貼現率為到期日與本集團負債期相若之優質企業債券於結算日之孳息率。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Employee benefits (Cont'd)

(v) Share-based compensation

The Group operates a share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the estimates of the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.15 Provisions

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

2 重要會計政策摘要 (續)

2.14 僱員福利 (續)

(v) 以股份為基礎之補償

本集團設有一項以股份為基礎之補償計劃。僱員為獲取授予購股權而提供之服務之公平值確認為費用。在歸屬期間內將予支銷之總金額參考授予之購股權之公平值釐定，不包括任何非市場既定條件（例如盈利能力和銷售增長目標）之影響。非市場既定條件包括在有關預期可予以行使之購股權數目之假設中。在每個結算日，本集團修訂其對預期可予以行使購股權數目之估計。本集團在損益表確認對原估計修訂（如有）之影響，並對權益作出相應調整。

已收款項（扣除任何直接應計交易成本）在行使期權時撥入股本（面值）及股份溢價。

2.15 準備

在出現以下情況時作出準備：本集團因已發生之事件而產生現有之法律或推定責任；較可能需要有資源流出以償付責任；及金額已經可靠估計。重建準備包括租賃終止罰款和僱員離職付款。不就未來營運虧損確認準備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.15 Provisions (Cont'd)

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

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

2.16 Leases

(i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in the profit and loss account on a straight-line basis over the period of the lease.

2 重要會計政策摘要 (續)

2.15 準備 (續)

如有多項類似責任，其需要在償付中流出資源之可能性，根據責任的類別整體考慮。即使在同一責任類別所包含之任何一個項目相關之資源流出之可能性極低，仍須確認準備。

準備以為履行義務所預計需要發生之支出之現值計量，計算此等現值使用之稅前折現率能夠反映當前市場之貨幣時間價值及該負債特有之風險。時間流逝導致準備金額之增加，確認為利息開支。

2.16 租賃

(i) 經營租賃

如租賃擁有權的重大部份風險和回報由出租人保留，則分類為經營租賃。根據經營租賃支付之款項(扣除自出租人收取之任何獎勵金後)於租賃期內以直線法在損益表中支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Leases (Cont'd)

(ii) Finance leases

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is expensed in the profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

2.17 Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(i) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

Advance payments received from customers prior to delivery of goods are recorded as receipts in advance.

2 重要會計政策摘要 (續)

2.16 租賃 (續)

(ii) 融資租賃

如本集團持有租賃資產擁有權的大部份風險及回報，則分類為融資租賃。融資租賃在開始時按租賃資產之公平值及最低租賃付款現值兩者之較低者入帳。每期租金均分配為資本性支出及財務費用，以達到財務結欠額之常數比率。相應租賃責任在扣除財務費用後計入流動及非流動借貸內。財務成本之利息部份於租賃期內在損益表確認，使財務費用與每個期間之負債餘額之比為常數定期利率。

以融資租賃方式所持有之資產按估計使用年限或租賃年期以較短者計算折舊。

2.17 收入確認

收入包括銷售貨品及服務之公平值，並扣除增值稅、回扣和折扣，以及對銷集團內部銷售。收入確認如下：

(i) 貨品銷售

貨品銷售於本集團實體已將貨品交付予顧客，顧客接收產品後，以及有關應收款的收回可合理確保時確認。

當貨物還未運送給客戶，客戶之預付款則記錄在預收款帳目中。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.17 Revenue recognition (Cont'd)

(ii) Rental income

Rental income is recognised on a straight-line basis.

(iii) Management services

Revenue from the provision of management services is recognised when the service is rendered.

(iv) Interest income

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

2.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's accounts in the period in which the dividends are approved by the Company's shareholders.

2 重要會計政策摘要 (續)

2.17 收入確認 (續)

(ii) 租金收入

租金收入按直線法確認。

(iii) 管理服務

管理服務收入在提供服務時確認。

(iv) 利息收入

利息收入採用實際利息法按時間比例基準確認。倘應收帳款出現減值，本集團會將帳面值減至可收回款額，即估計之未來現金流量按該工具之原有有效利率貼現值，並繼續將貼現計算並確認為利息收入。已減值貸款之利息收入確認為收取之現金，或若情況許可按成本收回基準計算確認。

2.18 股息分派

向本公司股東分派之股息在股息獲本公司股東批准之期間內於本集團之帳目內列為負債。

3 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow interest-rate risk. The use of financial derivatives to hedge certain risk exposures is governed by the Group's policies approved by the Board of Directors, where necessary.

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Most of the Group's operating activities are denominated in United States dollars ("USD"), Hong Kong dollars and Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has not used any forward contracts or currency borrowings to hedge its exposure as foreign currency risk is considered to be minimal.

(b) Credit risk

The carrying amount of trade receivables included in the consolidated balance sheet represents the Group's maximum exposure to credit risk. The Group has put in place policies to ensure that sales of products are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the Directors are of the opinion that adequate provision for uncollectible trade receivables has been made.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and/or the availability of funding through an adequate amount of committed credit facilities. The Directors aim to maintain flexibility in funding by keeping credit lines available.

3 財務風險因素

本集團的活動承受著多種之財務風險：外匯風險、信貸風險、流動資金風險及現金流量利率風險。本集團的政策是若有需要，在經董事同意下，利用衍生財務工具對沖若干承受之風險。

(a) 外匯風險

本集團在全球營運，承受多種不同貨幣所產生之外匯風險。本集團大部份之經營活動涉及美元、港幣及人民幣。外匯風險來自未來商業交易、已確認資產和負債以及海外業務之淨投資。

因本集團並無重大外匯風險，故此沒有利用遠期合約或貨幣借貸對沖外匯風險。

(b) 信貸風險

貿易應收帳之帳面值已包括在綜合資產負債表所代表本集團最大的信貸風險，本集團實施相關政策確保貨品銷售是向擁有適當信貸歷史的客戶銷售，集團亦會評估客戶之信貸狀況。本集團根據歷史記錄經驗收取貿易應收帳及其他應收帳，對於不可收回之貿易應收帳，本集團董事會作出足夠之壞帳準備。

(c) 流動資金風險

審慎之流動資金風險管理指維持充足之現金及透過已承諾信貸融資之足夠額度備有資金。本集團董事致力透過已承諾之可用信貸額度維持資金之靈活性。

3 FINANCIAL RISK FACTORS (Cont'd)

(d) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from bank borrowings. As at 31 March 2006, borrowings were primarily at floating rates. The Group generally has not used interest rate swaps to hedge its exposure to interest rate risk.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Property, plant and equipment, leasehold land and depreciation

The Group assesses annually whether property, plant and equipment, and leasehold land show any indication of impairment. The recoverable amounts of property, plant and equipment and leasehold land have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment, other than construction in progress, based on their estimated useful lives.

3 財務風險因素 (續)

(d) 現金流量及公平值利率風險

由於本集團並無重大計息資產，故本集團之收入及營運現金流量基本上不受市場利率波動之影響。本集團的利率風險來自銀行借貸，於二零零六年三月三十一日，借貸主要按浮動利率計算。本集團一般不會以利率掉期合約對沖利率之風險。

4 重要會計估計及判斷

估計和判斷會被持續評估，並以過往經驗及其他因素作為基礎，包括在有關情況下相信對未來事件之合理預測。

本集團對未來作出估計及假設。按定義會計估計很少與最終之實際結果完全一致。下文討論於下個財政年度有相當大風險將會導致資產與負債之帳面值須作出重大調整之估計及假設。

(a) 物業、廠房及設備、租賃土地及折舊

本集團每年評估物業、廠房及設備及租賃土地有否減值之跡象。物業、廠房及設備及租賃土地之可收回金額根據可使用價值計算方法釐定，該計算須要作出判斷及估計。

除在建工程外，本集團就其物業、廠房及設備釐定估計可使用年期，並根據此可使用年期釐定其相關折舊費用。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

(b) Estimated impairment of receivables

The Group makes provision for impairment of receivables based on an assessment of the recoverability of the receivables. Provisions are applied to receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of receivables requires the use of judgment and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of receivables and impairment of receivables is recognised in the years in which such estimates have been changed.

(c) Write-downs of inventories

Inventories are written down to net realisable value based on an assessment of their realisability. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate is changed.

4 重要會計估計及判斷 (續)

(b) 應收帳款之估計減值

本集團根據應收帳款之估計可收回程度就該等應收款計提減值準備。當事件發生或情況改變顯示不可能收回餘款時，則會就應收帳款計提準備。識別應收帳款減值需要作出判斷及估計。當預期金額與原定估計有差異時，則該差異將於該估計出現變動期間內影響應收款之帳面值及減值虧損準備。

(c) 撇減存貨

本集團根據存貨變現性之評估撇減存貨至可變現淨值。當事件發生或情況改變顯示存貨結餘可能未能變現時將被記錄為撇減。識別撇減需要作出判斷及估計。當預期之金額與原定估計有差異時，則該差異將會於估計改變之期間內影響存貨之帳面值及存貨之撇減。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

(d) Income taxes

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

(e) Long service payment liabilities

The present value of the long service payment liabilities depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of liabilities.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the liabilities. In determining the appropriate discount rate, the Group considers the yield of Exchange Fund Notes that are denominated in Hong Kong dollars in which the liabilities will be paid, and that have terms to maturity approximating the terms of the related liabilities.

Other key assumptions for long service payment liabilities are based in part on current market conditions. Additional information is disclosed in Note 25.

4 重要會計估計及判斷 (續)

(d) 所得稅

除香港外，本集團需要在數個司法權區繳納所得稅。在釐定所得稅準備時，需要作出重大判斷。在一般業務過程中，許多交易和計算所涉及之最終稅務釐定皆不確定。本集團根據對是否需要繳付額外稅款之估計，就預期稅務審計項目確認負債。如此等事件之最終稅務後果與最初記錄之金額不同，此等差額將影響作出此等釐定期間之所得稅和遞延稅準備。

(e) 長期服務金負債

長期服務金負債之現值釐定於數項因素，該些因素以利用許多假設之精算基礎來決定。任何假設之改變會影響負債之帳面金額。

本集團每年計算出適當之折讓率。該利率是用以計算出預計支付負債之估計未來現金流出之現值。在計算適當折讓率時，集團會考慮負債以港幣償還之外匯基金債券之收差率，同時，該外匯基金債券之到期日與有關負債之到期日相近。

其他有關長期服務金負債之主要假設，部份是根據現有市場情況而作出。額外資料披露在附註25。

Notes to the Consolidated Accounts 綜合帳目附註

5 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

5 關連人士交易

(a) 與關連人士之交易

		Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Rental charged by Kings Lion Development Limited	支付租金予勁獅發展有限公司	(i), (ii)	1,299	1,276
Management service income earned from an associated company	向聯營公司收取管理費收入	(ii)	–	2,512
Machinery rental income earned from an associated company	向聯營公司收取機器租金收入	(ii)	1,751	2,347
Sales to an associated company	銷售予聯營公司	(iii)	4,555	130
Purchase of raw materials from an associated company	向聯營公司購買物料	(iii)	582	–
Purchase of machinery from an associated company	向聯營公司購買機器	(ii)	2,522	–
Purchase of leasehold land and land use rights and staff quarters from 東莞市鳳崗房地產開發公司	向東莞市鳳崗房地產開發公司購買土地及土地使用權及員工宿舍	(iv)	3,582	–

Note:

- (i) Kings Lion Development Limited is beneficially owned and controlled by the family of Mr. Ho Cheuk Fai, a director of the Company.
- (ii) In the opinion of the Company's Directors and the Group's management, these related party transactions were conducted in accordance with the terms of the agreements.
- (iii) In the opinion of the Company's Directors and the Group's management, sales to and purchases from an associated company were conducted at prices and terms mutually agreed by the respective parties.

附註：

- (i) 勁獅發展有限公司由本公司董事何焯輝先生家族實益擁有及控制。
- (ii) 本公司董事及本集團管理層認為該等關連人士交易均以本集團與有關人士各自商議之條款執行。
- (iii) 本公司董事及本集團管理層認為該等向聯營公司之銷售及購買是依據有關人士互相同意之價格及條款進行。

Notes to the Consolidated Accounts 綜合帳目附註

5 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties (Cont'd)

- (iv) 東莞市鳳崗房地產開發公司 entered into a joint venture development with 東莞嘉輝門窗製品有限公司 (“Dongguan Jiahui”) pursuant to a co-operation agreement. Dongguan Jiahui is a joint venture company established under the laws of Mainland China with an effective interest of 92.15% beneficially owned by Mr. Ho Cheuk Fai, a director of the Company and Ms. Ho Po Chu, the spouse of Mr. Ho Cheuk Fai and the chief executive of the Company, through a 97% owned company which is incorporated in Hong Kong. The remaining 7.85% interest in Dongguan Jiahui is beneficially owned by third parties independent of the Company and its connected persons.

(b) Key management compensation

5 關連人士交易 (續)

(a) 與關連人士之交易 (續)

- (iv) 東莞市鳳崗房地產開發公司與東莞嘉輝門窗製品有限公司(「嘉輝門窗」)根據雙方之間簽訂之合作開發合同而合作發展。嘉輝門窗為一間於中國註冊成立之中外合資公司，本公司之董事何焯輝先生及其妻子何寶珠女士(本公司之最高行政人員)透過擁有一間於香港註冊成立之公司97%股權而擁有嘉輝門窗92.15%實際股權。嘉輝門窗其餘7.85%股權乃由獨立第三者及該公司之關聯人士所擁有。

(b) 主要管理層酬金

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Wages, salaries, allowances and bonuses	薪酬、工資、津貼及花紅	34,037	28,266
Pension costs – defined contribution plan	退休成本 – 界定借款計劃	203	202
		34,240	28,468

(c) Balances with related parties

(c) 與關連人士之結餘

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Amounts receivable from an associated company (Note 17)	應收聯營公司之帳款(附註17)	1,874	3,424

Notes to the Consolidated Accounts 綜合帳目附註

6 TURNOVER AND OTHER OPERATING INCOME

The Group is principally engaged in the manufacture and sales of computer casings, office automation products, moulds, plastic and metal parts and provision of electronic manufacturing services. Revenues recognised during the year are as follows:

6 營業額及其他經營收入

本集團主要從事製造及銷售電腦外殼、辦公室文儀產品、模具、塑膠及金屬部件及提供電子專業代工業務。本年度確認之收入如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Turnover	營業額		
Metal and plastic business	五金塑膠業務	1,431,428	1,172,806
Electronic manufacturing services business	電子專業代工業務	2,161,313	1,390,384
		3,592,741	2,563,190
Other operating income	其他經營收入		
Rental income	租金收入	4,501	5,835
Management service income	管理費收入	-	2,512
Interest income	利息收入	10,127	3,964
		14,628	12,311
Total revenues	總收入	3,607,369	2,575,501

Notes to the Consolidated Accounts 綜合帳目附註

7 OPERATING PROFIT

Operating profit is determined after charging or crediting the following items:

7 經營溢利

經營溢利已扣除及計入以下項目：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Depreciation of property, plant and equipment (Note 15)	物業、廠房及設備之折舊(附註15)		
– owned assets	– 自置資產	49,414	35,356
– assets held under finance leases	– 以融資租賃持有之資產	–	2,504
		49,414	37,860
Amortisation of leasehold land and land use rights (Note 14)	租賃土地及土地使用權之攤銷(附註14)	614	298
Employee benefit expenses (including Directors' emoluments) (Note 13)	員工福利開支(包括董事酬金)(附註13)	190,270	173,460
Operating lease rental of premises	租用物業之經營租賃租金	18,338	13,765
Net exchange loss	匯兌虧損淨額	449	933
Auditors' remuneration	核數師酬金	1,340	1,013
Fees for non-audit services	非核數服務費用	121	223
Provision for obsolete and slow-moving inventories	陳舊及滯銷存貨準備	–	6,986
Provision for amount due from an associated company	聯營公司欠款壞帳準備	–	3,424
Write-back of provision for obsolete and slow-moving inventories (Note 18)	撥回陳舊及滯銷存貨準備(附註18)	(18,157)	–
Write-back of provision for impairment of trade receivables (Note 19)	撥回貿易應收帳款減值準備(附註19)	(3,512)	–
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益淨額	(171)	(453)

Notes to the Consolidated Accounts 綜合帳目附註

8 FINANCE COSTS

8 財務成本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest expense on:	利息開支：		
– bank borrowings wholly repayable within five years	– 於五年內全數償還之銀行借貸	24,441	8,536
– finance leases	– 融資租賃	10	110
– others	– 其他	80	74
		24,531	8,720

9 TAXATION

9 稅項

The Company is exempted from Bermuda taxation until 2016. Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the year.

本公司獲豁免百慕達稅項至二零一六年止。香港利得稅乃根據本年之估計應課稅溢利按17.5% (二零零五年：17.5%) 之稅率計提準備。

The amount of taxation charged to the consolidated profit and loss account represents:

在綜合損益表支銷之稅項如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current taxation: Hong Kong profits tax	現行稅項：香港利得稅		
– current year	– 本年度	14,196	15,619
– under/(over) provision in prior years	– 往年之不足／ (超額)準備	545	(538)
Deferred taxation (Note 26)	遞延稅項(附註26)	3,016	(1,878)
Taxation charge	稅項支出	17,757	13,203

Notes to the Consolidated Accounts 綜合帳目附註

9 TAXATION (Cont'd)

The tax on the Group's profit before taxation differs from the theoretical amount that would arise using the profits tax rate in Hong Kong, the Group's home country, as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation	除稅前溢利	204,136	159,776
Calculated at a taxation rate of 17.5% (2005: 17.5%)	按稅率 17.5% (二零零五年： 17.5%) 計算	35,724	27,961
Income not subject to taxation	無須課稅之收入	(26,787)	(19,723)
Expenses not deductible for taxation purposes	不可扣稅之開支	8,452	5,974
Under/(over) provision in prior years	往年之不足 / (超額) 準備	545	(538)
Utilisation of previously unrecognised tax losses	使用往年未確認稅務虧損	(177)	(471)
Taxation charge	稅項支出	17,757	13,203

Dongguan Yanxun Electronics Company Limited, a subsidiary established and operating in Mainland China, is subject to Mainland China enterprise income tax at the rate of 33% (30% state income tax and 3% local income tax). However, it is exempted from Mainland China enterprise income tax and local income tax for two years starting from the first year of profitable operations, after offsetting prior years' losses, followed by a 50% reduction for the following three years. No Mainland China enterprise income tax has been provided since Dongguan Yanxun Electronics Company Limited is in a tax loss position.

9 稅項 (續)

本集團有關除稅前溢利之稅項與假若採用本集團本土國家之利得稅率而計算之理論稅額之差額如下：

東莞雁訊電子有限公司乃於中國成立及經營之附屬公司，須繳付33%之中國企業所得稅(30%為國家統一所得稅，而3%為地方所得稅)。惟該公司於其首個撇除以往年度虧損後之獲利年度起兩年獲全數豁免中國企業統一所得稅及地方所得稅，而隨後三年則按50%減付。該公司現仍處於稅務虧損之狀況，所以並沒有為中國企業所得稅計提準備。

Notes to the Consolidated Accounts 綜合帳目附註

10 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the accounts of the Company to the extent of approximately HK\$89,947,000 (2005: HK\$82,171,000).

11 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

10 本公司股權持有人應佔溢利

本公司股權持有人應佔溢利中包括一筆已撥入本公司帳目之溢利約89,947,000港元（二零零五年：82,171,000港元）。

11 每股溢利

每股基本溢利乃根據本公司股權持有人應佔溢利除以年內已發行的普通股加權平均數計算。

		2006 二零零六年	2005 二零零五年
Profit attributable to equity holders of the Company (in HK\$'000)	本公司股權持有人應佔溢利(千港元計)	186,379	146,573
Weighted average number of ordinary shares in issue (in thousand shares)	已發行普通股的加權平均數(千股計)	409,579	404,472
Basic earnings per share (HK cents per share)	每股基本溢利(每股港仙計)	45.5	36.2

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares.

The Company has outstanding share options, which have a dilutive effect on the ordinary shares. A calculation has been performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options.

每股攤薄溢利乃假設所有可攤薄之潛在普通股被兌換後，根據已調整普通股之加權平均股數計算。

本公司仍有攤薄普通股影響之購股權。根據未行使購股權所附之認購權之貨幣價值，釐定按公平值(釐定為本公司股份之平均年度市價)可購入之股份數目。

Notes to the Consolidated Accounts 綜合帳目附註

11 EARNINGS PER SHARE (Cont'd)

The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

11 每股溢利 (續)

按以上方式計算之股份數目，與假設購股權行使而應已發行之股份數目作出比較。

		2006 二零零六年	2005 二零零五年
Profit attributable to equity holders of the Company (in HK\$'000)	本公司股權持有人應佔溢利(千港元計)	186,379	146,573
Weighted average number of ordinary share in issue (in thousand shares)	已發行普通股之加權平均數(千股計)	409,579	404,472
Adjustment for share options (in thousand shares)	購股權之調整(千股計)	3,790	5,124
Weighted average number of ordinary shares for diluted earnings per share (in thousand shares)	計算每股攤薄溢利的普通股之加權平均數(千股計)	413,369	409,596
Diluted earnings per share (HK cents per share)	每股攤薄溢利(每股港仙計)	45.1	35.8

12 DIVIDENDS

12 股息

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interim dividend paid of HK9.0 cents (2005: HK8.5 cents) per ordinary share	已付中期股息—每普通股9.0港仙(二零零五年: 8.5港仙)	36,914	34,474
Additional final dividend for the prior year due to exercise of share options	往年因行使購股權而多發行股份而多派之末期股息	234	475
Final, dividend proposed, of HK13.0 cents (2005: HK12.5 cents) per ordinary share	擬派末期股息—每普通股13.0港仙(二零零五年: 12.5港仙)	53,367	50,971
Special dividend, proposed, of HK3.0 cents (2005: nil) per ordinary share	擬派特別股息—每普通股3.0港仙(二零零五年: 無)	12,315	—
		102,830	85,920

Notes to the Consolidated Accounts 綜合帳目附註

12 DIVIDENDS (Cont'd)

A final dividend in respect of 2005/06 of HK13 cents per ordinary share, and a final special dividend HK3 cents per ordinary share, amounting to a total dividend of approximately HK\$65,682,000 is to be proposed at the Annual General Meeting on 4 August 2006. These accounts do not reflect this as dividend payable.

12 股息 (續)

二零零五／零六年度之末期股息為每普通股13港仙及特別股息為每普通股3港仙，合共金額約為65,682,000港元，將於二零零六年八月四日之股東週年大會提議。本帳目不會反映該提議之應付股息。

13 EMPLOYEE BENEFIT EXPENSES – INCLUDING DIRECTORS' EMOLUMENTS

13 員工福利開支 – 包括董事酬金

(a) Employee benefit expenses during the year are as follows:

(a) 本年度員工福利開支如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Wages and salaries	薪酬及工資	181,243	168,415
Pension costs – defined contribution plans	退休成本 – 界定供款計劃	2,921	2,766
Write-back of provision for long service payments (Note 25)	撥回長期服務金之準備 (附註25)	(1,205)	(2,439)
Share options expenses for options granted to Directors and employees	授予董事及僱員購股權 之費用	7,311	4,718
		190,270	173,460

Notes to the Consolidated Accounts 綜合帳目附註

13 EMPLOYEE BENEFIT EXPENSES – INCLUDING DIRECTORS' EMOLUMENTS (Cont'd)

(b) Directors and senior management

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

13 員工福利開支 – 包括董事酬金 (續)

(b) 董事及高級管理人員

截至二零零六年三月三十一日止各董事之酬金列表如下：

Name of Director 董事名稱	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonuses 酌情發放之花紅 HK\$'000 千港元	Employer's contribution to pension scheme 僱主退休金 計劃之供款 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Executive Director 執行董事					
Mr. Ho Cheuk Fai 何焯輝先生	–	4,770*	5,198	12	9,980
Mr. Ho Cheuk Ming 何卓明先生	–	1,181*	2,221	12	3,414
Mr. Kwok Wing Kin, Francis 郭永堅先生	–	1,233*	1,975	12	3,220
Mr. Tam Wing Hung (a) 談永雄先生	–	579*	–	11	590
Mr. Lee Shu Ki 李樹琪先生	–	1,119*	950	12	2,081
Mr. Wong Shun Pang 黃順鵬先生	–	1,261*	607	12	1,880
Independent non-executive Director 獨立非執行董事					
Mr. So Wai Chun 蘇偉俊先生	78	–	–	–	78
Mr. Chan Shui Sum, Raymond 陳瑞森先生	88	–	–	–	88
Mr. Fong Hoi Shing 方海城先生	59	–	–	–	59

* Included in the amount were share-based compensation, which are determined based on the fair value of the share options granted to the relevant Directors at the date of grant and recognised over the vesting period.

Note:

(a) Resigned on 13 February 2006

* 這金額包括以股份為基礎之補償，該補償根據授予有關董事購股權時之公平值釐定及在歸屬期內入帳。

附註：

(a) 於二零零六年二月十三日辭職

Notes to the Consolidated Accounts 綜合帳目附註

13 EMPLOYEE BENEFIT EXPENSES – INCLUDING DIRECTORS' EMOLUMENTS (Cont'd)

13 員工福利開支 – 包括董事酬金 (續)

(b) Directors and senior management (Cont'd)

(b) 董事及高級管理人員 (續)

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

截至二零零五年三月三十一日止年度各董事之酬金列表如下：

Name of Director	Fees	Salary	Discretionary bonuses	Employer's contribution to pension scheme	Total
董事名稱	袍金	薪金	酌情發放之花紅	僱主退休金計劃之供款	合共
	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
Executive Director 執行董事					
Mr. Ho Cheuk Fai	–	4,770*	4,718	12	9,500
Mr. Ho Cheuk Ming	–	904*	1,921	12	2,837
Mr. Kwok Wing Kin, Francis	–	1,110*	1,575	12	2,697
Mr. Tam Wing Hung	–	603*	–	12	615
Mr. Lee Shu Ki	–	958*	770	12	1,740
Mr. Wong Shun Pang (a)	–	1,025*	577	10	1,612
Independent non-executive Director 非執行董事					
Mr. So Wai Chun	70	–	–	–	70
Mr. Chan Shui Sum, Raymond	70	–	–	–	70
Mr. Fong Hoi Shing (b)	15	–	–	–	15
Mr. Leung Wai Ho (c)	183	–	–	–	183

* Included in the amount were share-based compensation, which are determined based on the fair value of the share options granted to the relevant Directors at the date of grant and recognised over the vesting period.

* 這金額包括以股份為基礎之補償，該補償根據授予有關董事購股權時之公平值釐定及在歸屬期內入帳。

Notes:

附註：

- (a) Appointed on 1 June 2004
- (b) Appointed on 7 December 2004
- (c) Resigned on 19 January 2005

- (a) 於二零零四年六月一日委任
- (b) 於二零零四年十二月七日委任
- (c) 於二零零五年一月十九日辭職

No Directors waived any emoluments during the year (2005: Nil). No incentive payment for joining the Group or compensation for loss of office was paid/payable to any Director during the year (2005: Nil).

本年無董事放棄酬金(二零零五年：無)，亦無已付或應付款項給予任何董事以吸引其加盟本集團或失去職位之補償(二零零五年：無)。

Notes to the Consolidated Accounts 綜合帳目附註

13 EMPLOYEE BENEFIT EXPENSES – INCLUDING DIRECTORS' EMOLUMENTS (Cont'd)

(c) Five highest paid individuals

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	1,164*	–
Discretionary bonus	酌情發放之花紅	855	–
Pension costs – defined contribution plans	退休金成本 – 界定供款計劃	12	–
		2,031	–

The emoluments fell within the following band:

		2006 二零零六年	2005 二零零五年
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	–

* Included in the amount were share-based compensation, which are determined based on the fair value of the share options granted to the relevant Directors at the date of grant and recognised over the vesting period.

No emolument was paid to the five highest paid individuals (including Directors and other employees) as compensation for loss of office during the year (2005: Nil).

13 員工福利開支 – 包括董事酬金 (續)

(c) 五名最高薪酬人士

本年度集團內五名最高薪酬人士包括四名 (二零零五年：五名) 董事，其酬金已載於上文分析。於本年內其餘一名 (二零零五年：無) 最高薪人士之應付酬金如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	1,164*	–
Discretionary bonus	酌情發放之花紅	855	–
Pension costs – defined contribution plans	退休金成本 – 界定供款計劃	12	–
		2,031	–

該等酬金在下列組合範圍內：

		2006 二零零六年	2005 二零零五年
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	–

* 這金額包括以股份為基礎之補償，該補償根據授予有關董事購股權時之公平值釐定及在歸屬期內入帳。

本年度五名最高薪人士 (包括董事及其他僱員) 並無獲付任何酬金作為失去職位之補償 (二零零五年：無)。

Notes to the Consolidated Accounts 綜合帳目附註

14 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

14 租賃土地及土地使用權

本集團於租賃土地及土地使用權之權益指預付經營租賃款，按其帳面淨值分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Net book amount at beginning of the year	年初帳面淨值	11,868	12,166
Addition	添置	23,866	-
Transfer from deposits for land use rights	由按金轉移至土地使用權	13,292	-
Transfer from construction in progress (Note 15)	由在建工程轉移 (附註15)	148	-
Amortisation	攤銷	(614)	(298)
Net book amount at end of the year	年底帳面淨值	48,560	11,868
Cost	成本	51,770	14,463
Accumulated amortisation	累積攤銷	(3,210)	(2,595)
Net book amount at end of the year	年底帳面淨值	48,560	11,868
Leases of 10 to 50 years in Hong Kong	香港－租賃由10至50年	1,118	1,145
Leases of 10 to 50 years in Mainland China	中國－租賃由10至50年	47,442	10,723
		48,560	11,868

The leasehold land located in Hong Kong are held under medium-term leases expiring in June 2047. The leasehold land use rights located in Mainland China are held under land use rights of 45 to 57 years expiring in April 2043 to October 2062.

在香港之租賃土地乃根據至二零四七年六月約滿之中期租約而持有。在中國之租賃土地使用權乃根據為期四十五至五十七年（即在二零四三年四月至二零六二年十月到期）之土地使用權而持有。

Certain of the Group's leasehold land use rights in Mainland China with a net book value of approximately HK\$1,283,000 (2005: HK\$1,315,000) are mortgaged as collateral for the Group's short-term bank loan amounting to approximately HK\$17,391,000 (2005: HK\$15,094,000) (Note 24).

本集團位於中國之若干租賃土地使用權帳面淨值約1,283,000港元（二零零五年：1,315,000港元）已作為短期銀行貸款約17,391,000港元（二零零五年：15,094,000港元）之抵押（附註24）。

Notes to the Consolidated Accounts 綜合帳目附註

15 PROPERTY, PLANT AND EQUIPMENT

(a) Group

		Buildings	Construction- in-progress	Leasehold improvements and fixtures	Machinery	Moulds and tooling	Furniture and computer equipment	Total
		樓宇	在建工程	物業裝修	機器	模具及工具	傢俬及 電腦設備	合共
		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
At 1 April 2004	二零零四年四月一日							
Cost	成本	85,766	7,137	46,253	285,811	19,509	37,499	481,975
Accumulated depreciation	累積折舊	(8,347)	-	(18,776)	(202,342)	(17,373)	(32,525)	(279,363)
Net book amount	帳面淨值	77,419	7,137	27,477	83,469	2,136	4,974	202,612
Year ended 31 March 2005	截至二零零五年三月三十一日 止年度							
Opening net book amount	期初帳面淨值	77,419	7,137	27,477	83,469	2,136	4,974	202,612
Additions	添置	4,645	1,947	5,545	30,934	2,041	3,832	48,944
Transfer in/(out)	轉入/(出)	6,132	(6,627)	495	-	-	-	-
Disposals	出售	-	-	-	(263)	-	(24)	(287)
Depreciation	折舊	(2,234)	-	(3,899)	(27,142)	(1,131)	(3,454)	(37,860)
Closing net book amount	期末帳面淨值	85,962	2,457	29,618	86,998	3,046	5,328	213,409
At 31 March 2005	二零零五年三月三十一日							
Cost	成本	96,543	2,457	52,293	302,454	21,546	38,534	513,827
Accumulated depreciation	累積折舊	(10,581)	-	(22,675)	(215,456)	(18,500)	(33,206)	(300,418)
Net book amount	帳面淨值	85,962	2,457	29,618	86,998	3,046	5,328	213,409
Year ended 31 March 2006	截至二零零六年三月三十一日 止年度							
Opening net book amount	期初帳面淨值	85,962	2,457	29,618	86,998	3,046	5,328	213,409
Additions	添置	3,746	29,079	2,117	24,616	2,795	5,840	68,193
Transfer to leasehold land and land use rights	轉至租賃土地 及土地使用權	-	(148)	-	-	-	-	(148)
Transfer in/(out)	轉入/(出)	2,250	(2,250)	-	-	-	-	-
Disposals	出售	-	-	-	-	-	(2)	(2)
Depreciation	折舊	(8,848)	-	(5,607)	(29,523)	(1,282)	(4,154)	(49,414)
Closing net book amount	期末帳面淨值	83,110	29,138	26,128	82,091	4,559	7,012	232,038
At 31 March 2006	二零零六年三月三十一日							
Cost	成本	102,539	29,138	53,397	326,650	21,641	36,587	569,952
Accumulated depreciation	累積折舊	(19,429)	-	(27,269)	(244,559)	(17,082)	(29,575)	(337,914)
Net book amount	帳面淨值	83,110	29,138	26,128	82,091	4,559	7,012	232,038

15 物業、廠房及設備

(a) 集團

Depreciation of HK\$47,307,000 (2005: HK\$35,925,000) has been expensed in cost of sales, and HK\$2,107,000 (2005: HK\$1,935,000) in general and administrative expenses.

折舊中 47,307,000 港元 (二零零五年 : 35,925,000 港元) 已在銷售成本支銷及 2,107,000 港元 (二零零五年 : 1,935,000 港元) 計入一般及行政費用。

Notes to the Consolidated Accounts 綜合帳目附註

15 PROPERTY, PLANT AND EQUIPMENT

(Cont'd)

(b) As at 31 March 2006, the Group did not have any machinery held under finance leases. The details of machinery held under finance leases as at 31 March 2005 were as follows:

15 物業、廠房及設備 (續)

(b) 於二零零六年三月三十一日，本集團並無任何以融資租賃持有之機器。於二零零五年三月三十一日以融資租賃持有之機器詳情如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Net book amount at beginning of the year	年初帳面淨值	-	12,258
Disposal	出售	-	(5,581)
Depreciation	折舊	-	(2,504)
Net book amount at end of the year	年底帳面淨值	-	4,173
Cost	成本	-	16,693
Accumulated depreciation	累積折舊	-	(12,520)
Net book amount at end of the year	年底帳面淨值	-	4,173

(c) Certain of the Group's buildings in Mainland China with a net book value of approximately HK\$5,921,000 (2005: HK\$8,664,000) are mortgaged as collateral for the Group's short-term bank loan amounting to approximately HK\$17,391,000 (2005: HK\$15,094,000) (Note 24).

(c) 本集團位於中國之若干樓宇帳面淨值約5,921,000港元(二零零五年：8,664,000港元)已作為短期銀行貸款約17,391,000港元(二零零五年：15,094,000港元)之抵押(附註24)。

Notes to the Consolidated Accounts 綜合帳目附註

16 INVESTMENT IN SUBSIDIARIES

16 於附屬公司之投資

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted shares	非上市股份之成本值	193,285	193,285
Amounts due from subsidiaries	應收附屬公司款項	225,394	208,462
		418,679	401,747
Less: Provision for impairment of investment in a subsidiary	減：於附屬公司之投資減值準備	(3,087)	(3,087)
		415,592	398,660

The outstanding balances with subsidiaries are unsecured, non-interest bearing and have no pre-determined repayment terms.

附屬公司之尚未償還款項並無抵押，不計利息，及沒有預定償還條款。

Notes to the Consolidated Accounts 綜合帳目附註

16 INVESTMENT IN SUBSIDIARIES (Cont'd)

16 於附屬公司之投資 (續)

Particulars of the principal subsidiaries as at 31 March 2006 are:

於二零零六年三月三十一日主要附屬公司之資料：

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立機構 地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued/registered share capital 已發行／ 註冊股本	Interest held 權益持有
Karrie International (B.V.I.) Limited	The British Virgin Islands, limited liability company 英屬處女群島， 有限責任公司	Investment holding in the British Virgin Islands 投資控股，英屬處女群島	Ordinary US\$100 普通股100美元	100%
Castfast Industrial Company Limited 嘉輝塑膠五金有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Plastic injection moulding operations in Hong Kong 塑膠注模經營，香港	Ordinary HK\$100 普通股100港元 Non-voting deferred (ii) HK\$990,200 無投票權遞延股(ii) 990,200港元	100% -
Castfast Industrial (Yan Tien) Limited 雁田嘉輝塑膠五金廠 有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Manufacture of computer casings, office automation products, moulds and plastic and metal parts; provision of electronic manufacturing services; property holding and investment holding in Mainland China 製造電腦外殼、辦公室 文儀產品、模具及塑膠與 金屬部件；提供電子專業 代工服務；持有物業及 投資控股，中國	Ordinary HK\$100 普通股100港元 Non-voting deferred (ii) HK\$10,000 無投票權遞延股(ii) 10,000港元	100% -

Notes to the Consolidated Accounts 綜合帳目附註

16 INVESTMENT IN SUBSIDIARIES (Cont'd)

16 於附屬公司之投資 (續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立機構 地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued/registered share capital 已發行／ 註冊股本	Interest held 權益持有
Castfast Magnetics Moulding Limited 嘉輝磁電工模廠 有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Manufacture of plastic injection moulds and metal stamping dies in Hong Kong 製造注塑模具及金屬 沖壓模具，香港	Ordinary HK\$10 普通股10港元 Non-voting deferred (ii) HK\$30,000 無投票權遞延股(ii) 30,000港元	100% –
Dongguan Yanxun Electronics Company Limited (iii) 東莞雁訊電子 有限公司 (iii)	Mainland China, sino-foreign joint venture 中國， 中外合資企業	Manufacture of computer casings, video cassette housings, office automation products and plastic and metal parts in Mainland China 製造電腦外殼、錄影帶外殼、 辦公室文儀產品及塑膠及 金屬部件，中國	Registered capital HK\$4,500,000 註冊資本4,500,000港元	85%
Hong Kong Hung Hing Metal Manufacturing Company Limited 香港雄興金屬製品 有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Manufacture and sale of metal parts in Hong Kong 製造及銷售金屬部件，香港	Ordinary HK\$100 普通股100港元 Non-voting deferred (ii) HK\$250,000 無投票權遞延股(ii) 250,000港元	100% –

Notes to the Consolidated Accounts 綜合帳目附註

16 INVESTMENT IN SUBSIDIARIES (Cont'd)

16 於附屬公司之投資 (續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立機構 地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued/registered share capital 已發行／ 註冊股本	Interest held 權益持有
Karrie Industrial Company Limited 嘉利產品有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Manufacture and sale of video cassette housings; sale of computer casings and office automation products, plastic and metal parts, metal stamping dies, plastic injection moulds and provision of electronic manufacturing services in Hong Kong 製造及銷售錄影帶外殼； 銷售電腦外殼、辦公室 文儀產品、塑膠及金屬 部件、金屬沖壓模具及 塑膠注模及提供電子專 業代工服務，香港	Ordinary HK\$1,000 普通股1,000港元 Non-voting deferred (ii) HK\$5,000,000 無投票權遞延股(ii) 5,000,000港元	100% —
Karwin Engineering Company Limited 嘉運機械工程有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Design, manufacture and sale of computer casings, office automation products; manufacture and sale of plastic and metal parts, metal stamping dies, plastic injection moulds and provision of electronic manufacturing services in Hong Kong 設計、製造及銷售電腦外殼 及辦公室文儀產品；銷售 塑膠及金屬部件、金屬沖壓 模具及塑膠注模及提供電子 專業代工服務，香港	Ordinary HK\$10 普通股10港元 Non-voting deferred (ii) HK\$100 無投票權遞延股(ii) 100港元	100% —

Notes to the Consolidated Accounts 綜合帳目附註

16 INVESTMENT IN SUBSIDIARIES (Cont'd)

16 於附屬公司之投資 (續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立機構 地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued/registered share capital 已發行／ 註冊股本	Interest held 權益持有
Karwin Technologies Incorporation	The United States of America, limited liability company 美國， 有限責任公司	Provision of consultancy services to group companies in the United States of America 提供顧問服務予本集團公司， 美國	Ordinary US\$100 普通股100美元	100%
Kings Horse Investment Limited 勁馬投資有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Property holding in Hong Kong 持有物業，香港	Ordinary HK\$10 普通股10港元 Non-voting deferred (ii) HK\$10,000 無投票權遞延股(ii) 10,000港元	100% —
Karrie Technologies Company Limited 嘉利環球科技有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Provision of electronic manufacturing services in Hong Kong 提供電子專業代工 服務，香港	Ordinary HK\$30,000,000 普通股30,000,000港元	100%
Kings Dragon Investment (HK) Limited 勁龍投資有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Investment holding in Hong Kong 投資控股，香港	Ordinary HK\$2 普通股2港元	100%
Karpo Technologies Limited 嘉寶科技有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Investment holding in Hong Kong 投資控股，香港	Ordinary HK\$1,000 普通股1,000港元	100%
東莞嘉寶電子實業 有限公司	Mainland China, wholly-owned foreign enterprise 中國， 全資擁有外國企業	Investment holding in Mainland China 投資控股，中國	Registered capital HK\$24,000,000/ paid in capital HK\$5,000,000 註冊資本24,000,000港元／ 已繳資本5,000,000港元	100%

Notes to the Consolidated Accounts 綜合帳目附註

16 INVESTMENT IN SUBSIDIARIES (Cont'd)

Note:

- (i) The shares of Karrie International (BVI) Limited are held directly by the Company. The shares of other subsidiaries are held indirectly.
- (ii) The non-voting deferred shares are not owned by the Group. These shares have no voting rights, are not entitled to dividends, and are not entitled to distributions upon winding up unless a sum of HK\$200,000,000,000 has been distributed by the relevant companies to holders of the ordinary shares.
- (iii) Dongguan Yanxun Electronics Company Limited ("DYECL") is a co-operative joint venture established in Mainland China with an operating period of 12 years up to May 2007. Pursuant to an agreement dated 24 October 1995, the Mainland China joint venture partner of DYECL (the "joint venture partner") has agreed to waive its entitlement to share in the profit of DYECL in return for a pre-determined annual fee. Upon expiry of the operating period, the Group and the joint venture partner are entitled to a distribution of assets in accordance with their respective equity interests.

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 March 2006.

17 INTEREST IN AN ASSOCIATED COMPANY

16 於附屬公司之投資 (續)

附註：

- (i) Karrie International (B.V.I.) Limited 之股份乃本公司直接持有。其他附屬公司之股份乃本公司間接持有。
- (ii) 無投票權遞延股份並非由本集團所擁有。這些股份無投票權，亦無權分享股息。除非相關公司在清盤時向其普通股股東派發之總額超過200,000,000,000港元；否則該等股份無權分享任何分派。
- (iii) 東莞雁訊電子有限公司(「東莞雁訊」)乃於中國成立之合資企業，其合營期為十二年，於二零零七年五月屆滿。根據一份於一九九五年十月二十四日簽定之協議，東莞雁訊之中方合夥人同意放棄其分享東莞雁訊溢利之權益，以換取一項預定之年費。到合營期終止時，本集團與中方合夥人可獲得按各權益而分攤之資產。

截至二零零六年三月三十一日止年度內各附屬公司均無任何已發行之借貸資本。

17 於聯營公司之權益

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Investment at cost	投資成本	12,000	12,000
Share of net assets	分攤資產淨值		
Beginning of the year	年初	-	4,234
Increase in investment in an associated company	增加於聯營公司之投資	-	6,000
Share of associated company's loss	應佔聯營公司之虧損	-	(10,234)
End of the year	年底	-	-
Due from an associated company	應收聯營公司款項	1,874	3,424
Less: Provision for amount due from an associated company	減：應收聯營公司款項之壞帳準備	(1,874)	(3,424)
		-	-

The outstanding balance with the associated company is unsecured, non-interest bearing and repayable on demand.

該些聯營公司尚未償還之款項為無抵押，不計利息，並在要求時償還。

Notes to the Consolidated Accounts 綜合帳目附註

17 INTEREST IN AN ASSOCIATED COMPANY (Cont'd)

17 於聯營公司之利益 (續)

Particulars of the Group's interest in its associated company are:

本集團在聯營公司之權益之資料：

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立機構地點 及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued/registered share capital 已發行／ 註冊股本	Interest held 權益持有
NEC Nagano Karrie Electronics Limited 長野日本電氣嘉利電子有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Trading of scanner module and inverter in Hong Kong 經營掃瞄器組件及用換流器， 香港	Ordinary HK\$20,000,000 普通股20,000,000港元	30%
Dongguan Naganichi Karrie Electronics Limited 東莞長嘉電子有限公司	Mainland China, sino-foreign joint venture 中國， 中外合資企業	Inactive in Mainland China 暫無營業，中國	Registered capital HK\$29,600,000 註冊資本29,600,000港元	30%

The Group's associated company has a financial accounting period of 31 December, which is not coterminous with the Group.

本集團之聯營公司之會計年結為十二月三十一日，與本集團不一致。

The shares of NEC Nagano Karrie Electronics Limited are indirectly held by the Company. Dongguan Naganichi Karrie Electronics Limited is a wholly owned subsidiary of NEC Nagano Karrie Electronics Limited.

長野日本電氣嘉利電子有限公司之股份乃本公司間接持有。東莞長嘉電子有限公司乃長野日本電氣嘉利電子有限公司之全資附屬公司。

Notes to the Consolidated Accounts 綜合帳目附註

18 INVENTORIES

18 存貨

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Raw materials	原材料	158,240	204,203
Work-in-progress	半製成品	47,490	29,521
Finished goods	已完成貨品	134,098	206,289
		339,828	440,013

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$3,194,796,000 (2005: HK\$2,208,744,000).

存貨成本確認為費用並列入銷售成本之金額為3,194,796,000港元（二零零五年：2,208,744,000港元）。

During the year, the Group has written-back the provision for slow-moving inventories for an amount of approximately HK\$18,157,000 (2005: provision of HK\$6,986,000).

本集團於本年度已撥回陳舊及滯銷存貨準備約18,157,000港元（二零零五年：準備為6,986,000港元）。

19 TRADE RECEIVABLES

19 貿易應收帳款

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Trade receivables	貿易應收帳款	613,109	571,604
Less: Provision for impairment of receivables	減：貿易應收帳款減值準備	(8,011)	(11,523)
		605,098	560,081

Notes to the Consolidated Accounts 綜合帳目附註

19 TRADE RECEIVABLES (Cont'd)

The Group generally grants credit periods ranging from 30 to 120 days. Aging analysis of trade receivables is as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 to 90 days	0至90日	557,023	472,358
91 to 180 days	91至180日	42,726	86,791
181 to 360 days	181至360日	12,477	10,421
Over 360 days	360日以上	883	2,034
		613,109	571,604

The carrying amounts of trade receivables approximate their fair values.

There is concentration of credit risk with respect of trade receivables as the Group's sales are concentrated on several key customers. As at 31 March 2006, the trade receivables from five largest customers accounted for approximately 86% (2005: 89%) of the above total trade receivables. The Group's approach to managing its credit risk is disclosed in Note 3.

The Group has written-back a provision for impairment of trade receivables of HK\$3,512,000 (2005: Nil) during the year ended 31 March 2006. Such write-back was included in general and administration expenses in the consolidated profit and loss account.

19 貿易應收帳款 (續)

本集團一般給予客戶之數期由30日至120日。貿易應收帳帳齡分析如下：

貿易應收帳款之帳面值與其公平值相近。

因本集團業務集中在數個主要客戶，故本集團需要面對集中信貸之風險。截至二零零六年三月三十一日，五大客戶之貿易應收帳款佔以上總貿易應收帳款約86% (二零零五年：89%)。本集團管理信貸風險之方式披露在附註3。

截至二零零六年三月三十一日止年度內，本集團撥回貿易應收帳款減值準備為3,512,000港元 (二零零五年：無)，該回撥已包括於一般及行政費用在綜合損益表支銷。

Notes to the Consolidated Accounts 綜合帳目附註

20 CASH AND BANK BALANCES

20 現金及銀行結存

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cash at bank and on hand	銀行存款及現金	56,468	66,562	215	680
Time deposits with initial term of less than three months	少於三個月之定期存款	266,998	286,103	-	-
		323,466	352,665	215	680
Denominated in:	貨幣單位為：				
- HK\$	- 港元	22,529	302,679	215	680
- USD	- 美元	290,278	37,030	-	-
- Renminbi	- 人民幣	5,144	4,650	-	-
- JPY	- 日元	3,297	6,024	-	-
- Other currencies	- 其他貨幣	2,218	2,282	-	-
		323,466	352,665	215	680

The effective interest rate on short-term bank deposits, with maturity ranging from 1 to 3 months, was 4.54% (2005: 2.60%) per annum during the year ended 31 March 2006. Cash at bank earns interest at floating rates based on daily bank deposit rates.

截至二零零六年三月三十一日止年度內，到期日為一至三個月之短期銀行存款之實際年利率為4.54%（二零零五年：2.60%）銀行存款利息收入以每日銀行存款利率以浮息計算。

Notes to the Consolidated Accounts 綜合帳目附註

20 CASH AND BANK BALANCES (Cont'd)

For the purposes of the cash flow statement, cash and bank balances and bank overdrafts were as follows:

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	323,466	352,665	215	680
Bank overdrafts	銀行透支	(92)	(664)	-	-
		323,374	352,001	215	680

20 現金及銀行結存 (續)

就現金流量表而言，現金及銀行結存及銀行透支如下：

21 SHARE CAPITAL

		二零零六年 2006		二零零五年 2005	
		Number of shares 股份數目 '000 千	Nominal value 面值 HK\$'000 千港元	Number of shares 股份數目 '000 千	Nominal value 面值 HK\$'000 千港元
Authorised:	法定股本：				
Ordinary shares of HK\$0.1 each	普通股每股 面值10港仙	800,000	80,000	800,000	80,000
Issued and fully paid:	已發行及 已繳足股本：				
Ordinary shares of HK\$0.1 each	普通股每股 面值10港仙				
Beginning of the year	年初	407,766	40,777	400,756	40,076
Issued upon exercise of share options (Note 22)	行使購股權而 發行之股份 (附註22)	2,746	274	7,010	701
End of the year	年底	410,512	41,051	407,766	40,777

21 股本

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

本公司於本年新發行之普通股在各方面跟現有股份相同。

22 SHARE OPTIONS

With effect from May 2002, the Company has adopted a new share option scheme, under which it may grant options to employees of the Group (including executive Directors of the Company) and other third parties (as stipulated in the agreement of the Share Option Agreement as dated 21 May 2002) to subscribe for shares in the Company, subject to a maximum of 30% of the nominal value of the issued share capital of the Company from time to time excluding for this purpose any shares issued on the exercise of options. The exercise price will be determined by the Company's Board of Directors and shall at least be the highest of (i) the closing price of the Company's shares on the date of grant of the options, (ii) the average closing price of the Company's shares for the five trading days immediately preceding the date of grant of the options, and (iii) the nominal value of the Company's shares of HK\$0.1 each.

No options have been granted to employees and Directors of the Company during the year ended 31 March 2006 (2005: 21,788,000). All options granted under the old share option scheme will continue to be valid and exercisable in accordance with the rules of the old share option scheme.

22 購股權

本公司於二零零二年五月起採用一項新購股權計劃，可據此向本集團之僱員（包括本公司之執行董事）及第三者（於二零零二年五月二十一日之購股權計劃之規定）授出購股權以便認購本公司之股份，惟最多以本公司當時已發行股本面值（不包括因行使購股權而發行之股份）30%為限。該購股權行使價將由本公司之董事會釐定，以(i)本公司股份於購股權授予日之收市價；(ii)緊接授予購股權日前五個交易日本公司股份之平均收市價；及(iii)本公司股份之面值每股10港仙，三者以較高者為準。

本公司截至二零零六年三月三十一日止年度內並無向僱員及董事授出購股權（二零零五年：21,788,000）。所有根據舊有購股權計劃所授出之購股權將會繼續有效，並且依照舊有購股權之規則行使。

Notes to the Consolidated Accounts 綜合帳目附註

22 SHARE OPTIONS (Cont'd)

Details of movement of share options under the old and new share option schemes during the year ended 31 March 2006 were:

22 購股權 (續)

新舊購股權計劃之購股權於截至二零零六年三月三十一日止年度之變動詳情：

Date of grant 授出日期	Exercise period 行使期限	Subscription price 購股價格 HK\$ 港元	Number of share options 購股權數目				Lapsed as a result of termination of employment 由於終止聘用而作廢 '000 千	End of Year 年底 '000 千
			Beginning of year 年初 '000 千	Granted during the year 本年度已授出 '000 千	Exercised during the year 本年度已行使 '000 千			
Old share option scheme 舊購股權計劃								
20 September 2000 二零零零年九月二十日	20 September 2000 to 30 November 2006 二零零零年九月二十日至二零零六年十一月三十日	0.300	820	-	-	-	820	
New share option scheme 新購股權計劃								
22 May 2002 二零零二年五月二十二日	22 May 2002 to 21 May 2012 二零零二年五月二十二日至二零零二年五月二十一日	1.300	400	-	(200)	-	200	
1 November 2002 二零零二年十一月一日	1 January 2003 to 31 December 2012 二零零三年一月一日至二零零二年十二月三十一日	1.650	5,450	-	(1,880)	-	3,570	
1 December 2003 二零零三年十二月一日	1 August 2005 to 30 November 2013 二零零五年八月一日至二零零三年十一月三十日	2.475	11,860	-	(120)	(3,062)	8,678	
27 April 2004 二零零四年四月二十七日	1 January 2005 to 26 April 2014 二零零五年一月一日至二零零四年四月二十六日	1.900	3,742	-	(546)	(60)	3,136	
1 February 2005 二零零五年二月一日	1 January 2006 to 31 January 2015 二零零六年一月一日至二零零五年一月三十一日	3.150	5,450	-	-	(560)	4,890	
7 February 2005 二零零五年二月七日	1 July 2005 to 6 February 2015 二零零五年七月一日至二零零五年二月六日	3.350	11,400	-	-	-	11,400	
			39,122	-	(2,746)	(3,682)	32,694	

Notes to the Consolidated Accounts 綜合帳目附註

22 SHARE OPTIONS (Cont'd)

Details of movement of share options under the old and new share option schemes during the year ended 31 March 2005 were:

22 購股權 (續)

新舊購股權計劃之購股權於截至二零零五年三月三十一日止年度之變動詳情：

Date of grant 授出日期	Exercise period 行使期限	Subscription price 購股價格 HK\$ 港元	Beginning of year 年初 '000 千	Number of share options 購股權數目			Lapsed as a result of termination of employment 由於終止聘用而作廢 '000 千	End of Year 年底 '000 千
				Granted during the year 本年度已授出 '000 千	Exercised during the year 本年度已行使 '000 千			
Old share option scheme 舊購股權計劃								
19 June 1999 一九九九年六月十九日	19 June 1999 to 30 November 2006 一九九九年六月十九日至 二零零六年十一月三十日	0.335	2,700	-	(2,700)	-	-	
20 September 2000 二零零零年九月二十日	20 September 2000 to 30 November 2006 二零零零年九月二十日至 二零零六年十一月三十日	0.300	1,020	-	(200)	-	820	
New share option scheme 新購股權計劃								
22 May 2002 二零零二年五月二十二日	22 May 2002 to 21 May 2012 二零零二年五月二十二日至 二零一二年五月三十一日	1.300	1,320	-	(920)	-	400	
1 November 2002 二零零二年十一月一日	1 January 2003 to 31 December 2012 二零零三年一月一日至 二零一二年十二月三十一日	1.650	7,840	-	(2,090)	(300)	5,450	
1 December 2003 二零零三年十二月一日	1 August 2005 to 30 November 2013 二零零五年八月一日至 二零一三年十一月三十日	2.475	12,490	-	-	(630)	11,860	
27 April 2004 二零零四年四月二十七日	1 January 2005 to 26 April 2014 二零零五年一月一日至 二零一四年四月二十六日	1.900	-	4,938	(1,100)	(96)	3,742	
1 February 2005 二零零五年二月一日	1 January 2006 to 31 January 2015 二零零六年一月一日至 二零一五年一月三十一日	3.150	-	5,450	-	-	5,450	
7 February 2005 二零零五年二月七日	1 July 2005 to 6 February 2015 二零零五年七月一日至 二零一五年二月六日	3.350	-	11,400	-	-	11,400	
			25,370	21,788	(7,010)	(1,026)	39,122	

Notes to the Consolidated Accounts 綜合帳目附註

22 SHARE OPTIONS (Cont'd)

The fair values of options granted under the share option scheme determined using the Binomial Option Pricing Model were as follows:

22 購股權 (續)

以二項式期權定價模式釐定之購股權計劃授出之購股權之公平值如下：

Date of grant of share option		1 December 2003	27 April 2004	1 February 2005	7 February 2005
購股權之授出日期		二零零三年 十二月一日	二零零四年 四月二十七日	二零零五年 二月一日	二零零五年 二月七日
Average fair value of share options at date of grant	於授出日購股權之平均公平值	HK\$0.4674	HK\$0.3850	HK\$0.6387	HK\$0.6658
Significant inputs into the valuation model:	於估值模式中輸入之重要資料：				
Exercise price	行使價	HK\$2.475	HK\$1.900	HK\$3.150	HK\$3.350
Share price at grant date	於授出日之股價	HK\$2.470	HK\$1.900	HK\$3.150	HK\$3.350
Expected volatility	預期波幅	33%	33%	33%	33%
Risk-free interest rate	無風險利率	4.496%	4.250%	3.647%	3.512%
Expected life of options	購股權之預期有效期	10 years	10 years	10 years	10 years
Expected dividend yield	預期股息率	8.16%	8.16%	8.16%	8.16%

Notes to the Consolidated Accounts 綜合帳目附註

23 RESERVES

(a) Group

23 儲備

(a) 本集團

		Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Fixed assets revaluation reserve	Retained profits	Total
		股份溢價	資本儲備	資本贖回儲備	以股權支付酬金儲備	固定資產重估儲備	保留溢利	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 April 2004, as previously reported	二零零四年四月一日之結餘，承前呈報	72,815	5,900	449	-	30,604	225,195	334,963
Reversal of fixed assets revaluation reserve for leasehold land and buildings	租賃土地及樓宇重估儲備之回撥	-	-	-	-	(32,231)	(4,455)	(36,686)
Deferred tax adjustment for leasehold land and buildings	租賃土地及樓宇之遞延稅項調整	-	-	-	-	1,627	-	1,627
Effect of adopting HKFRS 2	採納香港財務報告準則第2號之影響	-	-	-	768	-	(768)	-
Balance at 1 April 2004, as restated	二零零四年四月一日之結餘，重列	72,815	5,900	449	768	-	219,972	299,904
Profit for the year, as previously reported	本年溢利，承前呈報	-	-	-	-	-	150,344	150,344
Effect of adopting HKAS 16	採納香港會計準則第16號之影響	-	-	-	-	-	433	433
Effect of adopting HKAS 17	採納香港會計準則第17號之影響	-	-	-	-	-	514	514
Effect of adopting HKFRS 2	採納香港財務報告準則第2號之影響	-	-	-	4,718	-	(4,718)	-
Profit for the year, as restated	本年溢利，重列	-	-	-	-	-	146,573	-
Dividends paid	已派股息	-	-	-	-	-	(83,040)	(83,040)
Issue of shares upon exercise of share options	行使購股權而發行之股份	6,999	-	-	-	-	-	6,999
Balance at 31 March 2005	二零零五年三月三十一日之結餘	79,814	5,900	449	5,486	-	283,505	375,154
Represented by:	代表：							
Proposed dividends	擬派股息						50,971	
Reserves	儲備						232,534	
							283,505	
Balance at 1 April 2005, as per above	二零零五年四月一日之結餘，同上	79,814	5,900	449	5,486	-	283,505	375,154
Profit for the year	本年溢利	-	-	-	-	-	186,379	186,379
Dividends paid	已派股息	-	-	-	-	-	(88,119)	(88,119)
Effect of adopting HKFRS 2	採納香港財務報告準則第2號之影響	-	-	-	5,851	-	1,460	7,311
Issue of shares upon exercise of share options	行使購股權而發行之股份	5,101	-	-	(679)	-	-	4,422
Balance at 31 March 2006	二零零六年三月三十一日之結餘	84,915	5,900	449	10,658	-	383,225	485,147
Represented by:	代表：							
Proposed dividends	擬派股息						65,682	
Reserves	儲備						317,543	
							383,225	

Notes to the Consolidated Accounts 綜合帳目附註

23 RESERVES (Cont'd)

(b) Company

23 儲備 (續)

(b) 本公司

		Share premium	Capital redemption reserve	Contributed surplus	Share-based compensation reserve	Retained profit	Total
		股份溢價 HK\$'000 千港元	資本贖回儲備 HK\$'000 千港元	繳入盈餘 HK\$'000 千港元	以股權支付之 酬金儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	合共 HK\$'000 千港元
Balance at 1 April 2004, as previously reported	二零零四年四月一日 之結餘，承前呈報	72,815	449	193,185	-	67,627	334,076
Effect of adopting HKFRS 2	採納香港財務報告準則 第2號之影響	-	-	-	768	(768)	-
Balance at 1 April 2004, as restated	二零零四年四月一日 之結餘，重列	72,815	449	193,185	768	66,859	334,076
Profit for the year, as previously reported	本期溢利， 承前呈報	-	-	-	-	86,889	86,889
Effect of adopting HKFRS 2	採納香港財務報告準則 第2號之影響	-	-	-	4,718	(4,718)	-
Profit for the year, as restated	本期溢利，重列	-	-	-	-	82,171	-
Dividends paid	已派股息	-	-	-	-	(83,040)	(83,040)
Issue of shares upon exercise of share options	行使購股權而發行 之股份	6,999	-	-	-	-	6,999
Balance as at 31 March 2005	二零零五年 三月三十一日之結餘	79,814	449	193,185	5,486	65,990	344,924
Represented by: Proposed final dividend Reserves	代表： 擬派末期股息 儲備					50,971 15,019	
						65,990	
Balance at 1 April 2005, as per above	二零零五年四月一日 之結餘，同上	79,814	449	193,185	5,486	65,990	344,924
Profit for the year	本期溢利	-	-	-	-	89,947	89,947
Dividends paid	已派股息	-	-	-	-	(88,119)	(88,119)
Effect of adopting HKFRS 2	採納香港財務報告準則 第2號之影響	-	-	-	5,851	1,460	7,311
Issue of shares upon exercise of share options	行使購股權而發行 之股份	5,101	-	-	(679)	-	4,422
Balance as at 31 March 2006	二零零六年 三月三十一日之結餘	84,915	449	193,185	10,658	69,278	358,485
Represented by: Proposed final dividend Reserves	代表： 擬派末期股息 儲備					65,682 3,596	
						69,278	

Notes to the Consolidated Accounts 綜合帳目附註

23 RESERVES (Cont'd)

Under The Companies Act 1981 of Bermuda (as amended), contributed surplus is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

23 儲備 (續)

根據百慕達一九八一年公司法案(修定)，繳入盈餘可供分派予股東，但如果支付股息後(i)本公司不能或將會不能支付到期負債，或(ii)其資產的可變現價值將會因而少於其負債及其已發行股本以及股份溢價的合計總額，則本公司不可宣佈或支付股息，或從繳入盈餘作出分派。

24 BORROWINGS

24 借貸

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current	非流動		
Long-term bank borrowings, secured	長期銀行借貸，有抵押	148,625	89,375
Current	流動		
Bank overdrafts	銀行透支	92	664
Trust receipt loans	信託收據銀行貸款	181,084	296,887
Short-term bank borrowings	短期銀行借貸	47,491	172,528
Current portion of long-term bank borrowings	長期銀行借貸之即期部份	57,750	25,750
		286,417	495,829
Total borrowings	總借貸	435,042	585,204

Notes to the Consolidated Accounts 綜合帳目附註

24 BORROWINGS (Cont'd)

(a) The maturity of the Group's borrowings is as follows:

		Long-term bank borrowings 長期銀行借貸		Short-term bank borrowings and bank overdrafts 短期銀行借貸及銀行透支		Trust receipt loans 信託收據銀行貸款	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 1 year	一年內	57,750	25,750	47,583	173,192	181,084	296,887
Between 1 and 2 years	一年至兩年間	57,750	31,750	-	-	-	-
Between 2 and 5 years	兩年至五年間	90,875	57,625	-	-	-	-
Wholly repayable within 5 years	於五年內全數償還	206,375	115,125	47,583	173,192	181,084	296,887

(b) The average effective interest rates of the Group's bank borrowings at the balance sheet date are as follows:

24 借貸 (續)

(a) 集團借貸之到期日如下：

(b) 本集團於結算日之銀行借貸平均實際利率如下：

		2006 二零零六年	2005 二零零五年
Long-term bank borrowings, at floating rate	長期銀行借貸，浮息率	5.04%	3.13%
Short-term bank borrowings, at fixed rate	短期銀行借貸，定息率	5.58%	5.35%
Short-term bank borrowings, at floating rate	短期銀行借貸，浮息率	5.36%	3.52%
Obligations under finance leases	融資租賃責任	-	4.00%
Trust receipt loans	信託收據銀行貸款	5.11%	2.57%
Bank overdrafts	銀行透支	8.04%	5.25%

Notes to the Consolidated Accounts 綜合帳目附註

24 BORROWINGS (Cont'd)

(c) The carrying amounts of the borrowings are denominated in the following currencies:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
HK\$	港元	417,651	522,537
RMB	人民幣	17,391	24,528
US\$	美元	-	38,139
		435,042	585,204

The carrying amounts of the borrowings approximate their fair value.

Short-term bank borrowings of approximately HK\$17,391,000 (2005: HK\$15,094,000) were secured by certain of the Group's leasehold land and land use rights and buildings in Mainland China with a net book value of approximately HK\$7,204,000 (2005: HK\$9,979,000). Other short-term bank borrowings are secured by the guarantees provided by the Company and certain of its subsidiaries (Note 33).

The bank loans bear interest at HIBOR plus a certain percentage as agreed with the banks (31 March 2005: same) and are secured by the guarantees provided by the Company and certain of its subsidiaries (Note 33).

24 借貸 (續)

(c) 借貸之帳面金額以下列貨幣為單位：

借貸之帳面金額與其公平值相近。

約 17,391,000 港元 (二零零五年：15,094,000 港元) 之短期銀行貸款是以本集團於國內租賃土地、土地使用權及樓宇作為抵押，而有關資產淨帳面值約為 7,204,000 港元 (二零零五年：9,979,000 港元)。而其他短期銀行借貸是以本公司及其若干附屬公司之公司擔保作為抵押 (附註 33)。

該項銀行貸款利息以銀行同業拆息利率加與銀行協議之若干百份點 (二零零五年三月三十一日：相同)，及以本公司及其若干附屬公司作擔保 (附註 33)。

25 PROVISION FOR LONG SERVICE PAYMENTS

Provision for long service payments represents the Group's obligations for long service payments to its employees in Hong Kong on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance.

The obligation is calculated using the projected unit credit method, discounted to its present value and reduced by entitlements accrued under the Group's retirement plans that are attributable to contributions made by the Group. Such long service payment obligations are valued by Mercer Human Resource Consulting Ltd, an independent qualified actuary valuer.

The amounts recognised in the consolidated balance sheet are determined as follows:

25 長期服務金之準備

長期服務金之準備為本集團根據香港《僱傭條例》在若干情況下終止聘用僱員而支付之長期服務金所衍生之責任。

該責任是以預計單位信貸法計算，並會計算貼現值及扣除本集團退休計劃下本集團供款所佔之應計權益。該長期服務金責任由獨立合資格精算師美世人力資源顧問有限公司估值。

在綜合資產負債表確認之金額按下列方式釐定：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Present value of unfunded obligations and liability in the consolidated balance sheet	在綜合資產負債表內未注資責任及負債之現值	5,977	7,369

Notes to the Consolidated Accounts 綜合帳目附註

25 PROVISION FOR LONG SERVICE PAYMENTS (Cont'd)

The amounts recognised in the consolidated profit and loss account are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest cost	利息成本	363	369
Net actuarial gains recognised	已確認之精算收益淨額	(1,568)	(2,808)
Total, included in employee benefit expenses (Note 13)	合計(列於員工福利開支內) (附註13)	(1,205)	(2,439)

The above credits were included in general and administrative expenses.

25 長期服務金之準備(續)

在綜合損益表確認之金額如下：

以上回報列於一般及行政費用內。

Movements of the provision for long service payments of the Group are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Beginning of the year	年初	7,369	10,142
Write-back of provision in current year (Note 13)	本年度撥回 (附註13)	(1,205)	(2,439)
Payments made during the year	本年已付供款	(187)	(334)
End of the year	年底	5,977	7,369

本集團長期服務金之準備變動如下：

The principal actuarial assumptions used were as follows:

		2006 二零零六年 Per annum 每年	2005 二零零五年 Per annum 每年
Discount rate	貼現率	4.50%	4.75%
Credit rate on mandatory provident fund	強制性供積金回報率	4.50%	4.50%
Expected rate of future salary increases	未來薪酬之預期增長率	3.00%	2.00-3.00%

所用之主要精算假設如下：

26 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2005: 17.5%).

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same tax jurisdiction. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(847)	(3,987)
Deferred tax liabilities	遞延稅項負債	9,876	10,000
		9,029	6,013

As at 31 March 2006, the Group had unprovided deferred tax assets of approximately HK\$101,000 (2005: HK\$88,000) primarily representing the tax effect of cumulative tax losses (subject to agreement by relevant tax authorities) which can be carried forward indefinitely.

26 遞延稅項

遞延稅項採用負債法就暫時差異按主要稅率17.5% (二零零五年：17.5%) 作全數準備。

當有法定權利可將遞延稅項資產與遞延稅項負債抵銷，而遞延所得稅涉及同一稅務機關，則可將遞延稅項資產與遞延稅項負債互相抵銷。在計入適當抵銷後，下列金額在綜合資產負債表內列帳：

於二零零六年三月三十一日，本集團仍未作準備遞延稅項資產約101,000港元 (二零零五年：88,000港元) 主要代表累計稅項虧損之稅項影響 (須受有關稅務機關同意)，該金額可以無限期地結存。

Notes to the Consolidated Accounts 綜合帳目附註

26 DEFERRED TAXATION (Cont'd)

The movement of the deferred tax assets and liabilities prior to offsetting of balances within the same taxation jurisdiction is as follows:

Deferred tax liabilities:

26 遞延稅項 (續)

遞延稅項資產及負債之變動與同一徵稅地區之結餘抵銷前如下：

遞延稅項負債：

		Accelerated depreciation and total 加速折舊及總計
		HK\$'000 千港元
As at 31 March 2004, as restated	二零零四年三月三十一日， 重列	11,916
Charged to profit and loss account	在損益表扣除	658
As at 31 March 2005, as restated	二零零五年三月三十一日， 重列	12,574
Credited to profit and loss account	在損益表計入	(2,628)
As at 31 March 2006	二零零六年三月三十一日	9,946

Notes to the Consolidated Accounts 綜合帳目附註

26 DEFERRED TAXATION (Cont'd)

Deferred tax assets:

		Provisions 準備	Tax losses 稅損	Others 其他	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 31 March 2004	二零零四年 三月三十一日	(3,241)	(448)	(336)	(4,025)
(Credited)/charged to profit and loss account	在損益表 (計入) / 扣除	(2,439)	347	(444)	(2,536)
As at 31 March 2005	二零零五年 三月三十一日	(5,680)	(101)	(780)	(6,561)
Charged/(credited) to profit and loss account	在損益表 (計入) / 扣除	5,680	(338)	302	5,644
As at 31 March 2006	二零零六年 三月三十一日	-	(439)	(478)	(917)

26 遞延稅項 (續)

遞延稅項資產：

A summary of deferred tax (assets) and liabilities prior to offsetting of balances within the same taxation jurisdiction is as follows:

遞延稅項(資產)及負債之摘要(與同一徵稅地區之結餘抵銷前)如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(917)	(6,561)
Deferred tax liabilities	遞延稅項負債	9,946	12,574
		9,029	6,013

Notes to the Consolidated Accounts 綜合帳目附註

27 FINANCE LEASE LIABILITIES

As at 31 March 2006, the Group did not have any finance lease liabilities. The finance lease liabilities as at 31 March 2005 were as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	-	1,099
Less: Future finance charges on finance leases	減：未來融資租賃財務支出	-	(8)
Present value of finance lease liabilities	融資租賃負債之現值	-	1,091

The present value of finance lease liabilities is as follows:

27 融資租賃負債

於二零零六年三月三十一日，本集團沒有融資租賃負債。於二零零五年三月三十一日之融資租賃負債之詳情如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	-	1,091

融資租賃負債之現值如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	-	1,091

28 TRADE AND BILLS PAYABLES

Aging analysis of trade and bills payable is as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 to 90 days	0至90日	408,745	430,671
91 to 180 days	91至180日	16,836	13,750
181 to 360 days	181至360日	2,871	1,072
Over 360 days	360日以上	1,544	1,108
		429,996	446,601

28 貿易應付帳款及票據

貿易應付帳款及票據之帳齡分析如下：

Notes to the Consolidated Accounts 綜合帳目附註

29 CONSOLIDATED CASH FLOW STATEMENT

29 綜合現金流量表

Analysis of changes in financing is as follows:

融資項目變更之分析如下：

		Share capital and share premium 股本及 股份溢價 HK\$'000 千港元	Short-term bank borrowings 短期 銀行借貸 HK\$'000 千港元	Long-term bank borrowings 長期 銀行借貸 HK\$'000 千港元	Finance lease obligations 融資 租賃責任 HK\$'000 千港元	Trust receipt loans 信託收據 銀行借貸 HK\$'000 千港元
As at 31 March 2004	二零零四年 三月三十一日	112,891	126,321	75,000	4,986	44,399
Exercise of share options	行使購股權	7,700	–	–	–	–
New bank loans	新銀行借貸	–	912,999	816,000	–	872,427
Repayment of bank loans	償還銀行借款	–	(866,792)	(775,875)	–	(619,939)
Repayment of capital element of finance lease obligations	償還融資租賃負債 之本金部份	–	–	–	(3,895)	–
As at 31 March 2005	二零零五年 三月三十一日	120,591	172,528	115,125	1,091	296,887
Exercise of share options	行使購股權	4,696	–	–	–	–
Lapse of share options	購股權之作廢	679	–	–	–	–
New bank loans	新銀行借貸	–	772,346	130,000	–	809,597
Repayment of bank loans	償還銀行借款	–	(897,383)	(38,750)	–	(925,400)
Repayment of capital element of finance lease obligations	償還融資租賃負債 之本金部份	–	–	–	(1,091)	–
As at 31 March 2006	二零零六年 三月三十一日	125,966	47,491	206,375	–	181,084

30 SEGMENT INFORMATION

30 分部資料

The Group is principally engaged in the manufacture and sale of computer casings, office automation products, moulds, plastic and metal parts (together referred to as "Metal and Plastic Business") and provision of electronic manufacturing services ("EMS Business").

本集團主要從事製造及銷售電腦外殼、辦公室文儀產品、模具、塑膠及金屬部件(統稱「五金塑膠業務」)及提供電子專業代工服務(「電子專業代工業務」)。

In accordance with the Group's internal financial reporting, the Group has determined that major product segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

依據本集團之內部財務報告，本集團決定以主要產品分部為基本報告格式及以地區分部為次要報告格式呈列。

Notes to the Consolidated Accounts 綜合帳目附註

30 SEGMENT INFORMATION (Cont'd)

30 分部資料 (續)

(a) Primary segment

(a) 基本分部

		2006 二零零六年			
		Metal and plastic business 五金 塑膠業務 HK\$'000 千港元	Electronic manufacturing services business 電子專業 代工業務 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Turnover	營業額				
External	外部	1,431,428	2,161,313		3,592,741
Inter-segment	內部	109,723		(109,723)	-
Segment results	分部業績	161,917	52,122		214,039
Other operating income	其他經營收入				14,628
Operating profit	經營溢利				228,667
Finance costs	財務成本				(24,531)
Taxation	稅項				(17,757)
Profit attributable to equity holders of the company	本公司股權持有人應佔溢利				186,379
Segment assets	分部資產	753,964	661,034		1,414,998
Unallocated assets	未分攤資產				157,560
					1,572,558
Segment liabilities	分部負債	327,932	425,467		753,399
Unallocated liabilities	未分攤負債				292,537
					1,045,936
Capital expenditures	資本費用	46,296	45,763		92,059
Depreciation	折舊	34,934	14,480		49,414
Amortisation	攤銷	292	322		614

Notes to the Consolidated Accounts 綜合帳目附註

30 SEGMENT INFORMATION (Cont'd)

(a) Primary segment (Cont'd)

30 分部資料 (續)

(a) 基本分部 (續)

		2005 二零零五年			
		Metal and plastic business 五金 塑膠業務 HK\$'000 千港元 (Restated) (重列)	Electronic manufacturing services business 電子專業 代工業務 HK\$'000 千港元 (Restated) (重列)	Elimination 抵銷 HK\$'000 千港元	Total 合共 HK\$'000 千港元 (Restated) (重列)
Turnover	營業額				
External	外部	1,172,806	1,390,384	–	2,563,190
Inter-segment	內部	63,238	–	(63,238)	–
Segment results	分部業績	121,262	45,157		166,419
Other operating income	其他經營收入				12,311
Operating profit	經營溢利				178,730
Share of loss of an associated company	應佔聯營公司 虧損	–	(10,234)		(10,234)
Finance costs	財務成本				(8,720)
Taxation	稅項				(13,203)
Profit attributable to equity holders of the company	本公司股權持有人 應佔溢利				146,573
Segment assets	分部資產	823,708	592,351		1,416,059
Unallocated assets	未分攤資產				201,874
					1,617,933
Segment liabilities	分部負債	423,458	467,148		890,606
Unallocated liabilities	未分攤負債				310,972
					1,201,578
Capital expenditures	資本費用	44,228	18,008		62,236
Depreciation	折舊	30,629	7,231		37,860
Amortisation	攤銷	227	71		298

Notes to the Consolidated Accounts 綜合帳目附註

30 SEGMENT INFORMATION (Cont'd)

(b) Secondary segment

30 分部資料 (續)

(b) 次要分部

		2006 二零零六年				
		Japan	Asia (excluding Japan) 亞洲 (不包日本)	North America 北美洲	Western Europe 西歐	Total 合共
		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	243,253	1,494,003	600,095	1,255,390	3,592,741
Segment results	分部業績	17,187	66,316	60,955	69,581	214,039
Assets	資產	-	1,524,224	22,965	25,369	1,572,558
Capital expenditures	資本費用	-	92,038	21	-	92,059

		2005 二零零五年				
		Japan	Asia (excluding Japan) 亞洲 (不包日本)	North America 北美洲	Western Europe 西歐	Total 合共
		HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元 (Restated) (重列)
Turnover	營業額	227,879	1,096,507	429,867	808,937	2,563,190
Segment results	分部業績	16,406	47,810	40,950	61,253	166,419
Assets	資產	-	1,517,626	36,237	64,070	1,617,933
Capital expenditures	資本費用	-	62,236	-	-	62,236

Turnover is based on the country in which the final destination of shipment is located. There are no sales between the segments.

營業額乃按照最終付運目的地所在國家計算。地區分部並無互相銷售。

Assets and capital expenditure are based on the country in which the assets are located at the balance sheet date.

於結算日，資產及資本費用乃按資產所在地計算。

31 COMMITMENTS AND CONTINGENT LIABILITIES

The Group and the Company had the following significant commitments and contingent liabilities which were not provided in the accounts:

(a) Capital commitments

The Group had the following authorised and contracted capital commitments:

31 承擔及或然負債

本集團及本公司有以下未有在本帳目上計提準備之重要承擔及或然負債：

(a) 資本承擔

本集團有以下已授權及簽約之資本承擔：

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Investment in a subsidiary	於附屬公司之投資	19,000	24,000	-	-
Acquisition of land use right in Mainland China	購買中國土地使用權	-	7,780	-	-
Construction of factory premises in Mainland China	於中國興建廠房樓宇	3,711	-	-	-
Purchase of property, plant and equipment	購買物業、廠房及設備	130	1,820	-	-
		22,841	33,600	-	-

Notes to the Consolidated Accounts 綜合帳目附註

31 COMMITMENTS AND CONTINGENT LIABILITIES (Cont'd)

(b) Operating lease commitments

The Group had lease commitments in respect of land and buildings under various non-cancellable operating lease agreements extending to October 2047. The total commitments payable are analysed as follows:

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Amounts payable	應付金額				
Not later than one year	不超過一年	7,756	2,531	-	-
Later than one year and not later than five years	超過一年但 不超過五年	14,789	2,472	-	-
More than five years	超過五年	130,338	18,731	-	-
		152,883	23,734	-	-

The Group had future minimum lease rental receivable under non-cancellable operating leases as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Not later than one year	不超過一年	709	935
Later than one year but not later than five years	超過一年但不超過五年	1,997	2,912
More than five years	超過五年	1,286	2,663
		3,992	6,510

31 承擔及或然負債 (續)

(b) 經營租賃承擔

本集團有多項期限至二零四七年十月關於房地產租賃之不可撤銷之經營租賃協議。總應付承擔分析如下：

本集團未來之不可撤銷之經營租賃之最低應收租賃收入如下：

Notes to the Consolidated Accounts 綜合帳目附註

31 COMMITMENTS AND CONTINGENT LIABILITIES (Cont'd)

(c) Other commitments

Pursuant to an agreement dated 24 October 1995, the Mainland China joint venture partner of Dongguan Yanxun Electronics Company Limited ("DYECL") waived its entitlement to share in the profit of DYECL in return for a pre-determined annual fee from 1 November 1996 to 24 May 2007. As at 31 March 2006, the Group's commitment in respect of the total fee payable to the Mainland China joint venture partner amounted to approximately HK\$279,000 (2005: HK\$518,000).

(d) Contingent liabilities

31 承擔及或然負債 (續)

(c) 其他承擔

根據一份於一九九五年十月二十四日簽定之協議，由一九九六年十一月一日至二零零七年五月二十四日，東莞雁訊電子有限公司(「東莞雁訊」)之中方合夥人放棄分享東莞雁訊溢利之權益，以換取一項預定之年費。於二零零六年三月三十一日，本集團就應付予東莞雁訊之合夥人之總費用承擔約279,000港元(二零零五年：518,000港元)。

(d) 或然負債

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Shipping guarantees	船務擔保	-	6,800	-	-
Guarantees provided by the Company in respect of banking facilities of its subsidiaries	就若干附屬公司所獲銀行融資而提供之本公司之擔保	-	-	753,450	443,000
		-	6,800	753,450	443,000

The Group's management anticipates that no material liabilities will arise from the above bank and other guarantees which are entered into in the ordinary course of business of the Group.

本集團管理層預期上述來自日常業務之銀行擔保及其他擔保不會產生重大負債。

32 RETIREMENT BENEFITS

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its employees makes monthly contributions to the scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation. Both the Group’s and the employees’ contributions are subject to a cap of HK\$1,000 per month and thereafter contributions are voluntary.

As stipulated by rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for its employees in Mainland China. The Group contributes approximately 10% (2005: 10%) of the basic salaries of its employees, and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

During the year, the aggregate amount of the Group’s contributions to the aforementioned pension schemes was approximately HK\$2,921,000 (2005: HK\$2,766,000).

33 BANKING FACILITIES/PLEDGE OF ASSETS

As at 31 March 2006, the Group’s banking facilities were secured by:

- (i) mortgages over certain of the Group’s leasehold land and buildings in Mainland China with a net book value of approximately HK\$7,204,000 (2005: HK\$9,979,000); and
- (ii) guarantees provided by the Company and certain of its subsidiaries.

34 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 29 June 2006.

32 退休金福利

本集團已安排香港僱員參與強制性公積金計劃(「強積金計劃」)。強積金計劃屬於定額供款計劃，由獨立授託人管理。根據強積金計劃，本集團及僱員每月均按有關僱員之盈利(定義見強制性公積金法例)5%對該計劃作出供款。僱主與僱員之每月供款以1,000港元為上限，其後之供款則屬自願性質。

根據中國法律規定，本集團須向為中國僱員而設置之國家資助退休計劃作出供款。本集團須就其中國僱員基本薪金約10%(二零零五年：10%)作出供款，而對其任何實際退休金支出或退休後福利則毋須作出任何承擔。退休僱員之所有退休金支出一概由國家資助之退休計劃承擔。

於本年度內本集團就上述退休計劃作出之供款約為2,921,000港元(二零零五年：2,766,000港元)。

33 銀行融資／資產抵押

於二零零六年三月三十一日，本集團銀行融資之抵押為：

- (i) 本集團位於中國之部份租賃土地及樓宇帳面淨值約7,204,000港元(二零零五年：9,979,000港元)；及
- (ii) 本公司及若干附屬公司之公司擔保。

34 帳目通過

本年度帳目已於二零零六年六月二十九日由董事會通過。