

Notes to the Financial Statements

財務報表附註

1. GENERAL INFORMATION

Fujikon Industrial Holdings Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in the design, manufacture, marketing and trading of electro-acoustic products, accessories and other electronic products and property holding.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Argyle House, 41A Cedar Avenue, Hamilton HM 12, Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in thousands of units of HK dollars (HK\$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 28 June 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, investment properties, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

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

1. 一般資料

富士高實業控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事設計、製造、推廣及銷售電聲產品、配件及其他電子產品以及持有物業。

本公司為於百慕達註冊成立之有限公司。其註冊辦事處之地址為 Argyle House, 41A Cedar Avenue, Hamilton HM 12, Bermuda。

本公司於香港聯合交易所有限公司上市。

除另有說明外，本綜合財務報表使用的貨幣單位為千港元。本綜合財務報表已於二零零六年六月二十八日獲董事會批准刊發。

2. 重大會計政策概要

編製本綜合財務報表所應用之主要會計政策載述於下文。除另有說明外，該等政策已貫徹地應用於所有年度。

2.1 編製基準

本綜合財務報表按照香港財務報告準則(「香港財務報告準則」)以歷史成本法編製，並就可供出售金融資產、投資物業，以及按公平值列賬而其變動計入損益表內之金融資產及金融負債(包括衍生工具)之重估值而作出修訂。

按照香港財務準則要求，本綜合財務報表的編製過程需採用某些重要會計估計。同時香港財務準則要求還要求管理層在應用本公司會計政策時進行專業判斷。附註4披露了涉及較高程度判斷和複雜性的會計科目，以及對合併財務報表存在重大影響的假設與估計。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

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 31	Investments in Joint Ventures
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
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40	Investment Property
HKAS-Int 21	Income Taxes – Recovery of Revalued Non-Depreciated Assets
HKFRS 2	Share-based Payments

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

採納新訂／經修訂香港財務報告準則

於本年度，本集團已採納下列與本集團業務有關之香港財務報告準則新訂／經修訂的準則及詮釋。去年度之比較數字已根據有關規定按需要修訂。

香港會計準則第1號	財務報表之呈報
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、會計估算變更及錯誤更正
香港會計準則第10號	結算日後事項
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第21號	匯率變動之影響
香港會計準則第23號	借貸成本
香港會計準則第24號	關連人士之披露
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31號	於合營公司之投資
香港會計準則第32號	金融工具：披露及呈報
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	撥備、或然負債及或然資產
香港會計準則第39號	金融工具：確認及計量
香港會計準則第39號 (經修訂)	過渡時期及首次確認金融資產及金融負債
香港會計準則第40號	投資物業
香港會計準則—詮釋第21號	所得稅—收回經重估不可折舊資產
香港財務報告準則第2號	以股份為基礎之付款

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 21, 23, 24, 27, 31, 33, 36 and 37 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interest and other disclosures.
- HKASs 2, 7, 8, 10, 16, 23, 27, 31, 33, 36 and 37 have no material effect on the Group's policies.
- HKAS 21 has 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.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the income statement. In prior years, the property, plant and equipment and the leasehold land and land use rights were accounted for at valuation less accumulated depreciation and accumulated impairment. In current year, the property, plant and equipment and the leasehold land and land use rights were accounted for on a cost method. The adoption of cost method represents a change in accounting policy, which has been applied retrospectively.

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and a change in the recognition and measurement of hedging activities.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

採納新訂／經修訂香港會計準則第1、2、7、8、10、16、21、23、24、27、31、33、36及37號並無引起本集團之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及其他披露事項之呈報。
- 香港會計準則第2、7、8、10、16、23、27、31、33、36及37號對本集團之會計政策並無重大影響。
- 香港會計準則第21號對本集團之會計政策並無重大影響。各集團公司之記賬本位幣已按經修訂準則之指引重新估值。
- 香港會計準則第24號影響關連人士之定義及其他關連人士披露事項之呈報。

採納經修訂香港會計準則第17號導致會計政策出現變動，使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。就取得租賃土地及土地使用權而預付之款項以直線法於租期內攤銷而費用計入算益表，或倘出現減值，減值亦計入損益表。在過往年度，物業、廠房及設備以及租賃土地及土地使用權乃按估值減累計折舊及累計減值虧損後列賬。於本年度，物業、廠房及設備以及租賃土地及土地使用權以成本法入賬。採用成本法為一項會計政策變動，此變動已作追溯調整。

採納香港會計準則第32號及第39號導致按公平值列賬而其變動計入損益表之金融資產及可供出售金融資產之分類的會計政策出現變動。此項變動亦導致按公平價值確認衍生金融工具，以及使對沖活動之確認及計量方法出現變動。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The adoption of revised HKAS 40 has resulted in a change in the accounting policy by which the changes in fair values of investment properties are recorded in the income statement as part of other revenues.

The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale.

The adoption of HKFRS 2 has resulted in a change in the 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 income statement. Effective 1 April 2005, the Group expenses the cost of share options in the income statement. 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 income statement of the respective periods.

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 to future transactions.
- HKAS 21 – prospective accounting for goodwill and fair value adjustments as part of foreign operations.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

採納經修訂香港會計準則第40號導致有關投資物業的會計政策出現變動，其公平值變動計入損益表內列作其他收入之一部分。

採納經修訂香港會計準則－詮釋第21號導致有關計算重估投資物業所產生之遞延稅項負債之會計政策有所更改。該遞延稅項負債按透過使用該資產所實現的賬面值回報所引致之稅項影響計算。於過往年度，該資產之賬面值回報乃預期透過出售實現。

採納香港財務報告準則第2號導致有關以股份為基礎之付款之會計政策出現變動。截至二零零五年三月三十一日，授予僱員購股權並無於損益表計入開支。自二零零五年四月一日起，本集團把授予僱員購股權之成本計入損益表。根據過渡條文，於二零零二年十一月七日後授出但於二零零五年四月一日尚未到期可供行使之購股權的成本，需要作追溯調整，在相關期間之損益表中列作開支。

所有會計政策變更已按照相關準則的過渡性條文執行。本集團所採納之所有會計準則均須追溯應用，惟以下準則除外：

- 香港會計準則第16號－在交換資產交易中所收購之物業、廠房及設備項目之初期計量將以公平值計算，只適用於日後發生之交易。
- 香港會計準則第21號－以後產生的商譽及有關公平值調整將計入海外業務之部分。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- 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 Statement of Standard Accounting Practice (“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.
- HKFRS 2 – only retrospective application for all equity instruments granted after 7 November 2002 and not vested at 1 April 2005.
- (i) The adoption of revised HKAS 17 and the change in accounting policy as detailed in Note 2.5 resulted in a decrease in net opening reserves at 1 April 2005 by approximately HK\$70,687,000.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

- 香港會計準則第39號一禁止本集團以此準則為確認、取消確認及計量金融資產及負債作追溯調整。本集團採用以往之會計實務準則(「會計實務準則」)第24號「證券投資之會計處理」呈報與證券投資及對沖活動有關之二零零四年比較數字。已就會計實務準則第24號與香港會計準則第39號於二零零五年四月一日所產生的會計差異作出調整。
- 香港財務報告準則第2號一追溯應用僅適用於二零零二年十一月七日以後授出而於二零零五年四月一日並未到期行使之所有股權工具。
- (i) 採納經修訂香港會計準則第17號導致會計政策變動，使二零零五年四月一日之期初儲備淨額下降約70,687,000港元。

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Decrease in property, plant and equipment	物業、廠房及設備減少	(113,374)	(112,792)
Increase in leasehold land and land use rights	租賃土地及土地使用權增加	21,156	22,046
Decrease in revaluation reserves	重估儲備減少	(70,058)	(70,058)
Decrease in deferred tax liabilities, net	淨額遞延稅項負債減少	(20,059)	(20,059)
Increase in retained earnings	保留盈利增加	1,185	1,066
Decrease in minority interests	少數股東權益減少	(1,692)	(1,652)
Decrease in exchange reserve	匯兌儲備減少	(1,594)	(43)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) **2. 重大會計政策概要 (續)**

2.1 Basis of preparation (Continued)

Decrease in cost of sales	銷售成本減少
Decrease in administrative expenses	行政支出減少
Increase in basic earnings per share (HK cents)	每股基本盈利增加(港仙)
Increase in diluted earnings per share (HK cents)	每股攤薄盈利增加(港仙)

(ii) The adoption of HKFRS 2 resulted in

Increase in share option reserve	購股權儲備增加
Increase in share premium	股份溢價增加
Decrease in retained earnings	保留盈利減少

Increase in administrative expenses	行政支出增加
Decrease in basic earnings per share (HK cents)	每股基本盈利減少(港仙)
Decrease in diluted earnings per share (HK cents)	每股攤薄盈利減少(港仙)

2.1 編製基準 (續)

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
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(48)	(48)
(71)	(71)
0.03	0.03
0.03	0.03

(ii) 採納香港財務報告準則第2號導致

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
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4,716	5,209
1,357	-
(6,073)	(5,209)

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
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864	4,340
(0.23)	(1.18)
(0.23)	(1.17)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (iii) The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy relating to the measurement and classification of long-term investments and other long-term assets. As a result, other investment of \$9,370,000 is now classified as "Other Financial Assets at Fair Value through Profit or Loss" while certain range notes and investment securities of \$7,215,000 are now classified as "Available-for-Sale Financial Assets". Gains and losses arising from change in fair value of "Other Financial Assets at Fair Value through Profit or Loss" are charged to income statement while gains and losses arising from changes in fair value of "Available-for-Sale Financial Assets" are charged to investment reserve. During the year, changes in fair value of Available-for-Sale Financial Assets of approximately \$391,000 are charged to investment reserve.

There has been no early adoption of the following new standards, interpretations and amendments that have been issued but are not yet effective. The adoption of such standards, interpretations and amendments will not result in substantial changes to the Group's accounting policies.

HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 39 and HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS-Int 4	Determining whether an Arrangement contains A Lease
HKFRS 7	Financial Instruments: Disclosure

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

- (iii) 採納香港會計準則第32號及第39號導致長期投資及其他長期資產之計量及分類的會計政策出現變動。因此，9,370,000港元之其他投資現已分類為「按公平值列賬其變動計入損益表之其他金融資產」，而7,215,000港元之若干投資票據及投資証券現已分類為「可供出售其他金融資產」。「按公平值列賬其變動計入損益表之其他金融資產」之公平值變動所產生之損益將會計入損益表內，而「可供出售金融資產」之公平值變動所產生之損益則計入投資儲備中。年內，計入投資儲備之可供出售金融資產公平值變動約為391,000港元。

本集團並無提早採納下列已頒佈但仍未生效之新準則、詮釋及修訂。採納有關準則、詮釋及修訂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)	財務報表呈報
香港會計準則第19號 (修訂)	精算損益、團體養老計劃及披露
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
香港財務報告準則一詮釋第4號	釐訂安排是否包括租賃內容
香港財務報告準則第7號	金融工具：披露

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation

The consolidated financial statements include the financial statements 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 consolidated income statement.

2. 重大會計政策概要 (續)

2.2 綜合賬目

本綜合財務報表包括本公司及其附屬公司截至三月三十一日止之財務報表。

(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，一般附帶於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。

在附屬公司之控制權轉移至本集團之日作全面綜合入賬。在附屬公司之控制權終止之日起則停止作綜合入賬。

本集團採用收購會計法將本集團所收購之附屬公司入賬。收購成本按所提供的資產、已發行股本工具及所產生或承擔之負債於交易日之公平值加上與收購有關的直接費用計算。於業務合併所收購可識別資產與所承擔之負債及或然負債初步按於收購日之公平值計算，與任何少數股東權益無關。收購成本超出本集團應佔所收購可識別資產淨值之公平值之數額列作商譽。倘收購成本少於所收購附屬公司資產淨值之公平值，則差額計入損益表。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

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) Jointly controlled entities

A jointly controlled entity is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated income statement includes the Group's share of the results of jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entities and goodwill (net of accumulated amortisation) on acquisition.

(c) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2. 重大會計政策概要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

集團公司之間之交易、交易之結餘及未實現收益予以對銷。未實現虧損亦予以對銷，但會被視為被轉讓的資產的減值。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會計政策符合一致。

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賬。附屬公司之業績由本公司按已收及應收股息入賬。

(b) 共同控制實體

共同控制實體為一項合約安排，由本集團與其他訂約各方進行經濟活動，而該項經濟活動受到共同控制，並無一名參與者可對該項經濟活動擁有單方面控制權。

綜合損益表包括本集團應佔共同控制實體之業績，綜合資產負債表則包括本集團應佔共同控制實體之淨資產及收購產生之商譽／負商譽（已扣除累積攤銷）。

(c) 與少數股東之交易

本集團處理與少數股東之交易與對外第三方之交易的方法一致。銷售予少數股東所產生的收益或損失，已計入綜合損益表。收購少數股東權益將產生商譽，即支付報酬與取得之應佔附屬公司資產賬面價值淨值之相關份額之間之差異。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(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 income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency and classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognised in income statement, and other changes in carrying amount are recognised in equity.

2. 重大會計政策概要 (續)

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和業務，而其風險和回報與其他業務分部不同。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不同。

2.4 外幣換算

(a) 記賬本位幣和呈列貨幣

本集團每個實體之財務報表所列項目均以該實體營運所在之主要經濟環境之貨幣計量（「記賬本位幣」）。財務報表以港元呈報，港元為本公司之記賬本位幣和呈列貨幣。

(b) 交易及結餘

外幣交易採用交易日之匯率換算為記賬本位幣。結算此等交易產生之匯兌盈虧以及將外幣計值之貨幣資產和負債以年終匯率換算產生之匯兌盈虧計入損益表，惟符合資格成為現金流對沖或投資淨值對沖之項目，則遞延計入算益暫時計入權益內。

以外幣計值並分類為可供銷售之貨幣證券的公平值變動，應區分為證券之攤銷成本換算差異之變動與證券賬面值之其他變動。換算差異計入損益表內，而賬面值之其他變動則計入權益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale, 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 income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

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

2. 重大會計政策概要 (續)

2.4 外幣換算 (續)

(b) 交易及結餘 (續)

非貨幣金融資產及負債之匯兌差額均列報為公平值收益或虧損之一部分。至於非貨幣金融資產及負債(例如按公平值列賬而其變動計入損益表之權益)之匯兌差額均計入損益表內為公平值收益或虧損之一部分。至於非貨幣金融資產(例如分類為可供出售之權益)之匯兌差額均會計入權益之公平值儲備內。

(c) 集團公司

所有記賬本位幣與呈列貨幣不同之集團公司(當中沒有嚴重通貨膨脹貨幣)之業績及財務狀況均按以下方法換算為呈列貨幣：

- (i) 各資產負債表呈列之資產及負債項目均以該資產負債表結算日之收市匯率折算；
- (ii) 各損益表之收入及開支項目均按平均匯率換算(除非該平均值並不反映於交易日通行匯率累計影響之合理近似值，在此情況下收入及開支乃按交易日之匯率換算)；及
- (iii) 所有由此產生之匯兌差額均確認為股本內之獨立項目。

綜合賬目上，換算境外業務之投資淨額及用作對沖該等投資之借貸及其他貨幣工具所產生之匯兌差額乃計入股東權益內。於出售境外業務時，計入股東權益內之匯兌差額於損益表中計入出售收益或虧損。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(c) Group companies (Continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

Previously, land and building was stated at valuation. The increases in fair value were credited to the revaluation reserve. A decrease in fair value were first set off against increases on earlier valuations on an individual property basis and thereafter expensed in the income statement. 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 current policy has been adopted as it is considered more appropriate. The change in accounting policy results in an increase of profit for the year ended 31 March 2006 of approximately HK\$119,000 and an increase of opening retained earnings at 1 April 2005 of approximately HK\$1,066,000.

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

2. 重大會計政策概要 (續)

2.4 外幣換算 (續)

(c) 集團公司 (續)

收購境外企業時產生之商譽及公平值調整乃作為該境外企業之資產及負債處理，並以期終匯率換算。

2.5 物業、廠房及設備

以往，土地及建築物按估值列賬。公平值增加部分計入重估儲備；公平值減少部分首先與同一物業早前之增值對銷，其後則於損益表中列作開支。就截至二零零六年三月三十一日止年度採納成本法導致有關會計政策出現變更，而會計政策之變動已予追溯執行，故比較數字已予重列，以符合經修定之政策。

因現時的會計政策被認為更適宜，故予以採納。更改會計政策導致截至二零零六年三月三十一日止年度的溢利增加約119,000港元，二零零五年四月一日的期初保留盈利則增加約1,066,000港元。

物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括與購買有關項目的直接費用。

其後開支只有在可預見與該項目有關的未來經濟利益流入本集團，而該項目的成本能可靠計量時，才包括在資產的賬面值或確認為獨立資產(如適用)。所有其他維修及保養在產生的財政期間內於損益表列為開支。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

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

Buildings	2.5% to 8 $\frac{1}{3}$ %
Machinery and moulds	10% to 30%
Furniture and equipment	20% to 30%
Motor vehicles	30%

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

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.6 Construction-in-progress

Construction-in-progress represents factories and office buildings under construction and machinery and equipment pending installation. It is stated at cost less accumulated impairment loss. Cost includes the original cost of land, construction expenditures incurred, machinery and related installation costs, and other costs attributable to the construction of the buildings and installation of machinery and equipment. No depreciation is provided in respect of construction-in-progress until the construction work is completed.

2.7 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

2. 重大會計政策概要 (續)

2.5 物業、廠房及設備 (續)

物業、廠房及設備的折舊以直線法計算，以將成本減剩餘價值於估計可使用年期內分攤，折舊率如下：

樓宇	2.5%至8 $\frac{1}{3}$ %
機械及模具	10%至30%
傢俬及器材	20%至30%
汽車	30%

資產的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。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額。

出售之損益乃按有關資產之銷售所得款項淨額與其賬面值之差額計算，並計入損益表中。

2.6 在建工程

在建工程指在興建中之廠房及辦公室樓宇，以及待安裝之機械及器材，以成本減累計減值虧損列賬。成本包括土地原來價值、工程費用、機械及有關安裝成本，以及其他與樓宇工程及機械及器材安裝有關之成本。在建工程不作折舊撥備，直至該等工程完成為止。

2.7 投資物業

持作長期租金收益或資本增值或兩者兼備且並非集團旗下各公司所佔用之物業歸類為投資物業。

投資物業包括以經營租賃持有之土地及以融資租賃持有之樓宇。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Investment properties (Continued)

Land held under operating leases is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it was a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount 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 costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement.

2. 重大會計政策概要 (續)

2.7 投資物業 (續)

以經營租賃持有之土地倘符合投資物業之其餘定義，均歸類為投資物業及據此入賬。有關之經營租賃則以融資租賃方式入賬。

投資物業總額最初以其成本(包括相關交易成本)計算。

在首次確認後，投資物業總額按公平值入賬。公平值乃以活躍市場價格為基礎，於必要時就指定資產之性質、地點或狀況之差異作出調整。若未能獲得此等資料，本集團便採用較不活躍市場之近期價格或折現現金流量預測等其他估值方法。該等估值乃根據國際估值準則委員會頒佈之指引而進行。該等估值每年由外部估值師進行評審。

投資物業之公平值反映(其中包括)現時租賃之租金收入及以現時市況預計日後租賃取得之租金收入。

公平值亦按同一基準反映有關物業之任何預期現金流出。此等現金流出部份確認為一項負債，包括與歸類為投資物業之土地相關之融資租賃負債；其餘現金流出(包括或然租賃付款)則不計入財務報表。

日後支出如能帶來未來經濟利益流入本集團且該項支出能可靠地計量時，才可計入該項資產之賬面價值。所有其他維修及保養成本於其產生之財政期間之損益表內列作開支。

公平值之變動計入損益表。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Investment properties (Continued)

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, and 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 suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2. 重大會計政策概要 (續)

2.7 投資物業 (續)

倘投資物業轉作自用，該物業將重新分類為物業、廠房及設備，以重新分類日期之公平值作為成本列賬。建設中或發展中以供未來用作投資物業之物業，列作物業、廠房及設備，並以成本列賬，直至建設或發展工作完成，將重新分類為投資物業，其後以投資物業處理入賬。

倘物業、廠房及設備各項因用途改變而成為投資物業，該等物業於轉變當日之賬面值與公平值之差額，將根據香港會計準則第16號於權益內確認為物業、廠房及設備重估儲備。然而，倘公平值增值抵銷過往減值虧損，則該項增值將於損益表內列賬。

2.8 非財務資產之減值

無特定使用期限的資產毋須作攤銷處理，但此等資產每年均須要作至少一次減值評估，而若有任何跡象顯示出現耗蝕，本集團亦會評估該資產的減值情況。至於須攤銷的資產，如有任何跡象或環境變化顯示出現賬面值無法收回，本集團將評估該資產的減值情況。減值虧損確認為資產賬面值超越其可收回價值的數額。可收回價值為資產公平價值減出售成本後的價值，與其使用價值之間的較高者。為評估資產減值，資產按可獨立地區分其現金流量（現金產生單位）的最小單位劃分。於每個報告日期，均會對曾出現減值之非財務資產（商譽除外）作出評估，以確定是否可能作出減值撥回。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets

From 1 April 2004 to 31 March 2005:

The Group classified its investments in securities, other than subsidiaries, and jointly controlled entities, as long term investments.

(i) Investment securities

Investment securities are stated at cost less any provision for impairment losses.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline which is other than temporary has occurred, the carrying amount of such securities will be reduced to their fair value. The impairment loss is recognised as an expense in the income statement. This impairment loss is written back to the income statement when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

(ii) Other investments

Other investments are carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of other investments are recognised in the income statement. Profits or losses on disposal of other investments, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the income statement as they arise.

2. 重大會計政策概要 (續)

2.9 金融資產

二零零四年四月一日至二零零五年三月三十一日期間：

本集團將其證券投資(附屬公司及共同控制企業除外)歸類為長期投資。

(i) 投資證券

投資證券按成本減任何減值虧損準備入賬。

個別投資之賬面值在每個結算日均作檢討，以評估其公平值有否降至低於其賬面值。當公平值出現非暫時性下降時，有關證券的賬面值應將下調至其公平值。減值虧損於損益表列作開支。倘若出現任何情況及事件導致撤減或撤銷的情況或事件不再存在，加上有可信證據顯示該新情況及事件於可見將來持續，則該減值虧損會於損益表撥回。

(ii) 其他投資

其他投資按公平值列賬。在結算日，因投資的公平值改變而產生的未變現盈虧淨額於損益表入賬。出售其他投資的盈虧乃指售出投資所得款項淨額與賬面值的差額，並於產生時在損益表入賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(iii) Held-to-maturity securities

Held-to-maturity securities are stated in the balance sheet at cost plus/less any discount/premium amortised to date. The discount or premium is amortised over the period to maturity and included as interest income/expense in the income statement. Provision is made when there is a diminution in value which is other than temporary.

The carrying amounts of individual held-to-maturity securities or holdings of the same securities are reviewed at the balance sheet date in order to assess the credit risk and whether the carrying amounts are expected to be recovered. Provisions are made when carrying amounts are not expected to be recovered and are recognised in the income statement as an expense immediately.

From 1 April 2005 onwards:

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

2. 重大會計政策概要 (續)

2.9 金融資產 (續)

(iii) 持有至到期日證券

持有至到期日證券在結算日按成本加／減任何截至該日已攤銷的折讓／溢價列賬。有關折讓或溢價將於截至到期日止的期間攤銷，並於損益表內列作利息收入／開支。當出現非暫時性減值時將會作出撥備。

個別持有至到期日證券或所持的同類證券的賬面值均於每個結算日檢討，以評估信貸風險及賬面值能否收回。當賬面值預期未能收回時將作出撥備，並即時於損益表確認為開支。

由二零零五年四月一日起：

本集團將金融資產劃分為以下類別：按公平值列賬而其變動計入損益表、貸款及應收款、持有至到期日，以及可供出售。分類方法乃取決於金融資產的購入目的。管理層將於入賬時為其金融資產分類，並於每個結算日重新評估此項分類。

(a) 按公平值列賬而其變動計入損益表的財務資產

此類別可細分為兩個類別：分別是持作買賣之金融資產及入賬時指定按公平值列賬而其變動計入損益表之金融資產。如所收購的資產主要是為了在短期內出售，或按管理層指定，則劃分為此類別。衍生工具亦會被劃分為持作買賣之金融資產，被指定為對沖項目者則除外。若此類別的資產持作買賣用途，或預期於結算日起計的十二個月內變現，則劃分為流動資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held to maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the balance sheet date, which are classified as current assets. During the year, the Group did not hold any investments in this category.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

2. 重大會計政策概要 (續)

2.9 金融資產 (續)

(b) 貸款及應收款項

貸款及應收款項為設有固定或可確定付款金額，以及不會在活躍市場上市的非衍生財務資產。此等項目已計入流動資產之內，但由資產負債表結算日起計十二個月後方到期的項目則除外。貸款及應收款項均劃分為資產負債表的應收貨款及其他應收款。

(c) 持至到期日投資

持至到期日投資乃指付款金額固定或可被確定，有固定到期日且管理層有明確意向並有能力持有至到期日的非衍生工具財務資產。倘本集團出售並非少量的持至到期日金融資產，則整個類別將會受到影響及重新分類為可供出售。持至到期日金融資產列作非流動資產，惟到期日少於結算日起計十二個月內則除外，於該情況下則列作流動資產。於本年度內，本集團並無持有此類別的任何投資。

(d) 可供出售財務資產

可供出售財務資產為非衍生金融資產，包括指定歸類至此類別或不能歸類至其他類別的金融資產。除非管理層計劃於結算日起計十二個月內出售有關投資，否則可供出售金融資產將計入非流動資產內。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

Regular purchases and sales of investments are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "Other financial assets at fair value through profit or loss" category, including interest and dividend income, are presented in the income statement in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in income statement, and other changes in carrying amount are recognised in equity. Changes in the fair value of monetary securities classified as available-for-sale and non-monetary securities classified as available-for-sale are recognised in equity.

2. 重大會計政策概要 (續)

2.9 金融資產 (續)

一般投資項目的購入及出售，均於交易日（即本集團承諾購入或出售該資產當日）確認入賬。所有並非按照公平值列賬而其變動計入損益表的金融資產按照公平值確認入賬，並計入交易成本。按照公平值列賬而其變動計入損益表的金融資產初步按公平值入賬，而交易成本則於損益賬列作開支。當本集團從該等投資項目收取現金收入的權利已到期或已被轉讓，或本集團已將擁有資產所帶來的風險和回報轉移，則會註銷該等投資項目。按公平值列賬而其變動計入損益表之金融資產及可供出售金融資產其後按公平價值列賬。貸款及應收款項及持至到期日證券均以實際利率法計入攤銷成本後列賬。

「按公平值列賬而其變動計入損益表之其他財務資產」，如其公平值（包括利息及股息收入）出現變動，所產生的收益及虧損均於產生期內列入損益表。

如以外幣計價及分類為可供出售之貨幣證券的公平值變動，應區分為證券之攤銷成本換算差異變動與證券賬面值其他變動。換算差異計入損益表，而賬面值其他變動則計入權益。分類為可供出售的貨幣證券公平值變動及分類為可供出售的非貨幣證券公平值變動，均計入權益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as “gains and losses from investment securities”. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group’s right to receive payment is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in Note 2.12.

2. 重大會計政策概要 (續)

2.9 金融資產 (續)

當被分類為可供出售的證券被出售或出現減值時，已計入權益的累積公平值調整將轉入損益表的「投資證券的收益及虧損」。採用實際利息法計算的可供出售證券的利息計入損益表。可供出售股權工具的股息於本集團收取款項的權利確立時計入損益表。

上市投資證券的公平值乃按當時買入價所計算。倘某金融資產的市場並不活躍(及就非上市證券而言)，本集團會採用估值方法訂出公平值，包括採用近期按公平原則進行的交易、參考其他相若的工具、現金流量折現分析，以及期權定價模式，盡可能使用市場元素而盡量減少倚靠屬公司獨有的元素。

本集團將於每年結算日評估金融資產或一組金融資產有否出現減值的客觀證據。若股票證券被劃分為可供出售金融資產，在判斷該證券有否減值時，須考慮其公平值是否大幅或長期低於其成本。如可供出售金融資產出現此等跡象，其累積虧損(收購成本與現時公平值的差額，減去該財務資產以前已計入損益表的任何減值虧損)將從權益賬扣除，並計入於損益表。已計入損益表的股權工具減值虧損不會透過損益表撥回。應收貨款的減值測試於附註 2.12 闡述。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Accounting for derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, 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. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw materials.

2.12 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 the 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 income statement within general and administrative expenses.

2. 重大會計政策概要 (續)

2.10 衍生金融工具之會計處理

衍生工具於訂立衍生工具合約之日按公平值初步確認，其後按公平值重新估值。此項確認法造成之收益或虧損，取決於衍生工具是否指定作為對沖工具；倘若如是，則取決於被對沖項目之性質。

若干衍生工具並不符合對沖會計準則。任何不符合對沖會計準則的衍生工具的公平值如有任何變動，須即時計入損益表。

2.11 存貨

存貨以成本值及可變現淨值兩者的較低者列賬。成本值是以加權平均成本法計算。製成品及在製品的成本值包括設計費用、材料、直接工資及相關生產間接開支(根據正常營運能力計算)。有關數額不包括借貸成本。可變現淨值為於日常業務過程內的估計售價扣除適當的浮動銷售開支計算。存貨成本包括自權益轉撥涉及購買原料的合資格現金流量對沖所產生的任何收益／虧損。

2.12 應收貨款及其他應收款

應收貨款及其他應收款最初按公平值確認，其後則以實際利率法按計入攤銷成本後列賬，並須扣除減值撥備。如有客觀證據顯示本集團無法按照應收貨款的原來條款收取所有欠款，則須為有關應收貨款及其他應收款作出減值撥備。應收賬客戶面對嚴重財政困難、應收賬客戶很可能會破產或進行財務重組，及違約未付或逾期末付款項均被視為應收貨款出現減值的跡象。撥備額為資產賬面值與估計未來現金流量按實際利率折算之現值兩者的差額，並計入損益表一般及行政支出。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Cash and cash equivalents

Cash and cash equivalents includes 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.

2.14 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.

2.15 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 income statement 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. 重大會計政策概要 (續)

2.13 現金及現金等值項目

現金及現金等值項目包括手頭現金、銀行通知存款、其他原定期限為三個月或以內而流通量極高之短期投資，以及銀行透支。銀行透支於資產負債表列於流動負債下的「借貸」一項。

2.14 股本

普通股分類為股本。

發行新股或購股權直接成本乃於股本內列作所得款項之扣減(扣除稅項)。

2.15 借貸

借貸最初乃按公平值(扣除已發生的交易成本)確認。交易成本為直接用於金融資產或財務負債的購買、發行或出售的相關成本，其中包括付予代理、顧問、經紀及交易商的費用和佣金、監管機構和證券交易所所收取的費用，以及轉讓稅。借貸其後按攤銷成本後列賬，如扣除交易成本之後的收益和贖回價值出現差額，則於借貸期內以實際利率法計入損益表。

除非本集團有權無條件將債務還款日期遞延至結算日後至少十二個月，否則借貸將被劃分為流動負債。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 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 consolidated financial statements. 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 substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is 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.

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

2.17 Employee benefits

(a) Pension obligations

The Group operates a number of defined contribution plans in Hong Kong and Mainland China. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. 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.

2. 重大會計政策概要 (續)

2.16 遞延所得稅

遞延所得稅採用負債法就資產及負債的稅基與其於賬目之賬面值之間的暫時差異作全數撥備。然而，倘遞延所得稅因業務合併以外交易的資產或負債而產生，且於交易時間對會計及應課稅溢利或虧損並無影響，則遞延所得稅不會入賬。遞延所得稅採用在結算日前已頒佈或實質頒佈之稅率（及法例）釐定，並使用預期於相關遞延所得稅資產變現或遞延所得稅負債償還時適用稅率。

遞延所得稅資產乃就有可能用以抵扣未來應課稅溢利之暫時差異而確認入賬。

遞延所得稅須就投資於附屬公司及共同控制實體而引致的暫時差異作出撥備，除非本集團可控制暫時差異之撥回時間，並且該暫時差異很可能不會在可見的未來撥回。

2.17 僱員福利

(a) 退休金責任

本集團在香港及中國內地設有多項定額供款計劃。該等計劃一般透過向保險公司或託管人管理之基金付款提供資金，有關付款根據定期精確計算後釐定。定額供款計劃為本集團據此向獨立實體作定額供款之退休金計劃。即使基金並無足夠資產以向所有僱員繳付有關僱員現時及過往期間服務之福利，本集團亦無法律或推定責任作進一步供款。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Employee benefits (Continued)

(a) Pension obligations (Continued)

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) 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, including 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 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 income statement, 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.

(c) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the performance of each subsidiary of the Group. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2. 重大會計政策概要 (續)

2.17 僱員福利 (續)

(a) 退休金責任 (續)

就定額供款計劃而言，本集團向公營或私人管理退休保險計劃作出強制、合約性質或自願供款。作出供款後，本集團毋須作進一步供款承擔。該等供款會於到期支付時確認為僱員福利開支。可提供現金退還或扣減未來付款之預付供款會確認為資產。

(b) 以股份支付的酬金

集團設有一項以股份支付的薪酬計劃。就僱員提供服務而授予的購股權的公平值須確認為一項支出。將於授予期內列作支出的總金額乃參考所授購股權的公平值釐定(包括任何非市場性質的授予條件所產生的影響，如盈利能力及銷售額增長指標)。在預計可予以行使的購股權數目時，非市場性質的授予條件亦加入一併考慮。於各結算日，企業調整對預計可予以行使的認股期權數目所作的估計，並在損益表確認調整原來估計所產生的影響，並對股本作出相應調整。

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

(c) 利潤分享及花紅計劃

本集團根據一項公式(已計及本集團每一間附屬公司之業績)就花紅及利潤分享確認負債及支出。當負有合約上之責任或當以往慣例造成推定性責任時，本集團須確認撥備。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Provisions

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

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

Provisions are measured at the present value of the expenditures 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 passage of time is recognised as interest expense.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products, the related risks and rewards of ownership have passed to the customer and collectibility of the related receivables is reasonably assured.

(b) Interest income

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

2. 重大會計政策概要 (續)

2.18 撥備

當本集團因已發生的事件而產生現有的法律或推定責任；較可能需要有資源流出以償付責任；金額已經可靠估計，即會確認撥備。未來經營虧損不作撥備。

如有多項類似責任，會根據責任的類別整體考慮是否可能需要在償付中流出資源。即使在同一責任類別所包含任何一個項目的相關資源流出的可能性極低，仍須確認撥備。

撥備以為履行義務所預計需要發生的支出的現值計量，計算此等現值所使用的稅前折現率能夠反映當前市場的貨幣時間價值及該負債特有的風險。時間流逝導致撥備金額的增加，確認為利息開支。

2.19 收入確認

收入包括在本集團日常業務中就售出貨品及服務已收或應收之代價之公平值。所呈示之收入已減去增值稅、退貨、回贈及折扣，並已對銷本集團公司內部之銷售。收入確認如下：

(a) 出售貨品

出售貨品乃於集團實體已向客戶交付貨品，客戶已接收有關貨品，擁有權之有關風險及回報已轉讓予顧客，並且能合理確定可收取相關應收款項時確認。

(b) 利息收入

利息收入乃根據時間比例作基準採用實際利息法確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

(c) Management fees

Management fees are recognised when management services are rendered.

(d) Rental income

Rental income is recognised on a straight-line basis over the period of the relevant leases.

2.20 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 to the income statement on a straight-line basis over the period of the lease.

2.21 Dividend distribution

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk and cash flow interest-rate risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

2. 重大會計政策概要 (續)

2.19 收入確認 (續)

(c) 管理費用

管理費用乃於提供管理服務時入賬。

(d) 租金收入

租金收入乃根據有關租約年期以直線法入賬。

2.20 經營租約

由出租人承擔附於擁有權之大部份風險及回報之租約分類為經營租約。經營租約租金(扣除來自出租人之任何優惠)按租期以直線法計入損益表為費用。

2.21 股息分派

向本公司股東分派的股息在股息獲本公司股東批准的年度於本集團財務報表確認為負債。

3. 財務風險管理

3.1 財務風險因素

本集團之業務承受多種財務風險：市場風險(包括兌換風險及價格風險)、信貸風險、流動資金風險及現金利率風險。本集團之整體風險管理政策集中於難以預測之金融市場，並致力於將對本集團財務表現造成之潛在不利影響減至最低。本集團使用衍生金融工具對沖若干風險。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Hong Kong dollar, Mainland China Reminbi and US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

To manage its foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group enters into forward contracts to reduce foreign exchange risk.

(ii) Price risk

The Group is exposed to equity securities price risk because investments held by the Group are classified on the consolidated balance sheet either as available-for-sale financial assets or as financial assets at fair value through profit or loss. The Group is not exposed to commodity price risk.

(b) Credit risk

The carrying amount of trade and other receivables included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets. 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 in the consolidated financial statements.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險

(i) 外幣風險

本集團經營國際性業務，承擔因使用多項外幣所產生的外幣風險，主要源自港元、中國人民幣及美元。外幣風險來自未來商業交易、確認資產與負債及外地經營的投資淨值。

為管理來自未來商業交易及確認資產與負債的外匯風險，本集團訂立期貨合同減低外幣風險。

(ii) 價格風險

由於本集團持有之投資於綜合資產負債表中分類為可供出售之財務資產或按公平值列賬而其變動計入損益表之其他財務資產，故本集團承受股本證券價格風險。本集團並無商品價格風險。

(b) 信貸風險

綜合資產負債表所列之應收貨款及其他應收款賬面值反映本集團財務資產之最高信貸風險。本集團已制訂政策，以確保僅向信貸紀錄良好之客戶銷售產品，而本集團亦會定期評估客戶之信貸狀況。本集團過往未收回之應收貨款及其他應收款項並無超出有關撥備額，而董事認為，綜合財務報表中已就不可收回之應收賬款作出充份撥備。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

(d) 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.

3.2 Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險

審慎的流動資金風險管理包括：保持充足的現金及有價證券、取得足夠承諾備用信貸以確保資金供應充裕，以及有能力結平市場持倉。基於基礎業務之恆動性，集團財務管理將確保獲取承諾備用信貸以保持資金供應的靈活性。

(d) 利率風險

由於本集團並無重大的計息資產，本集團的收入和經營現金流量基本上不受市場利率變動影響。

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，本集團借款大部份是浮動借款。

3.2 公平值估計

於活躍市場買賣之金融工具(如公開買賣之衍生工具及買賣證券及可供出售證券)之公平值為結算日的市場報價。本集團所持金融資產所用之市價報價為當時買入價；金融負債之適用市價報價為當時賣價。

並非於活躍市場買賣之金融工具(例如場外衍生工具)之公平值乃使用估值技術釐定。本集團使用多種方法，並基於各結算日存在之市況作出假設。長期債項乃使用類似金融工具市價報價或交易商報價。釐定其餘金融工具公平值時則使用其他技術，例如估計貼現現金流量。遠期外幣合約之公平值則使用結算日之遠期貨幣市場匯率計算。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Fair value estimation (Continued)

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment 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.

(b) Estimate of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences; and

3. 財務風險管理 (續)

3.2 公平值估計 (續)

應收貨款及應付貨款之面值減估計信貸調整乃假設為與其公平值相若。作為披露用途，財務負債之公平值乃按本集團就類似金融工具可得按當時市場利率將日後約定現金流量貼現而估計。

4. 重大會計估計及判斷

本集團就未來作出估計及假設。產生的估計不一定與有關實際結果相同。於下一財政年度有重大風險造成資產與負債帳面值重大調整的估計及假設於下文闡述。

(a) 所得稅

本集團於多個司法權區須繳付所得稅。於釐定各地之所得稅撥備時須作出重大判斷。日常業務運作中有大量交易而其稅務影響並未肯定。本集團估計是否須繳付額外稅項。倘有關事宜之最終評稅結果有異於最初記錄之數額，則有關差額會影響到釐定有關數額之期間之所得稅及遞延稅項撥備。

(b) 估計投資物業之公平值

公平值之最佳憑證為同類租約及其他合約於活躍市場所提供之最新價格。倘若缺乏此方面資料，本集團則按合理公平值估計幅度釐定有關金額。在作出判斷時，本集團考慮多方面資料，其中包括：

- (i) 不同性質、狀況或地點(或受不同租約或其他合約規限)之物業當時在活躍市場上之最新價格(須就各項差異作出調整)；及

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Estimate of fair value of investment properties (Continued)

- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

(c) Estimated provision for impairment of trade receivables

The Group makes provision for impairment of trade receivables based on an assessment of the recoverability of trade receivables. Provisions are applied to bills receivable and trade receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade receivables and impairment is recognised in the year in which such estimate has been changed.

(d) Estimated write-downs of inventories to net realisable value

The Group writes down inventories to net realisable value based on an assessment of the realisability of inventories. Write-downs of 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 period in which such estimate has been changed.

4. 重大會計估計及判斷

(b) 估計投資物業之公平值(續)

- (ii) 於交投較淡靜之市場中相類似物業之近期價格，並作出調整以反映自交易日期以來經濟環境之任何變動對該等價格之影響。

(c) 估計應收貨款減值撥備

本集團根據對應收貨款可收回程度之評估作出應收貨款減值撥備。一旦事件發生或情況改變顯示餘額可能未能收回時，則就應收票據及應收貨款作出撥備。識別呆賬有賴於判斷及估計。當預期之金額與原來估計有差異時，則該差異將會影響應收貨款的賬面值，並於估計改變的年度內確認減值。

(d) 撇減存貨至可變現淨值之估計

本集團根據存貨變現性之評估撇減存貨至可變現淨值。一旦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，分別影響存貨之賬面值及存貨之撇減。

5. TURNOVER, REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the design, manufacture, marketing and trading of electro-acoustic products, accessories and other electronic products and property holding. Revenue recognised during the year is as follows:

本集團主要業務為設計、製造、推廣及銷售電聲產品、配件及其他電子產品及持有物業。年內確認之收入如下：

		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		
Sales of merchandise	貨品銷售	1,088,710	931,718
Rental income	租金收入	368	233
		<u>1,089,078</u>	<u>931,951</u>
Other revenues	其他收入		
Management fees (Note 34 (a))	管理費 (附註34(a))	131	161
Interest income	利息收入	2,089	1,673
Fair value gains on derivative financial instruments	衍生財務工具 公平值收益	495	-
Fair value gains on investment properties	投資物業公平值收益	950	-
		<u>3,665</u>	<u>1,834</u>
Total revenues	收入總額	<u>1,092,743</u>	<u>933,785</u>

5. TURNOVER, REVENUE AND SEGMENT INFORMATION (Continued) **5. 營業額、收入及分部資料 (續)**

Primary segment

An analysis by business segment is as follows:

主要分部

按業務劃分之分析如下：

		2006 二零零六年						
		Audio products 音響產品 HK\$'000 千港元	Com- munication products 通訊產品 HK\$'000 千港元	Multimedia products 多媒體 產品 HK\$'000 千港元	Electro- acoustic parts 電聲零件 HK\$'000 千港元	Electronic products, accessories and others 電子產品、 配件及其他 HK\$'000 千港元	Elimination 撇銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Turnover	營業額							
Sales to external customers	對外銷售	313,303	282,199	101,494	114,702	277,380	-	1,089,078
Inter-segment sales	分部間銷售	-	-	-	-	202,458	(202,458)	-
		313,303	282,199	101,494	114,702	479,838	(202,458)	1,089,078
Operating results	經營業績							
Segment results	分部業績	44,866	23,246	14,478	16,946	20,683	-	120,219
Unallocated corporate expenses	未分配企業支出							(14,313)
Other revenues	其他收入							3,665
Interest expense	利息支出							(2,538)
Taxation	稅項							(14,545)
Profit for the year	本年度溢利							92,488
Less: Minority interest	減：少數股東權益							(6,728)
Profit attributable to equity holders of the Company	歸屬本公司股權持有 人之溢利							85,760
Other information	其他資料							
Assets:	資產：							
Segment assets	分部資產	199,939	180,090	64,770	73,199	177,015	-	695,013
Unallocated assets	未分配資產							58,940
								753,953
Liabilities:	負債：							
Segment liabilities	分部負債	70,464	63,469	22,827	25,797	62,385	-	244,942
Unallocated liabilities	未分配負債							88,779
								333,721
Capital expenditures	資本支出	11,622	10,467	3,765	4,254	34,481	-	64,589
Depreciation	折舊	8,649	7,790	2,802	3,168	9,255	-	31,664
Amortisation of leasehold land and land use rights	攤銷租賃土地 及土地使用權	162	146	52	58	92	-	510

5. TURNOVER, REVENUE AND SEGMENT INFORMATION (Continued)

Primary segment (Continued)

5. 營業額、收入及分部資料 (續)

主要分部 (續)

		2005 二零零五年						
		Audio products	Com- munication products	Multimedia products	Electro- acoustic parts	Electronic products, accessories and others	Elimination	Total
		音響產品	通訊產品	多媒體產品	電聲零件	電子產品、配件及其他	撇銷	總額
		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
		(As restated)						
		(重列)						
Turnover	營業額							
Sales to external customers	對外銷售	282,009	179,309	40,545	216,547	213,541	–	931,951
Inter-segment sales	分部間銷售	–	–	–	–	97,199	(97,199)	–
		<u>282,009</u>	<u>179,309</u>	<u>40,545</u>	<u>216,547</u>	<u>310,740</u>	<u>(97,199)</u>	<u>931,951</u>
Operating results	經營業績							
Segment results	分部業績	44,432	15,019	4,689	18,632	13,305	–	96,077
Unallocated corporate expenses	未分配企業支出							(16,130)
Other revenues	其他收入							1,834
Interest expense	利息支出							(1,182)
Taxation	稅項							(12,004)
Profit for the year	本年度溢利							68,595
Less: Minority interest	減：少數股東權益							(2,326)
Profit attributable to equity holders of the Company	歸屬本公司股權持有人之溢利							<u>66,269</u>
Other information	其他資料							
Assets:	資產：							
Segment assets	分部資產	154,780	98,413	22,253	118,851	117,201	–	511,498
Unallocated assets	未分配資產							57,516
								<u>569,014</u>
Liabilities:	負債：							
Segment liabilities	分部負債	46,095	29,309	6,627	35,395	34,904	–	152,330
Unallocated liabilities	未分配負債							60,136
								<u>212,466</u>
Capital expenditures	資本支出	11,961	7,604	1,719	9,184	12,414	–	42,882
Depreciation	折舊	6,805	4,328	979	5,227	10,286	–	27,625
Amortisation of leasehold land and land use rights	攤銷租賃土地及土地使用權	169	107	24	129	97	–	526

5. TURNOVER, REVENUE AND SEGMENT INFORMATION (Continued)

Secondary segment

Turnover and results by geographical location are determined mainly on the basis of the location where merchandise is delivered. An analysis by geographical location is as follows:

5. 營業額、收入及分部資料 (續)

次要分部

按地區劃分之營業額及業績主要以貨物付運地點釐定。按地區劃分之分析如下：

		2006 二零零六年								
		North America 北美洲			Asia Pacific 亞太區					
		United States of America		Europe	Asian countries (other than Mainland China & Japan) 中國國內及日本以外之亞洲國家		Mainland China	Japan	Others	Total
		美國	加拿大	歐洲	亞洲國家	中國國內	日本	其他	總額	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Turnover	營業額	314,455	5,090	229,325	209,895	260,454	46,866	22,993	1,089,078	
Segment results	分部業績	34,711	562	25,314	23,169	28,750	5,173	2,540	120,219	

5. TURNOVER, REVENUE AND SEGMENT INFORMATION (Continued) **5. 營業額、收入及分部資料** (續)

Secondary segment (Continued)

次要分部 (續)

2005
二零零五年

		North America 北美洲		Asia Pacific 亞太區					Total
		United States of America	Canada	Europe	Asian countries (other than Mainland China & Japan) 中國國內及日本以外之亞洲國家	Mainland China	Japan	Others	Total
		美國	加拿大	歐洲	亞洲國家	中國國內	日本	其他	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(As restated) (重列)							
Turnover	營業額	282,186	10,752	179,854	145,575	184,752	115,793	13,039	931,951
Segment results	分部業績	29,091	1,108	18,542	15,008	19,047	11,937	1,344	96,077

The Group has business operations in Mainland China and Hong Kong. An analysis by geographical location is as follows:

本集團於中國國內及香港均有經營業務，按地區劃分之分析如下：

2006
二零零六年

		Mainland China	Hong Kong	Total
		中國國內	香港	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Assets	資產	495,857	258,096	753,953
Capital expenditures	資本支出	62,822	1,767	64,589

5. TURNOVER, REVENUE AND SEGMENT INFORMATION (Continued) **5. 營業額、收入及分部資料** (續)

Secondary segment (Continued)

次要分部 (續)

		2005 二零零五年		
		Mainland	Hong Kong	Total
		China	Hong Kong	Total
		中國國內	香港	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
		(As restated) (重列)		
Assets	資產	316,626	252,388	569,014
Capital expenditures	資本支出	42,412	470	42,882

The assets and capital expenditures are allocated based on where the assets are located.

資產及資本支出乃根據資產所在地而分配。

6. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging and crediting the following:

6. 除稅前溢利

除稅前溢利已扣除及計入下列各項：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (As restated) (重列)
Charging		
Provision for obsolete and slow-moving inventories	3,017	4,807
Amortisation of leasehold land and land use rights	510	526
Depreciation of property, plant and equipment	31,664	27,625
Provision for impairment of trade receivables	-	1,107
Staff costs (including directors' emoluments) (Note 11)	202,416	137,629
Operating lease rental of premises	6,085	4,405
Interest on bank borrowings wholly repayable within five years	2,538	1,182
Net exchange loss	2,352	725
Auditors' remuneration	1,118	948
	202,416	137,629
Crediting		
Write-back of provision for impairment of trade receivables	270	-
Rental income, less outgoings	368	233
Interest income from		
– held-to-maturity securities	-	547
– available-for-sale financial assets	369	-
– bank deposits	1,720	1,126
Net gain on disposal of long-term investments	-	1,477
Net gain on disposal of property, plant and equipment	129	94
Unrealised gain on long-term investments	-	464
Net gain on disposal of available-for-sale financial assets	272	-
Net gain on disposal of other financial assets at fair value through profit or loss	739	-
Fair value gain on other financial assets at fair value through profit or loss	352	-
	3,552	4,477

7. TAXATION

The Company is exempted from taxation in Bermuda until March 2016.

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit arising in or derived from Hong Kong for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The Group's sino-foreign equity joint ventures and wholly foreign owned enterprises established in Mainland China are qualified as production enterprises established and operated in Mainland China. They are subject to Mainland China enterprise income tax at a rate of 27% or 33%. However, they are exempted from 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 in enterprise income tax for the next three years. Charter Media (Dongguan) Company Limited (previously known as Chapter Media (Donggua) Company Limited) is subject to enterprise income tax at the rate of 12% in the current year. Profits (Dongguan) Electric Products Company Limited, Full-Sound (Dongguan) Electrical Products Limited and Ningbo Fusion Electrical Material Company Limited are subject to enterprise income tax at the rate of 15%. Fujikon Acoustics (Suzhou) Limited and Dongguan Full Rich Precision Metal Product Limited are still under the tax holiday and are not subject to enterprise income tax in the current year.

7. 稅項

本公司免繳百慕達稅項，直至二零一六年三月為止。

香港利得稅撥備已按照年內於香港產生或源自香港之估計應課稅溢利以17.5%（二零零五年：17.5%）稅率計算。海外溢利之稅項則以年內估計應課稅溢利按本集團經營業務之國家當時之稅率計算。

本集團於中國國內成立之中外合資經營企業及外商獨資企業均符合在中國國內成立及運作之生產企業之資格。彼等須按稅率27%或33%繳付中國國內企業所得稅。然而，所有該等企業均獲得與以往年度虧損結存抵銷後首個經營獲利年度起兩年豁免企業所得稅兼地方所得稅，在其後三年，則獲得企業所得稅50%扣減。中名（東莞）電子有限公司（前稱中名（東莞）電子有限公司）本年度須按稅率12%繳付企業所得稅。盈富（東莞）電器製品有限公司，富聲（東莞）電器配件有限公司及寧波富舜電業材料有限公司須按稅率15%繳付企業所得稅。富士高電聲（蘇州）有限公司及東莞富饒精密五金製品有限公司均仍處於稅務假期，於本年度毋須繳付企業所得稅。

7. TAXATION (Continued)

The amount of taxation charged to the consolidated income statement represents:

7. 稅項 (續)

從綜合損益表內扣除的稅項金額包括：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (As restated) (重列)
Current taxation	當期稅項		
– Hong Kong profits tax	– 香港利得稅	11,190	10,444
– Mainland China enterprise income tax	– 中國國內企業所得稅	808	3,244
– Underprovision in prior years	– 往年度撥備不足	1,965	–
		<u>13,963</u>	<u>13,688</u>
Deferred taxation	遞延稅項		
– Hong Kong profits tax	– 香港利得稅	369	(129)
– Mainland China enterprise income tax	– 中國國內企業所得稅	1,555	(1,555)
– Overprovision in prior years	– 往年度撥備過剩	(1,342)	–
		<u>14,545</u>	<u>12,004</u>

7. TAXATION (Continued)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (As restated) (重列)
Profit before taxation	除稅前溢利	<u>107,033</u>	<u>80,599</u>
Calculated at a taxation rate of 17.5% (2005: 17.5%)	按稅率17.5% (二零零五年: 17.5%)	18,731	14,105
Effect of different taxation rates in other countries	於其他國家不同稅率 之影響	2,112	(180)
Income not subject to taxation	毋須繳稅之收入	(6,699)	(3,283)
Expenses not deductible for taxation purpose	不可就課稅而扣除之開支	2,226	2,878
Utilisation of previously unrecognised tax losses	動用先前未確認之稅項虧損	(2,792)	(1,285)
Under-provision in prior years	往年度撥備不足	623	-
Others	其他	344	(231)
Taxation charge	稅項支出	<u>14,545</u>	<u>12,004</u>

8. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$38,439,000 (2005: HK\$27,596,000).

7. 稅項 (續)

本集團從除稅前溢利扣除之稅項與於本公司按本土國家之稅率計算之理論金額之差別如下：

8. 本公司股權持有人應佔溢利

約 38,439,000 港元 (二零零五年 : 27,596,000 港元) 之本公司股權持有人應佔溢利已計入本公司財務報表。

9. EARNINGS PER SHARE**Basic**

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.

		2006 二零零六年	2005 二零零五年 (As restated) (重列)
Profit attributable to equity holders of the Company (HK\$'000)	本公司股權持有人應佔溢利(千港元)	<u>85,760</u>	<u>66,269</u>
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	<u>372,733</u>	<u>368,890</u>
Basic earnings per share (HK cents)	每股基本盈利(港仙)	<u>23.0</u>	<u>18.0</u>

Diluted

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 one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done 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 outstanding share options. 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.

9. 每股盈利**基本**

每股基本盈利乃以本公司股權持有人應佔溢利除以年內已發行普通股之加權平均數計算。

		2006 二零零六年	2005 二零零五年 (As restated) (重列)
Profit attributable to equity holders of the Company (HK\$'000)	本公司股權持有人應佔溢利(千港元)	<u>85,760</u>	<u>66,269</u>
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	<u>372,733</u>	<u>368,890</u>
Basic earnings per share (HK cents)	每股基本盈利(港仙)	<u>23.0</u>	<u>18.0</u>

攤薄

每股攤薄盈利乃根據假設所有潛在攤薄普通股已轉換而發行之普通股經調整加權平均數計算。本公司有一種潛在攤薄普通股，即購股權。就購股權而言，乃根據尚未行使購股權所附認購權之貨幣價值釐定可按公平值收購之股份數目(以本公司股份平均每年市價釐定)而作出計算。上文計算之股份數目與假設購股權獲行使後發行之股份數目相若。

9. EARNINGS PER SHARE (Continued)

Diluted (Continued)

		2006 二零零六年	2005 二零零五年 (As restated) (重列)
Profit attributable to equity holders of the Company (HK\$'000)	本公司股權持有人應佔溢利(千港元)	85,760	66,269
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	372,733	368,890
Adjustment for potential dilutive effect in respect of outstanding share options ('000)	就尚未行使的購股權之潛在攤薄影響作出之調整(千股)	6,744	1,067
Weighted average number of ordinary shares used in calculating diluted earnings per share ('000)	計算每股攤薄盈利時採用之普通股加權平均數(千股)	379,477	369,957
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	22.6	17.9

10. DIVIDENDS

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interim dividend of HK3.0 cents (2005: HK2.5 cents) per ordinary share	中期股息每股普通股3.0港仙(二零零五年: 2.5港仙)	11,212	9,222
Additional final dividend for the prior year due to exercise of share options	因行使購股權於去年之額外末期股息	132	-
Final dividend of HK5.0 cents (2005: HK5.5 cents) per ordinary share	末期股息每股普通股5.0港仙(二零零五年: 5.5港仙)	18,786	20,409
Special final dividend of HK\$Nil (2005: HK2.0 cents) per ordinary share	特別末期股息每股普通股零港仙(二零零五年: 2.0港仙)	-	7,421
		<u>30,130</u>	<u>37,052</u>

At a meeting held on 28 June 2006, the directors proposed a final dividend of HK5.0 cents per ordinary share. The proposed dividend is not reflected as a dividend payable in these financial statements.

9. 每股盈利(續)

攤薄(續)

		2006 二零零六年	2005 二零零五年 (As restated) (重列)
Profit attributable to equity holders of the Company (HK\$'000)	本公司股權持有人應佔溢利(千港元)	85,760	66,269
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	372,733	368,890
Adjustment for potential dilutive effect in respect of outstanding share options ('000)	就尚未行使的購股權之潛在攤薄影響作出之調整(千股)	6,744	1,067
Weighted average number of ordinary shares used in calculating diluted earnings per share ('000)	計算每股攤薄盈利時採用之普通股加權平均數(千股)	379,477	369,957
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	22.6	17.9

10. 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 of HK3.0 cents (2005: HK2.5 cents) per ordinary share	中期股息每股普通股3.0港仙(二零零五年: 2.5港仙)	11,212	9,222
Additional final dividend for the prior year due to exercise of share options	因行使購股權於去年之額外末期股息	132	-
Final dividend of HK5.0 cents (2005: HK5.5 cents) per ordinary share	末期股息每股普通股5.0港仙(二零零五年: 5.5港仙)	18,786	20,409
Special final dividend of HK\$Nil (2005: HK2.0 cents) per ordinary share	特別末期股息每股普通股零港仙(二零零五年: 2.0港仙)	-	7,421
		<u>30,130</u>	<u>37,052</u>

於二零零六年六月二十八日舉行之會議上，董事建議派付末期股息每股普通股5.0港仙。擬派股息不會在該等財務報表列作應付股息。

11. EMPLOYEE BENEFIT EXPENSES

(a) Staff cost (including directors' emoluments)

Wages and salaries	工資及薪金
Unutilised annual leave	未動用年假
Other staff benefits	其他員工福利
Pension costs – defined contribution plans (Note 32)	退休金支出 – 一定額供款 計劃 (附註32)
Value of share options granted to directors and employees	授予董事及僱員之 購股權價值

(b) Directors' and senior management emoluments

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

Name of Director

董事姓名

Yeung Chi Hung, Johnny	楊志雄
Yuen Yee Sai, Simon	源而細
Chow Man Yan, Michael	周文仁
Wong Sau Lik, Weeky Peter (b)	王秀力(b)
Ng Kwong Hing	吳廣興
Ho Bing Kwan (c)	何炳堃(c)
Pang Kwong Wah (c)	彭廣華(c)
Chang Chu Cheng	張樹成
Che Wai Hang, Allen (d)	車偉恒(d)
Lee Yiu Pun (d)	李耀斌(d)

Fees

袍金

HK\$'000
千港元

Salary

薪金

HK\$'000
千港元

Discretionary
bonuses #

酌情花紅#

HK\$'000
千港元

Housing
allowances,
share options,
other
allowances
and benefits
in kind (a)

房屋津貼、
購股權、
其他津貼及
實物福利

HK\$'000
千港元

Total

總額

HK\$'000
千港元

	200	936	1,120	21	2,277
	200	936	1,120	21	2,277
	200	936	1,120	21	2,277
	100	201	–	325	626
	200	650	840	21	1,711
	50	–	–	–	50
	33	–	–	–	33
	200	–	–	–	200
	167	–	–	–	167
	83	–	–	–	83

11. 僱員福利支出

(a) 員工成本 (包括董事酬金)

	2006	2005
	二零零六年	二零零五年
	HK\$'000	HK\$'000
	千港元	千港元
		(At restated)
		(重列)
Wages and salaries	178,155	117,490
Unutilised annual leave	325	339
Other staff benefits	15,524	10,680
Pension costs – defined contribution plans (Note 32)	7,548	4,780
Value of share options granted to directors and employees	864	4,340
	<u>202,416</u>	<u>137,629</u>

(b) 董事及高級管理層酬金

截至二零零六年三月三十一日止年度，每位董事之酬金載列如下：

11. EMPLOYEE BENEFIT EXPENSE (Continued)

(b) Directors' and senior management emoluments (Continued)

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

Name of Director	Fees	Salary	Discretionary bonuses #	Housing allowances, share options, other allowances and benefits in kind (a)	Total	
董事姓名	袍金 HK\$'000 千港元	薪金 HK\$'000 千港元	酌情花紅# HK\$'000 千港元	房屋津貼、 購股權、 其他津貼及 實物福利(a) HK\$'000 千港元	總額 HK\$'000 千港元	
Yeung Chi Hung, Johnny	楊志雄	–	1,071	600	21	1,692
Yuen Yee Sai, Simon	源而細	–	1,071	600	21	1,692
Chow Man Yan, Michael	周文仁	–	1,071	600	21	1,692
Wong Sau Lik, Weeky Peter	王秀力	–	686	1,000	245	1,931
Tsang Yiu Wah	曾耀華	–	213	–	5	218
Ng Kwong Hing	吳廣興	–	795	700	21	1,516
Ho Bing Kwan	何炳堃	100	–	–	–	100
Pang Kwong Wah	彭廣華	100	–	–	–	100
Chang Chu Cheng	張樹成	200	–	–	–	200

The Company's executive directors are entitled to a discretionary bonus not exceeding 5% of the Group's consolidated profit after taxation and minority interests but before extraordinary items.

(a) Other benefits include share option benefits. Such share option benefits were calculated as the difference between the market prices at the date of the share options were exercised and their respective exercise prices for the share options exercised during the year.

(b) Resigned on 1 October 2005.

(c) Resigned on 1 August 2005.

(d) Appointed on 1 June 2005.

11. 僱員福利支出 (續)

(b) 董事及高級管理層酬金 (續)

截至二零零五年三月三十一日止年度，每位董事之酬金載列如下：

Name of Director	Fees	Salary	Discretionary bonuses #	Housing allowances, share options, other allowances and benefits in kind (a)	Total	
董事姓名	袍金 HK\$'000 千港元	薪金 HK\$'000 千港元	酌情花紅# HK\$'000 千港元	房屋津貼、 購股權、 其他津貼及 實物福利(a) HK\$'000 千港元	總額 HK\$'000 千港元	
Yeung Chi Hung, Johnny	楊志雄	–	1,071	600	21	1,692
Yuen Yee Sai, Simon	源而細	–	1,071	600	21	1,692
Chow Man Yan, Michael	周文仁	–	1,071	600	21	1,692
Wong Sau Lik, Weeky Peter	王秀力	–	686	1,000	245	1,931
Tsang Yiu Wah	曾耀華	–	213	–	5	218
Ng Kwong Hing	吳廣興	–	795	700	21	1,516
Ho Bing Kwan	何炳堃	100	–	–	–	100
Pang Kwong Wah	彭廣華	100	–	–	–	100
Chang Chu Cheng	張樹成	200	–	–	–	200

本公司之執行董事有權分享不超過本集團除稅及少數股東權益後但未計及非經常性項目前之綜合溢利之5%的酌情花紅。

(a) 其他福利包括購股權福利。該等購股權福利乃根據購股權獲行使當日之市價及購股權於年內獲行使各自之行使價之差額計算。

(b) 於二零零五年十月一日辭任。

(c) 於二零零五年八月一日辭任。

(d) 於二零零五年六月一日獲委任。

11. EMPLOYEE BENEFIT EXPENSE (Continued)**(c) Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the year include 4 (2005: 5) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining 1 (2005: Nil) individual during the year are as follows:

Salary	薪金
Discretionary bonus	酌情花紅
Housing allowances, share options, other allowances and benefits in kind	房屋津貼、購股權、 其他津貼及實物福利

11. 僱員福利支出 (續)**(c) 五名最高薪人士**

年內本集團最高薪五名人士包括4名(二零零五年: 5名)董事, 彼等之酬金已於上表呈列之分析反映。年內應付餘下1名人士(二零零五年: 無)之酬金如下:

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
	690	-
	531	-
	131	-
	<u>1,352</u>	<u>-</u>

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Group 本集團					
		Buildings 樓宇 HK\$'000 千港元	Construction- in- progress 在建工程 HK\$'000 千港元	Machinery and moulds 機械及模具 HK\$'000 千港元	Furniture and equipment 傢俬及器材 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2004	於二零零四年四月一日						
Cost	成本	116,344	7,068	163,345	49,593	9,878	346,228
Accumulated depreciation	累計折舊	(20,466)	-	(136,957)	(27,605)	(7,905)	(192,933)
Net book amount	賬面淨值	<u>95,878</u>	<u>7,068</u>	<u>26,388</u>	<u>21,988</u>	<u>1,973</u>	<u>153,295</u>
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	年初賬面淨值	95,878	7,068	26,388	21,988	1,973	153,295
Additions	增添	42	15,435	17,789	8,236	1,380	42,882
Disposals	出售	-	-	(22)	(16)	-	(38)
Depreciation charge	折舊開支	(3,130)	-	(15,645)	(7,617)	(1,233)	(27,625)
Transfer	轉撥	113	(831)	705	13	-	-
Closing net book amount	年終賬面淨值	<u>92,903</u>	<u>21,672</u>	<u>29,215</u>	<u>22,604</u>	<u>2,120</u>	<u>168,514</u>
At 31 March 2005	於二零零五年三月三十一日						
Cost	成本	116,499	21,672	181,145	57,404	10,400	387,120
Accumulated depreciation	累計折舊	(23,596)	-	(151,930)	(34,800)	(8,280)	(218,606)
Net book amount	賬面淨值	<u>92,903</u>	<u>21,672</u>	<u>29,215</u>	<u>22,604</u>	<u>2,120</u>	<u>168,514</u>
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	年初賬面淨值	92,903	21,672	29,215	22,604	2,120	168,514
Additions	增添	2,566	9,375	39,012	11,892	1,744	64,589
Disposals	出售	-	-	(25)	(72)	-	(97)
Depreciation charge	折舊開支	(3,309)	-	(17,125)	(9,849)	(1,381)	(31,664)
Revaluation upon transfer to investment properties	轉撥至投資物業後重估	2,108	-	-	-	-	2,108
Transfer to investment properties	轉撥至投資物業	(2,625)	-	-	-	-	(2,625)
Transfer	轉撥	7,035	(14,613)	-	7,578	-	-
Exchange differences	匯兌差額	1,928	524	444	373	22	3,291
Closing net book amount	年終賬面淨值	<u>100,606</u>	<u>16,958</u>	<u>51,521</u>	<u>32,526</u>	<u>2,505</u>	<u>204,116</u>
At 31 March 2006	於二零零六年三月三十一日						
Cost	成本	127,643	16,958	220,759	77,494	12,249	455,103
Accumulated depreciation	累計折舊	(27,037)	-	(169,238)	(44,968)	(9,744)	(250,987)
Net book amount	賬面淨值	<u>100,606</u>	<u>16,958</u>	<u>51,521</u>	<u>32,526</u>	<u>2,505</u>	<u>204,116</u>

12. PROPERTY, PLANT AND EQUIPMENT*(Continued)*

Depreciation expense of HK\$22,403,000 (2005: HK\$19,867,000) has been included in cost of sales and HK\$9,261,000 (2005: HK\$7,758,000) in general and administrative expenses.

At 31 March 2006, the net book value of property, plant and equipment pledged as security for the Group's banking facility amounted to approximately HK\$14,386,000 (2005 (as restated): HK\$14,323,000).

Analysis of construction-in-progress is as follows:

Construction expenditures	建築開支
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12. 物業、廠房及設備 (續)

折舊開支22,403,000港元(二零零五年: 19,867,000港元)已納入於銷售成本及9,261,000港元(二零零五年: 7,758,000港元)於一般及行政開支。

於二零零六年三月三十一日, 物業、廠房及設備之賬面淨值已予抵押, 作為本集團取得約14,386,000港元(二零零五年(重列): 14,323,000港元)銀行融資之抵押品。

在建工程分析如下:

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
16,958	21,672

13. INVESTMENT PROPERTIES

Beginning of the year	年初	-	-
Transfer from property, plant and equipment and leasehold land	由物業、廠房及設備及租賃土地轉撥	3,230	-
Fair value gains	公平值收益	950	-
End of the year	年終	4,180	-

The investment properties were revalued at 31 March 2006 by LCH (Asia-Pacific) Surveyors Limited, an independent professional qualified valuer. Valuations were based on current prices in an active market.

13. 投資物業

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
		-	-
		3,230	-
		950	-
		4,180	-

於二零零六年三月三十一日, 投資物業由獨立專業合資格估值師LCH (Asia-Pacific) Surveyors Limited進行重估。估值乃根據於活躍市場之現行價格進行。

13. INVESTMENT PROPERTIES (Continued)

The Group's interests in investment properties at their net book values are analysed as follows:

Hong Kong – held on leases
between 10 to 50 years

香港 – 以十年至
五十年租約持有

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
4,180	–

13. 投資物業 (續)

本集團於按投資物業之賬面淨值之權益分析如下：

14. LEASEHOLD LAND AND LAND USE RIGHTS

Beginning of the year
Transfer to investment properties
Amortisation of prepaid operating
lease payment
Exchange differences

年初
轉撥至投資物業
攤銷預付經營
租約款項
匯兌差額

End of the year

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:

Hong Kong – held on leases
between 10 to 50 years
Mainland China – held on leases
between 10 to 50 years

香港 – 以十年至
五十年租約持有
中國內地 – 以十年至
五十年租約持有

14. 租賃土地及土地使用權

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 (As restated) (重列)
22,046	22,572
(605)	–
(510)	(526)
225	–
21,156	22,046

本集團於租賃土地及土地使用權之權益為預付經營租約款項及其賬面淨值之權益分析如下：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (As restated) (重列)
11,837	12,729
9,319	9,317
21,156	22,046

14. LEASEHOLD LAND AND LAND USE RIGHTS*(Continued)*

At 31 March 2006, no leasehold land and land use rights was pledged as security for the Group's banking facility (2005 (as restated): HK\$4,169,000).

15. INTERESTS IN JOINTLY CONTROLLED ENTITIES

Share of net assets
Loan to a jointly controlled entity
Amount due from a jointly controlled entity
Less: Provision for amount due from and loan to a jointly controlled entity
Disposal of the interests in jointly controlled entity

應佔資產淨值
貸款予共同控制實體之款項
應收共同控制實體之款項
減：應收及貸款予共同控制實體款項之撥備
出售於共同控制實體之權益

Investment at cost
Unlisted shares

投資(按成本列賬)
非上市股份

On 30 November 2005, the Group disposed of its interests in jointly controlled entities for approximately HK\$852,000, resulting in a loss of approximately HK\$550,000.

14. 租賃土地及土地使用權 (續)

於二零零六年三月三十一日，並無抵押任何租賃土地及土地使用權，以作為本集團銀行融資之抵押品(二零零五年(重列)：4,169,000港元)。

15. 於共同控制實體之權益

		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
		-	-
		-	360
		-	422
		-	(428)
		-	-
		-	-
		-	354
		-	-
		-	-

於二零零五年十一月三十日，本集團以約852,000港元出售其於共同控制實體之權益，導致虧損約550,000港元。

15. INTERESTS IN JOINTLY CONTROLLED ENTITIES (Continued)

The following are the details of the jointly controlled entities, which were disposed of during the year:

於年內出售之共同控制實體詳情如下：

Name	Place of incorporation/ Principal place of operation 註冊成立 地點／主要 經營地點	Principal activities 主要業務	Particulars of issued share capital 已發行 股本詳情	Interest Indirectly held 間接 持有權益
Sefco (HK) Limited	Hong Kong 香港	Investment holding 投資控股	HK\$100 100港元	50% 50%
Sefco Inc	Japan	Trading and sale of electronics and acoustics products	Yen 10,000,000	50%
Sefco Inc	日本	電聲產品之 貿易及銷售	10,000,000日圓	50%

16. LONG-TERM INVESTMENTS

16. 長期投資

		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
Held-to-maturity securities – unlisted debt securities, at cost	持至到期日證券 – 非上市債務證券， 按成本列賬	–	9,513
Investment securities – unlisted shares, at cost	投資證券 – 非上市股份， 按成本列賬	–	390
Other investments – unlisted investments, at market value	其他投資 – 非上市投資， 按市價列賬	–	13,955
		–	23,858

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Beginning of the year	年初	-	-
Transfer from long-term investments	由長期投資轉撥	9,903	-
Additions	增添	5,507	-
Disposals	出售	(7,775)	-
Revaluation deficits transferred to equity (Note 29)	轉撥至股本之 重估虧損(附註29)	(391)	-
Exchange differences	匯兌差額	(29)	-
End of the year	年終	<u>7,215</u>	<u>-</u>

The Group's available-for-sale financial assets primarily represented unlisted range notes.

There were no impairment provisions on available-for-sale financial assets in 2006.

18. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investment funds, at fair value	基金投資，按公平值列賬	<u>9,370</u>	<u>-</u>
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Changes in fair values of other financial assets at fair value through profit or loss are recorded in general and administrative expenses in the income statement (Note 6).

17. 可供出售金融資產

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
Beginning of the year	年初	-	-
Transfer from long-term investments	由長期投資轉撥	9,903	-
Additions	增添	5,507	-
Disposals	出售	(7,775)	-
Revaluation deficits transferred to equity (Note 29)	轉撥至股本之 重估虧損(附註29)	(391)	-
Exchange differences	匯兌差額	(29)	-
End of the year	年終	<u>7,215</u>	<u>-</u>

本集團之可供出售金融資產主要指非上市投資票據。

於二零零六年，可供出售金融資產並無減值撥備。

18. 按公平值列賬而其變動計入損益賬之其他金融資產

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
Investment funds, at fair value	基金投資，按公平值列賬	<u>9,370</u>	<u>-</u>

按公平值列賬而其變動計入損益賬之其他金融資產之公平值變動乃記錄於損益表內之一般及行政支出(附註6)。

19. INVESTMENT IN AND AMOUNTS DUE FROM SUBSIDIARIES 19. 投資及應收附屬公司款項

(a) Investment in subsidiaries

		Company	
		本公司	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份，按成本值列賬	139,000	139,000

The underlying value of the investment in subsidiaries is, in the opinion of the Company's directors, not less than the carrying value as at 31 March 2006.

本公司董事認為，於附屬公司之投資之相關價值並不低於二零零六年三月三十一日之賬面值。

(b) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, interest free, and repayable on demand.

(b) 應收附屬公司款項

應收附屬公司之款項為無抵押、免息及須按要求償還。

(c) Principle subsidiaries

The following is a list of the principal subsidiaries at 31 March 2006:

(c) 主要附屬公司

下表為於二零零六年三月三十一日之主要附屬公司：

Name	Place of incorporation/ Principal place of operation	Principal activities	Particulars of issued share capital	Interest held (iv)
名稱	註冊成立地點/主要經營地點	主要業務	已發行股本細節	持有股權(iv)
Charter Media Limited	Hong Kong	Investment holding and trading of electro-acoustic products and accessories	HK\$3	100%
中名有限公司	香港	投資控股及電聲產品及配件之貿易	3港元	100%
Charter Media (Dongguan) Company Limited (previously known as Chapter Media (Donggua) Company Limited) (i)	Mainland China	Manufacture of electro-acoustic products and accessories	HK\$117,000,000	100%
中名(東莞)電子有限公司(i)	中國國內	電聲產品及配件之製造	117,000,000港元	100%

19. INVESTMENT IN AND AMOUNTS DUE FROM SUBSIDIARIES (Continued) **19. 投資及應收附屬公司款項 (續)**

(c) Principle subsidiaries (Continued)

(c) 主要附屬公司 (續)

Name	Place of incorporation/ Principal place of operation 註冊成立地點/主要經營地點	Principal activities	Particulars of issued share capital 已發行股本細節	Interest held (iv) 持有股權(iv)
Fujikon Industrial (BVI) Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	US\$3,000 3,000美元	100% 100%
Fujikon Industrial Company Limited	Hong Kong	Design, manufacture, marketing and trading of electro-acoustic products and accessories	Class A (non-voting)(iii) – HK\$2,400,000	–
富士高實業有限公司	香港	電聲產品及配件之設計、製造、市場推廣及貿易	Class B (voting)(iii) – HK\$600,000	100%
			A股股份 (無投票權)(iii) – 2,400,000港元	–
			B股股份 (有投票權)(iii) – 600,000港元	100%
Fujikon International Limited	Hong Kong	Investment holding and trading of transformers and power adaptors	HK\$3	100%
富士高國際有限公司	香港	投資控股及變壓器及電力轉接器之貿易	3港元	100%
Fujikon Packing Material Company Limited	Hong Kong	Manufacture and trading of packaging materials	HK\$10,000	51%
富士高包裝物料有限公司	香港	包裝物料之製造及貿易	10,000港元	51%

19. INVESTMENT IN AND AMOUNTS DUE FROM SUBSIDIARIES (Continued) **19. 投資及應收附屬公司款項 (續)**

(c) Principle subsidiaries (Continued)

(c) 主要附屬公司 (續)

Name	Place of incorporation/ Principal place of operation 註冊成立地點/主要經營地點	Principal activities	Particulars of issued share capital 已發行股本細節	Interest held (iv) 持有股權(iv)
Fujikon Precision Metal Products Limited	Hong Kong	Investment holding and manufacture and trading of precision metal parts	HK\$10,000	100%
富士高精密五金製品有限公司	香港	投資控股及精密五金配件之製造及貿易	10,000港元	100%
Profits (Dongguan) Electric Products Company Limited (i)	Mainland China	Manufacture and trading of transformers and power adaptors	HK\$5,384,228	100%
盈富(東莞)電器製品有限公司(i)	中國國內	變壓器及電力轉接器之製造及貿易	5,384,228港元	100%
Score Merit Limited 志茂有限公司	Hong Kong 香港	Investment holding 投資控股	HK\$2 2港元	100% 100%
Maxchief Enterprises Limited	Hong Kong	Investment holding and trading of electro-acoustic products and accessories	HK\$150	100%
萬澤企業有限公司	香港	投資控股及電聲產品及配件之貿易	150港元	100%
Fujikon Electrical Limited 富士高電業有限公司	Hong Kong 香港	Investment holding 投資控股	HK\$3 3港元	100% 100%
Ningbo Fusion Electrical Material Company Limited (ii)	Mainland China	Manufacture and trading of PVC beads, wires and cables	US\$2,500,000	70%
寧波富舜電業材料有限公司(ii)	中國國內	PVC膠粒、銅絲及電線等產品之製造及貿易	2,500,000美元	70%
Fujikon Technology Limited 富士高科技有限公司	Hong Kong 香港	Investment holding 投資控股	HK\$100,000 100,000港元	100% 100%

19. INVESTMENT IN AND AMOUNTS DUE FROM SUBSIDIARIES (Continued)

(c) Principle subsidiaries (Continued)

Name	Place of incorporation/ Principal place of operation 註冊成立地點/主要經營地點	Principal activities	Particulars of issued share capital 已發行股本細節	Interest held (iv) 持有股權(iv)
Fujikon Acoustics (Suzhou) Limited (i)	Mainland China	Manufacture and trading of electro-acoustic products and accessories	US\$2,250,000	100%
富士高電聲(蘇州)有限公司(i)	中國國內	電聲產品及配件之製造及貿易	2,250,000美元	100%
Full-Sound (Dongguan) Electrical Products Limited (i)	Mainland China	Manufacture and trading of electro-acoustic products and accessories	HK\$5,000,000	100%
富聲(東莞)電器配件有限公司(i)	中國國內	電聲產品及配件之製造及貿易	5,000,000港元	100%
Dongguan Full Rich Precision Metal Product Company Limited (i)	Mainland China	Manufacture and trading of precision metal parts	HK\$5,000,000	100%
東莞富饒精密五金製品有限公司(i)	中國國內	精密五金配件之製造及貿易	5,000,000港元	100%
Smart Success Management Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	US\$100 100美元	100% 100%
Landbo Limited 立保有限公司	Hong Kong 香港	Property holding 物業持有	HK\$100 100港元	100% 100%
Keen Motion Limited 堅毅有限公司	Hong Kong 香港	Provision of management services 提供管理服務	HK\$2 2港元	100% 100%
Fujikon Europe GmbH	Germany 德國	Dormant 暫無營業	EUR25,000 25,000歐羅	100% 100%

(c) 主要附屬公司(續)

19. INVESTMENT IN AND AMOUNTS DUE FROM SUBSIDIARIES (Continued)

(c) Principle subsidiaries (Continued)

Notes:

- (i) Charter Media (Dongguan) Company Limited, Profits (Dongguan) Electric Products Company Limited, Fujikon Acoustics (Suzhou) Limited, Full-Sound (Dongguan) Electrical Products Limited and Dongguan Full Rich Precision Metal Product Company Limited are wholly foreign owned enterprises established in Mainland China to be operated for 15 years up to May 2009, 12 years up to January 2012, 50 years up to March 2051, 12 years up to April 2014 and 12 years up to October 2016, respectively.
- (ii) Ningbo Fusion Electrical Material Company Limited is a sino-foreign equity joint venture established in Mainland China to be operated for 15 years up to May 2015.
- (iii) Holders of Class A (non-voting) shares have no voting rights, are not entitled to dividends unless the net profit of the Company exceeds HK\$900,000,000,000, and are not entitled to any distribution upon winding up unless a sum of HK\$900,000,000,000 has been distributed by the company to holders of Class B (voting) shares.
- (iv) The shares of Fujikon Industrial (BVI) Limited are held directly by the Company. The shares of other subsidiaries are held indirectly.

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

20. INVENTORIES

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品

19. 投資及應收附屬公司款項 (續)

(c) 主要附屬公司 (續)

附註：

- (i) 中名(東莞)電子有限公司、盈富(東莞)電器製品有限公司、富士高電聲(蘇州)有限公司、富聲(東莞)電器配件有限公司及東莞富饒精密五金製品有限公司乃於中國國內成立之外商獨資企業，分別可經營15年至二零零九年五月、可經營12年至二零一二年一月、可經營50年至二零一五年三月、可經營12年至二零一四年四月及可經營12年至二零一六年十月。
- (ii) 寧波富舜電業材料有限公司乃於中國國內成立之中外合資經營企業，可經營15年至二零一五年五月。
- (iii) A股(無投票權)股份之持有人並無投票權，且無權分派股息(除非本公司純利超過900,000,000,000港元)，且於清盤時亦無權獲得任何分派(除非公司已分派900,000,000,000港元之款項予B股(有投票權)股份持有人)。
- (iv) Fujikon Industrial (BVI) Limited之股份由本公司直接持有，其他附屬公司之股份則為間接持有。

截至二零零六年三月三十一日止年度，概無附屬公司於任何時間擁有任何已發行借貸股本。

20. 存貨

Group 本集團	
2006 二零零六年	2005 二零零五年
HK\$'000 千港元	HK\$'000 千港元
86,548	46,951
56,835	24,330
68,016	33,018
211,399	104,299

20. INVENTORIES (Continued)

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$837,930,000 (2005: HK\$728,506,000).

21. TRADE AND OTHER RECEIVABLES

The Group grants credit periods to customers ranging from 7 to 120 days. At 31 March 2006, the ageing analysis of the trade receivables is as follows:

Current to 30 days	當期至30日
31 to 60 days	31至60日
61 to 90 days	61至90日
91 to 180 days	91至180日
Less: Provision for impairment of trade receivables	減：應收貨款 減值撥備
Trade receivables, net	應收貨款，淨額
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款

The carrying value of the Group's trade receivables and other receivables are approximately the same as their fair value.

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 the ten largest customers accounted for approximately 65.5% (2005: 64.1%) of the total trade receivables. The Group's approach to managing credit risk is disclosed in Note 3.

20. 存貨 (續)

確認為開支並包括於銷售成本內之存貨成本為837,930,000港元(二零零五年：728,506,000港元)。

21. 應收貨款及其他應收款

本集團給予客戶介乎7日至120日之信貸期。於二零零六年三月三十一日，應收貨款之賬齡分析如下：

Group 本集團	
2006 二零零六年	2005 二零零五年
HK\$'000 千港元	HK\$'000 千港元
197,466	125,982
5,114	14,248
2,248	6,779
4,427	2,846
209,255	149,855
(2,874)	(4,859)
206,381	144,996
24,270	9,571
230,651	154,567

本集團應收貨款及其他應收款之賬面值與其公平值相若。

由於本集團之銷售集中於幾個重要顧客，本集團就應收貨款有信貸集中之風險。於二零零六年三月三十一日，來自十大客戶之應收貨款佔應收貨款總額約65.5%(二零零五年：64.1%)。本集團對信貸風險之管理控於附註3內披露。

22. DERIVATIVE FINANCIAL INSTRUMENTS

22. 衍生金融工具

		Group 本集團 2006 二零零六年 HK\$'000 千港元
Assets:	資產：	
Interest rate swap – not qualifying as hedges	利率掉期 – 不合作對沖	101
Forward foreign exchange contracts – not qualifying as hedges	遠期外幣合約 – 不合作對沖	394
		495

The notional principal amounts of the outstanding interest-rate swap contracts at 31 March 2006 were HK\$11,375,000 (2005: HK\$Nil).

於二零零六年三月三十一日，未償還利率掉期合約之名義本金額為11,375,000港元（二零零五年：無）。

23. CASH AND BANK DEPOSITS

23. 現金及銀行存款

		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	47,859	57,545	753	1,082
Short-term bank deposit	短期銀行存款	17,495	36,276	–	–
		65,354	93,821	753	1,082

The effective interest rate on short-term bank deposits was 3.9% per annum (2005: 1.5% per annum).

短期銀行存款之實際年利率為3.9厘（二零零五年：每年1.5厘）。

As at 31 March 2006, approximately HK\$24,251,000 (2005: HK\$14,999,000) of the Group's cash and bank deposits were denominated in Chinese Renminbi, which is not a freely convertible currency in the international market and the repatriation of which is subject to foreign exchange control regulations of Mainland China.

於二零零六年三月三十一日，約24,251,000港元（二零零五年：14,999,000港元）之本集團現金及銀行存款以中國人民幣結算，而中國人民幣並非國際市場自由兌換之貨幣，其調動受中國國內外匯管制法規所限制。

23. CASH AND BANK DEPOSITS (Continued)

The following is included for the purposes of the cash flow statement:

		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
Cash at bank and on hand	銀行存款及現金	47,859	57,545
Short-term bank deposit	短期銀行存款	17,495	36,276
		65,354	93,821

23. 現金及銀行存款 (續)

下表乃就現金流量表而載入：

24. TRADE AND OTHER PAYABLES

At 31 March 2006, the ageing analysis of trade and other payables is 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
Current to 30 days	當期至30日	175,387	94,234	-	-
31 to 60 days	31至60日	10,271	7,458	-	-
61 to 90 days	61至90日	4,556	3,199	-	-
91 to 180 days	91至180日	2,951	719	-	-
Trade payables	應付貨款	193,165	105,610	-	-
Accruals and other payables	應計及其他 應付款	67,840	51,740	5,568	4,251
		261,005	157,350	5,568	4,251

The fair values of the Group's trade and other payables approximate their carrying value.

24. 應付貨款及其他應付款

於二零零六年三月三十一日，應付貨款及其他應付款之賬齡分析如下：

本集團之應付貨款及其他應付款之公平值與其賬面值相若。

25. BANK BORROWINGS

25. 銀行貸款

		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
Non-current	非流動				
Bank borrowings	銀行貸款				
– secured	– 有抵押	8,645	–	–	–
– unsecured	– 無抵押	1,600	3,733	–	–
Current	流動				
Bank borrowings	銀行貸款				
– secured	– 有抵押	2,730	2,358	–	–
– unsecured	– 無抵押	48,323	35,827	–	2,460
Total borrowings	總貸款	61,298	41,918	–	2,460

Total borrowings include secured liabilities of HK\$11,375,000 (2005: HK\$2,358,000). Bank borrowings are secured by certain of the Group's property, plant and equipment (Note 12).

總貸款包括有抵押負債11,375,000港元(二零零五年：2,358,000港元)。銀行貸款由若干本集團物業、廠房及設備為抵押(附註12)。

The maturity of borrowings is as follows:

貸款之到期日如下：

		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 repayable	款項須於以下期 間內償還				
– within one year	– 一年內	51,053	38,185	–	2,460
– within one to two years	– 一至二年內	4,330	–	–	–
– within two to five years	– 二至五年內	5,915	3,733	–	–
		61,298	41,918	–	2,460

25. BANK BORROWINGS (Continued)

Bank borrowings bear interest rates ranging from 2.75% to 5.84% per annum (2005: ranging from 1.05% to 5.84% per annum).

The carrying amounts and fair value of the non-current borrowings are as follows:

25. 銀行貸款 (續)

銀行借貸按年利率2.75厘至5.84厘計息
(二零零五年：年利率1.05厘至5.84厘)

非流動貸款之賬面值及公平值如下：

		Carrying amounts		Fair values	
		賬面值	賬面值	公平值	公平值
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
Bank borrowings	銀行貸款	10,245	3,733	10,144	3,733

The carrying amounts of short-term borrowings approximate their fair value.

短期貸款之賬面值與其公平值相若。

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

貸款之賬面值用以下貨幣計值：

		Group		Company	
		本集團	本集團	本公司	本公司
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong dollar	港元	30,109	8,327	–	2,460
US dollar	美元	31,189	31,233	–	–
Reminibi	人民幣	–	2,358	–	–
		61,298	41,918	–	2,460

As at 31 March 2006, the Group has undrawn bank loan and overdraft facilities of HK\$117,990,000 (2005: HK\$117,990,000 and RMB15,500,000).

於二零零六年三月三十一日，本集團有未提取銀行貸款及透支融資117,990,000港元（二零零五年：117,990,000港元及人民幣15,500,000元）。

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%).

Details of deferred taxation are as follows:

Deferred tax assets	遞延稅項資產
Deferred tax liabilities	遞延稅項負債
At 31 March	於三月三十一日

The movements on the net deferred tax liabilities are as follows:

At 1 April, as restated (Charged)/credited to income statement (Note 7)	於四月一日(重列) 於損益表中(支銷)/ 抵扣(附註7)
At 31 March	於三月三十一日

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of approximately HK\$516,000 (2005: HK\$12,767,000) to carry forward against future taxable income.

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%)計算。

遞延稅項之詳情如下:

Group 本集團	
2006 二零零六年	2005 二零零五年
HK\$'000 千港元	HK\$'000 千港元 (As restated) (重列)
17	1,555
(1,270)	(2,226)
(1,253)	(671)

遞延稅項負債淨額之變動如下:

Group 本集團	
2006 二零零六年	2005 二零零五年
HK\$'000 千港元	HK\$'000 千港元
(671)	(2,355)
(582)	1,684
(1,253)	(671)

遞延稅項資產按累計稅項虧損計算列賬，並以可能抵扣將來應課稅溢利之金額為限。本集團可用於抵扣將來應課稅收入之未確認稅務虧損約為516,000港元(二零零五年: 12,767,000港元)。

26. DEFERRED TAXATION (Continued)

The movements in deferred taxation (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

	Accelerated tax depreciation		Fair value gain		Others		Total		
	2006	2005	2006	2005	2006	2005	2006	2005	
	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 April, as restated (Credited)/charged to income statement	於四月一日(重列) 於損益表中 (抵扣)/支銷	(2,662)	(2,696)	-	-	1,991	341	(671)	(2,355)
		807	34	166	-	(1,555)	1,650	(582)	1,684
At 31 March	於三月三十一日	(1,855)	(2,662)	166	-	436	1,991	(1,253)	(671)

26. 遞延稅項 (續)

年內遞延稅項(與同一徵稅地區之結餘抵銷前)之變動如下:

27. SHARE CAPITAL**27. 股本**

		2006		2005	
		二零零六年		二零零五年	
		Number of shares	Nominal value	Number of shares	Nominal value
		股份數目	賬面值	股份數目	賬面值
		'000	HK\$'000	'000	HK\$'000
		千股	千港元	千股	千港元
Authorised:	法定:				
- ordinary shares of HK\$0.10 each	- 每股面值0.10港元之普通股	2,000,000	200,000	2,000,000	200,000
Issued and fully paid:	已發行及繳足股本:				
- ordinary shares of HK\$0.10 each	- 每股面值0.10港元之普通股				
At 1 April	於四月一日	368,890	36,889	368,890	36,889
Exercise of share options during the year	年內行使購股權	6,128	613	-	-
At 31 March	於三月三十一日	375,018	37,502	368,890	36,889

28. SHARE OPTIONS

The Company had a share option scheme (the "Old Scheme") under which it could grant options to employees of the Group (including executive directors of the Company) to subscribe for shares in the Company, subject to a maximum of 10% of the nominal value of the issued share capital of the Company from time to time, excluding for this purpose shares issued on the exercise of options granted under the scheme. The subscription price was to be determined by the Company's board of directors, and would not be less than the higher of the nominal value of the shares and 80% of the average of the closing price of the shares quoted on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") on the five trading days immediately preceding the date of offer of the options.

Following the amendment of the Rules Governing the Listing of Securities on the Stock Exchange, during the year ended 31 March 2003, the Company adopted a new share option scheme (the "New Scheme") to replace the Old Scheme. However, all options granted prior to the adoption of the New Scheme shall continue to be exercisable in accordance with the terms of the Old Scheme. Under the New Scheme, the Company may grant options to any eligible employee (whether full-time or part-time, including any executive director), any non-executive director, any shareholder, any supplier and any customer of the Company or any of its subsidiaries or any entity in which any member of the Group holds any equity interest, and any other party having contributed to the development of the Group 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.

The subscription price will be determined by the Company's board of directors, and will not be less than the highest of:

- (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer;
- (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer; and
- (c) the nominal value of the shares.

28. 購股權

本公司設有購股權計劃（「舊計劃」），據此，本公司可向本集團僱員（包括本公司執行董事）授出購股權以認購本公司股份，惟數目不得超過本公司不時已發行股本面值10%（惟未計根據該計劃授出購股權獲行使而已發行之股份）。認購價由本公司董事會釐訂，並不會低於股份之面值及授出購股權日期前五個交易日在香港聯合交易所有限公司（「聯交所」）所報之平均收市價之80%以兩者之較高者為準。

聯交所證券上市規則修訂後，本公司於截至二零零三年三月三十一日止年度採納新購股權計劃（「新計劃」）以取代舊計劃，惟採納新計劃前授出之全部購股權可根據舊計劃之條款繼續行使。根據新計劃，本公司可向本公司或其任何附屬公司或本集團成員公司持有股權之公司之任何合資格僱員（全職或兼職，包括任何執行董事）、任何非執行董事、任何股東、任何供應商及任何客戶，及曾為本集團發展作出貢獻之任何其他人士授出購股權以認購本公司股份，惟所涉及股份不得超過本公司不時已發行股本面值之30%。

認購價由本公司董事會釐定，並不得低於以下各項之最高者：

- (a) 股份於要約當日在聯交所每日報價表所列之收市價；
- (b) 股份於緊接要約當日對上五個營業日在聯交所每日報價表所列之平均收市價；及
- (c) 股份面值。

28. SHARE OPTIONS (Continued)

Movements of share options during the year ended 31 March 2006 were:

Old Scheme

Date of grant	Exercise period	Subscription price	At 1 April	Granted during the year	Exercised during the year	Lapsed as a result of termination of employment	At 31 March
授出日期	行使期	認購價 HK\$ 港元	於四月一日 '000 千股	年內授出 '000 千股	年內行使 '000 千股	因終止 僱用而取消 之購股權 '000 千股	於三月 三十一日 '000 千股
2 May 2000 二零零零年 五月二日	2 May 2000 to 1 May 2010 二零零零年五月二日至 二零一零年五月一日	1.287	18,000	-	-	-	18,000
	2 May 2001 to 1 May 2010 二零零一年五月二日至 二零一零年五月一日	1.287	2,380	-	(745)	(730)	905
	2 May 2002 to 1 May 2010 二零零二年五月二日至 二零一零年五月一日	1.287	1,870	-	(685)	(600)	585
			22,250	-	(1,430)	(1,330)	19,490

28. 購股權 (續)

截至二零零六年三月三十一日止年度之購股權變動如下：

舊計劃

Granted during the year	Exercised during the year	Lapsed as a result of termination of employment	At 31 March
年內授出 '000 千股	年內行使 '000 千股	因終止 僱用而取消 之購股權 '000 千股	於三月 三十一日 '000 千股
-	-	-	18,000
-	(745)	(730)	905
-	(685)	(600)	585
-	(1,430)	(1,330)	19,490

28. SHARE OPTIONS (Continued)

New Scheme

Date of grant	Exercise period	Subscription price	At 1 April	Granted during the year	Exercised during the year	Lapsed as a result of termination of employment 因終止僱用而取消之購股權	At 31 March
授出日期	行使期	認購價 HK\$ 港元	於四月一日 '000 千股	年內授出 '000 千股	年內行使 '000 千股	'000 千股	於三月三十一日 '000 千股
2 June 2003 二零零三年六月二日	2 December 2003 to 1 June 2013 二零零三年十二月二日至 二零一三年六月一日	1.5	696	-	(40)	(248)	408
	2 June 2004 to 1 June 2013 二零零四年六月二日至 二零一三年六月一日	1.5	904	-	(40)	(456)	408
	2 June 2005 to 1 June 2013 二零零五年六月二日至 二零一三年六月一日	1.5	208	-	-	(208)	-
			<u>1,808</u>	<u>-</u>	<u>(80)</u>	<u>(912)</u>	<u>816</u>
3 May 2004 二零零四年五月三日	3 May 2005 to 2 May 2014 二零零五年五月三日至 二零一四年五月二日	1.0	10,884	-	(4,468)	(1)	6,415
	3 May 2006 to 2 May 2014 二零零六年五月三日至 二零一四年五月二日	1.0	9,050	-	-	(975)	8,075
			<u>19,934</u>	<u>-</u>	<u>(4,468)</u>	<u>(976)</u>	<u>14,490</u>
31 May 2004 二零零四年五月三十一日	3 May 2005 to 2 May 2014 二零零五年五月三日至 二零一四年五月二日	1.0	350	-	(150)	-	200
	3 May 2006 to 2 May 2014 二零零六年五月三日至 二零一四年五月二日	1.0	350	-	-	(150)	200
			<u>700</u>	<u>-</u>	<u>(150)</u>	<u>(150)</u>	<u>400</u>

28. 購股權 (續)

新計劃

Date of grant	Exercise period	Subscription price	At 1 April	Granted during the year	Exercised during the year	Lapsed as a result of termination of employment 因終止僱用而取消之購股權	At 31 March
授出日期	行使期	認購價 HK\$ 港元	於四月一日 '000 千股	年內授出 '000 千股	年內行使 '000 千股	'000 千股	於三月三十一日 '000 千股
2 June 2003 二零零三年六月二日	2 December 2003 to 1 June 2013 二零零三年十二月二日至 二零一三年六月一日	1.5	696	-	(40)	(248)	408
	2 June 2004 to 1 June 2013 二零零四年六月二日至 二零一三年六月一日	1.5	904	-	(40)	(456)	408
	2 June 2005 to 1 June 2013 二零零五年六月二日至 二零一三年六月一日	1.5	208	-	-	(208)	-
			<u>1,808</u>	<u>-</u>	<u>(80)</u>	<u>(912)</u>	<u>816</u>
3 May 2004 二零零四年五月三日	3 May 2005 to 2 May 2014 二零零五年五月三日至 二零一四年五月二日	1.0	10,884	-	(4,468)	(1)	6,415
	3 May 2006 to 2 May 2014 二零零六年五月三日至 二零一四年五月二日	1.0	9,050	-	-	(975)	8,075
			<u>19,934</u>	<u>-</u>	<u>(4,468)</u>	<u>(976)</u>	<u>14,490</u>
31 May 2004 二零零四年五月三十一日	3 May 2005 to 2 May 2014 二零零五年五月三日至 二零一四年五月二日	1.0	350	-	(150)	-	200
	3 May 2006 to 2 May 2014 二零零六年五月三日至 二零一四年五月二日	1.0	350	-	-	(150)	200
			<u>700</u>	<u>-</u>	<u>(150)</u>	<u>(150)</u>	<u>400</u>

28. SHARE OPTIONS (Continued)

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

Date of grant of share option 授出購股權日期		2 June 2003 二零零三年 六月二日	3 May 2004 二零零四年 五月三日	31 May 2004 二零零四年 五月三十一日
Average fair value of share options at date of grant	於授出日期購股權之平均公平值	0.374	0.309	0.267
Significant inputs into the valuation model:	估值模式之重大輸入數據：			
Exercise price	行使價	1.50	1.00	1.00
Share price at grant date	於授出日期之股價	1.50	1.00	0.99
Expected volatility	預期波幅	45% per annum 每年45%	50% per annum 每年50%	45% per annum 每年45%
Risk-free interest rate	無風險利息率	2.29% per annum 每年2.29%	3.80% per annum 每年3.80%	3.60% per annum 每年3.60%
Expected life of options	購股權之預期有效期	4.5 years 4.5年	6.1 years 6.1年	5.1 years 5.1年
Expected dividend yield	預期股息回報	6.50% per annum 每年6.50%	6.50% per annum 每年6.50%	6.50% per annum 每年6.50%

28. 購股權 (續)

使用二項式期權定價模式釐定根據購股權計劃授出之購股權之公平值如下：

29. RESERVES

29. 儲備

		Group 本集團							
		Property	Capital	Investment	Share	Exchange	Retained	Total	
		Share	revaluation	reserve (a)	reserve	option	earnings		
		premium	reserve	reserve (a)	reserve	reserve	earnings		
		物業	物業	資本儲備(a)	投資儲備	購股權儲備	滙兌儲備	保留盈利	
		股份溢價	重估儲備	資本儲備(a)	投資儲備	購股權儲備	滙兌儲備	保留盈利	
		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	於二零零四年四月 一日之結餘， 如先前呈報	48,865	5,092	1,594	-	-	2,058	208,117	265,726
Reversal of revaluation reserve for land and buildings	土地及樓宇 重估儲備撥回	-	(6,557)	-	-	-	(43)	1,007	(5,593)
Deferred tax arising from the revaluation of land and buildings	重估土地及 樓宇產生之遞延稅項	-	1,465	-	-	-	-	(59)	1,406
Opening adjustment for the adoption of HKFRS 2	就採納香港財務報告準則 第2號之期初調整	-	-	-	-	869	-	(869)	-
Balance at 1 April 2004, as restated	於二零零四年 四月一日 之結餘，如重列	48,865	-	1,594	-	869	2,015	208,196	261,539
Currency translation differences	匯兌差額	-	-	-	-	-	(2)	-	(2)
Profit for the year	年度溢利	-	-	-	-	-	-	66,269	66,269
Employee share option scheme: - value of employee services	僱員購股權計劃： - 僱員服務之價值	-	-	-	-	4,340	-	-	4,340
Dividends paid	已付股息	-	-	-	-	-	-	(25,822)	(25,822)
Balance at 31 March 2005	於二零零五年三月 三十一日之結餘	48,865	-	1,594	-	5,209	2,013	248,643	306,324
Representing:	代表：								
2005 Final dividends proposed	二零零五年建議 末期股息							20,409	
2005 Special dividends proposed	二零零五年建議 特別股息							7,421	
Others	其他							220,813	
								248,643	

29. RESERVES (Continued)

29. 儲備 (續)

		Group 本集團							
		Share premium	Property revaluation reserve 物業 重估儲備	Capital reserve (a) 資本儲備(a)	Investment reserve 投資儲備	Share option reserve 購股權儲備	Exchange reserve 滙兌儲備	Retained earnings 保留盈利	Total 總額
		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	HK\$'000 千港元
Balance at 31 March 2005, as previously reported	於二零零五年三月 三十一日， 如先前呈報	48,865	70,058	1,594	-	-	2,056	252,786	375,359
Reversal of revaluation reserve for land and buildings	土地及樓宇 重估儲備撥回	-	(90,176)	-	-	-	(43)	1,125	(89,094)
Deferred tax arising from the revaluation of land and buildings	重估土地及樓宇產生 之遞延稅項	-	20,118	-	-	-	-	(59)	20,059
Opening adjustment for the adoption of HKFRS 2	就採納香港財務報告準則 第2號之期初調整	-	-	-	-	5,209	-	(5,209)	-
Balance at 31 March 2005, as restated	於二零零五年三月 三十一日之結餘， 如重列	48,865	-	1,594	-	5,209	2,013	248,643	306,324
Effect of initial adoption of HKAS 39	初次採納香港會計 準則第39號之影響	-	-	-	-	-	-	(409)	(409)
Currency translation differences	匯兌差額	-	-	-	-	-	1,620	-	1,620
Profit for the year	年度溢利	-	-	-	-	-	-	85,760	85,760
Changes in fair value of available- for-sale financial assets	可供出售金融 資產公平值改變	-	-	-	(391)	-	-	-	(391)
Employee share option scheme: - value of employee services	僱員購股權計劃： - 僱員服務之價值	-	-	-	-	864	-	-	864
- proceeds from shares issued upon exercise of share options	- 行使購股權而發行 股份之所得款項	5,965	-	-	-	-	-	-	5,965
- exercise of share options	- 行使購股權	1,357	-	-	-	(1,357)	-	-	-
Revaluation of properties upon transfer to investment properties	於轉撥至投資 物業後重估物業	-	2,108	-	-	-	-	-	2,108
Dividends paid	已付股息	-	-	-	-	-	-	(39,174)	(39,174)
Balance at 31 March 2006	於二零零六年 三月三十一日之結餘	56,187	2,108	1,594	(391)	4,716	3,633	294,820	362,667
Representing:	代表：								
2006 Final dividends proposed	二零零六年建議 末期股息							18,786	
Others	其他							276,034	
								294,820	

29. RESERVES (Continued)

29. 儲備 (續)

		Company 本公司				
		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus (b) 實繳盈餘(b) HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Balance at 31 March 2004, as previously reported	於二零零四年三月 三十一日之結餘， 如先前呈報	48,865	138,800	-	22,923	210,588
Opening adjustment for the adoption of HKFRS 2	就採納香港財務報告準則 第2號之期初調整	-	-	869	(869)	-
Balance at 31 March 2004, as restated	於二零零四年三月三十一日 之結餘，重列	48,865	138,800	869	22,054	210,588
Profit for the year	年度溢利	-	-	-	27,596	27,596
Employee share option scheme: - value of employee services	僱員購股權計劃： - 僱員服務之價值	-	-	4,340	-	4,340
Dividends paid	已付股息	-	-	-	(25,822)	(25,822)
Balance at 31 March 2005	於二零零五年三月 三十一日之結餘	48,865	138,800	5,209	23,828	216,702
Representing:	代表：					
2005 Final dividends proposed	二零零五年建議末期股息				20,409	
2005 Special dividends proposed	二零零五年建議特別股息				7,421	
Others	其他				(4,002)	
					<u>23,828</u>	
Balance at 31 March 2005, as previously reported	於二零零五年三月 三十一日之結餘， 如先前呈報	48,865	138,800	-	29,037	216,702
Opening adjustment for the adoption of HKFRS 2	就採納香港財務報告準則 第2號之期初調整	-	-	5,209	(5,209)	-
Balance at 31 March 2005, as restated	於二零零五年三月 三十一日之結餘， 重列	48,865	138,800	5,209	23,828	216,702
Profit for the year	年度溢利	-	-	-	38,439	38,439
Employee share option scheme: - value of employee services	僱員購股權計劃： - 僱員服務之價值	-	-	864	-	864
- proceeds from shares issued upon exercise of share options	- 行使購股權而 發行股份之 所得款項	5,965	-	-	-	5,965
- exercise of share options	- 行使購股權	1,357	-	(1,357)	-	-
Dividends paid	已付股息	-	-	-	(39,174)	(39,174)
Balance at 31 March 2006	於二零零六年三月 三十一日之結餘	56,187	138,800	4,716	23,093	222,796
Representing:	代表：					
2006 Final dividends proposed	二零零六年建議末期股息				18,786	
Others	其他				4,307	
					<u>23,093</u>	

29. RESERVES (Continued)

Notes:

- (a) Capital reserve represents the difference between the nominal value of the ordinary shares issued by the Company and the aggregate amount of the share capital and share premium of subsidiaries acquired through an exchange of shares pursuant to the Group's reorganisation in March 2000.
- (b) Contributed surplus represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of a subsidiary acquired through an exchange of shares pursuant to the Group's reorganisation in March 2000.

Under the Companies Act of Bermuda, 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.

29. 儲備 (續)

附註：

- (a) 資本儲備指本公司所發行普通股之面值與根據二零零零年三月本集團重組進行換股而收購之附屬公司股本與股份溢價總和之差額。
- (b) 實繳盈餘指本公司所發行普通股之面值與根據二零零零年三月本集團重組進行換股而收購之附屬公司資產淨值之差額。

根據百慕達公司法，實繳盈餘可分配予股東，惟倘(i)於支付後，本公司無法償還到期債務；或(ii)本公司之可變現資產因此少於其負債及其已發行股本及股份溢價賬，則本公司不可宣派或分派股息，或於實繳盈餘作出分派。

30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT 30. 綜合現金流量表附註

(a) Reconciliation of profit before taxation to net cash inflow generated from operations:

(a) 除稅前溢利與經營活動之現金流入淨額之對賬：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (As restated) (重列)
Profit for the year	年內溢利	92,488	68,595
Adjustments for:	就以下事項作出調整：		
- Taxation	- 稅項	14,545	12,004
- Interest income	- 利息收入	(2,089)	(1,673)
- Interest expense	- 利息開支	2,538	1,182
- Depreciation (Note 12)	- 折舊(附註12)	31,664	27,625
- Amortisation of prepaid operating lease payment (Note 14)	- 攤銷預付經營租賃付款(附註14)	510	526
- Fair value gain on revaluation of investment properties	- 重估投資物業公平值收益	(950)	-
- Fair value gains on other financial assets at fair value through profit or loss	- 按公平值列賬而其變動計入損益表之其他金融資產公平值收益	(352)	-
- Fair value gain from derivative financial assets	- 衍生財務工具公平值收益	(495)	-
- Net gain on disposal of property, plant and equipment	- 出售物業、廠房及設備之收益淨額	(129)	(94)
- Net gain on disposal of long-term investments	- 出售長期投資之收益淨額	-	(1,477)
- Net gain on disposal of available-for-sale financial assets	- 出售可供出售金融資產之收益淨額	(272)	-
- Net gain on disposal of other financial assets at fair value through profit or loss	- 出售按公平值列賬而其變動計入損益表之其他金融資產之收益淨額	(739)	-
- Provision for amount due from and loan to a jointly controlled entity	- 應收及貸款予共同控制實體款項之撥備	-	428
- Loss on disposal of interests in jointly controlled entities	- 出售於共同控制實體之權益之虧損	550	-
- Initial adoption of HKAS 39	- 首次採納香港會計準則第39號	(409)	-
- Share option expense	- 購股權開支	864	4,340
- Unrealised gain from long-term investments	- 長期投資之未變現收益	-	(464)
		<u>137,724</u>	<u>110,992</u>
Changes in working capital:	營運資金改變：		
- Inventories	- 存貨	(107,100)	(15,820)
- Trade receivables	- 應收貨款	(61,385)	(39,802)
- Prepayments, deposits and other receivables	- 預付款項、按金及其他應收款項	(14,397)	484
- Trade payables	- 應付貨款	87,555	20,262
- Accruals and other payables	- 應計及其他應付款項	16,100	14,994
		<u>16,100</u>	<u>14,994</u>
Cash generated from operations	經營活動產生之現金	<u>58,497</u>	<u>91,110</u>

30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Analysis of changes in financing during the year:

(b) 年內融資變動分析：

		Share capital and share premium 股本及股份溢價		Bank loans 銀行貸款		Minority interests 少數股東權益	
		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
As at 1 April	於四月一日	85,754	85,754	41,918	52,445	13,335	12,479
Issue of shares upon exercise of share options	因行使購股權 而發行股份	6,578	-	-	-	-	-
New bank loans	新造銀行貸款	-	-	28,650	8,758	-	-
Repayment of bank loans	償還銀行貸款	-	-	(9,270)	(19,285)	-	-
Share of profit for the year	分佔本年度溢利	-	-	-	-	6,728	2,326
Dividends paid to a minority shareholder of a subsidiary	支付予附屬公司 少數權益 股東股息	-	-	-	-	-	(1,470)
Employee share option scheme: - value of employee service	僱員購股權 計劃： - 僱員服務 之價值	1,357	-	-	-	-	-
As at 31 March	於三月三十一日	<u>93,689</u>	<u>85,754</u>	<u>61,298</u>	<u>41,918</u>	<u>20,063</u>	<u>13,335</u>

31. COMMITMENTS AND CONTINGENT LIABILITIES 31. 承擔及或然負債

(a) Capital commitments

The Group had the following authorised and contracted capital commitments:

Acquisition of machinery and equipment	購買機械及器材
Construction of factory premises	建造廠房物業

(a) 資本承擔

本集團之已授權及已訂約資本承擔如下：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
1,204	15,760
1,927	7,515
3,131	23,275

(b) Commitments under operating leases

The Group had future aggregate minimum lease payments under various non-cancellable operating leases as follows:

Not later than one year	未逾一年
Later than one year and not later than five years	超過一年 但不超過五年

(b) 經營租約承擔

本集團根據多項不可解除之經營租約於未來應付最低租金總額如下：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
4,401	2,184
3,615	596
8,016	2,780

(c) Contingent liabilities

As at 31 March 2006, the Company had provided corporate guarantees of approximately HK\$202,399,000 (2005: HK\$201,661,000) to several banks to secure banking facilities of its subsidiaries.

(c) 或然負債

於二零零六年三月三十一日，本公司向多間銀行提供約202,399,000港元（二零零五年：201,661,000港元）之擔保，作為其附屬公司所得銀行信貸之擔保。

32. PENSION OBLIGATIONS

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. The assets of the fund are held separately from those of the Group and are managed by independent professional fund managers. Under the MPF Scheme, each of the Group and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the employer's and the employees' contributions are subject to a cap of HK\$1,000 per month and thereafter contributions are voluntary.

During the year ended 31 March 2006, the aggregate amount of the Group's employer contributions to the MPF Scheme was approximately HK\$1,490,000 (2005: HK\$1,515,000).

As stipulated by the rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for its employees in Mainland China. The employees contribute up to 22% of their basic salaries, while the Group contributes to retirement plans approximately 10% to 22% of the basic salaries of its employees in Mainland China, and has no further obligations for the actual payment of pensions or post-retirement benefits. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees. During the year, approximately HK\$6,058,000 (2005: HK\$3,265,000) was paid/payable by Mainland China subsidiaries with respect to such retirement plans.

33. PLEDGE OF ASSETS

Approximately HK\$14,386,000 (2005 (as restated): HK\$14,323,000) of the Group's property, plant and equipment and HK\$4,169,000 at the Group's leasehold land and land use rights) of the Group's property, plant and equipment have been pledged as security for the Group's banking facilities from several banks for overdrafts, loans, trade financing and foreign exchange contracts.

34. RELATED PARTY TRANSACTIONS

The Company's directors consider Acoustic Touch Limited (a company incorporated in the British Virgin Islands) to be the ultimate holding company of the Group.

32. 退休金責任

本集團安排香港僱員參與由一名獨立信託人管理之定額供款強制性公積金計劃（「強積金計劃」）。基金之資產與本集團其他資產分開持有，並由獨立專業基金經理管理。根據強積金計劃，本集團及其所有僱員須以強積金法例所定義之僱員薪金5%每月作出供款。僱主及僱員供款之上限均為每月1,000港元，亦可自願額外供款。

截至二零零六年三月三十一日止年度，本集團對強積金計劃作出之僱主供款合共約1,490,000港元（二零零五年：1,515,000港元）。

根據中國國內法律及法規規定，本集團為其中國國內僱員而設國家資助之退休計劃作出供款。僱員須就其基本薪金最多22%作出供款，而本集團則須向退休計劃作出其中國僱員基本薪金約10%至22%之供款，而對其後任何實際退休金支出或退休福利則毋須作出任何承擔。退休僱員之所有退休金支出概由國家資助之退休計劃承擔。年內，中國國內之附屬公司根據該退休金計劃共付／應付約6,058,000港元（二零零五年：3,265,000港元）。

33. 資產抵押

本集團就透支、貸款、貿易融資及外匯合約而向數間銀行取得銀行信貸，並以本集團約14,386,000港元（二零零五年（重列）：本集團約14,323,000港元之物業、廠房及設備及本集團約4,169,000港元之租賃土地及土地使用權）之本集團物業、廠房及設備作為抵押。

34. 關連人士交易

本公司董事認為Acoustic Touch Limited（於英屬處女群島註冊成立）為本集團之最終控股公司。

34. RELATED PARTY TRANSACTIONS (Continued)

(a) The following significant transactions were carried out with related parties:

Name of related party/nature of transaction 關連人士之名稱／交易性質		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The Bright Printing Press and Paper Products Limited (i) – Purchases of merchandise from the Group – Sales of merchandise to the Group – Motor vehicle expenses paid by the Group – Sub-contracting charges paid/payable to the Group – Management fees earned by the Group – Rent paid/payable to the Group	光明柯式印務紙品廠有限公司(i) – 向本集團購買貨品 – 向本集團銷售貨品 – 本集團已付之汽車開支 – 已／須付本集團之加工費用 – 本集團賺取之管理費用 – 本集團已／須付之租金	927 11,849 190 – 11 38	18 11,993 190 330 41 38
First Success Technology Limited (i) – Rent paid/payable by the Group – Management fees earned by the Group	世嘉科技有限公司(i) – 本集團已／須付租金 – 本集團賺取之管理費用	448 120	448 120
Sefco (HK) Limited (ii) – Sales commission paid/payable by the Group	Sefco (HK) Limited (ii) – 本集團已／須付之銷售佣金	367	264

Notes:

- (i) The Bright Printing Press and Paper Products Limited is 3% owned by an unrelated party. The remaining 97% is beneficially owned by Mr. Yeung Chi Hung, Johnny, Mr. Yuen Yee Sai, Simon and Mr. Chow Man Yan, Michael, directors of the Company, who also own First Success Technology Limited.
- (ii) Sefco (HK) Limited was a jointly controlled entity of the Group in which the Group owned a 50% interest and disposed of such interest on 30 November 2005.

In the opinion of the Company's Directors, the above related party transactions were conducted in accordance with terms mutually agreed by the respective parties.

34. 關連人士交易 (續)

(a) 本集團與關連人士之重大交易如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
光明柯式印務紙品廠有限公司(i) – 向本集團購買貨品 – 向本集團銷售貨品 – 本集團已付之汽車開支 – 已／須付本集團之加工費用 – 本集團賺取之管理費用 – 本集團已／須付之租金	The Bright Printing Press and Paper Products Limited (i) – Purchases of merchandise from the Group – Sales of merchandise to the Group – Motor vehicle expenses paid by the Group – Sub-contracting charges paid/payable to the Group – Management fees earned by the Group – Rent paid/payable to the Group	927 11,849 190 – 11 38	18 11,993 190 330 41 38
世嘉科技有限公司(i) – 本集團已／須付租金 – 本集團賺取之管理費用	First Success Technology Limited (i) – Rent paid/payable by the Group – Management fees earned by the Group	448 120	448 120
Sefco (HK) Limited (ii) – 本集團已／須付之銷售佣金	Sefco (HK) Limited (ii) – Sales commission paid/payable by the Group	367	264

附註：

- (i) 光明柯式印務紙品廠有限公司由無關連人士擁有3%股權，其餘97%股權由本公司董事楊志雄先生、源而細先生及周文仁先生實益擁有，而彼等亦擁有世嘉科技有限公司。
- (ii) Sefco (HK) Limited為本集團之共同控制實體，而本集團擁有50%股權。該股權已於二零零五年十一月三十日出售。

本公司董事認為，上述關連人士交易乃按雙方協定之條款進行。

34. RELATED PARTY TRANSACTIONS (Continued)

(b) Key management compensation

Salary	薪金
Fees	袍金
Discretionary bonus	酌情花紅
Other employee benefits	其他福利

(c) As at 31 March 2006, minority shareholders of subsidiaries had provided their pro-rated share of guarantees of approximately HK\$17,274,000 (2005: HK\$19,050,000) to banks to secure the banking facilities of those subsidiaries of the Group.

(d) Included in accruals and other payables are amounts due to a minority shareholder of a subsidiary of approximately HK\$3,643,000 (2005: HK\$3,557,000). These balances are unsecured, non-interest bearing and are repayable on demand.

34. 關連人士交易 (續)

(b) 主要管理層薪酬

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
	3,659	4,907
	900	—
	4,200	3,500
	409	334
	<u>9,168</u>	<u>8,741</u>

(c) 二零零六年三月三十一日，附屬公司之少數權益股東按比例向銀行提供約17,274,000港元(二零零五年：19,050,000港元)之擔保以讓本集團該等附屬公司獲授銀行信貸。

(d) 應計及其他應付款項包括應付附屬公司少數權益股東之款項約3,643,000港元(二零零五年：3,557,000港元)。該等款項為無抵押、免息及須按要求償還。