

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company is an investment holding company. Its subsidiaries and associates are principally engaged in trading and manufacturing of high-tech automobile-related products, trading of electronic components and investment holding as referred to Notes 16 and 17.

These consolidated financial statements are presented in thousands of units of HK dollars (HK\$'000), unless otherwise stated.

2. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which also include Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and other financial assets at fair value through profit or loss which are carried at fair value.

1. 一般資料

本公司為於百慕達註冊成立之有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處位於 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司為投資控股公司，誠如附註16及17所述，其附屬公司及聯營公司主要從事高科技汽車相關產品買賣及製造、電子零件買賣以及投資控股之業務。

除另有註明者外，此等綜合財務報表以千港元呈列。

2. 主要會計政策

(a) 編製基準

此等財務報表乃按照香港會計師公會頒佈之香港財務報告準則（「香港財務報告準則」，當中包括香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及公司條例之披露規定編製。綜合財務報表乃按歷史成本法編製，並就重估按公平值列賬之可供出售金融資產及其他按公平值計入損益之金融資產作出調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

The adoption of new/revised HKFRS

In the year, the Group adopted the new/revised standards and interpretations of HKFRS below, which were relevant to its operations. The comparatives were 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, Change in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowings Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provision, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS-Int 15	Operating Leases – Incentives
HKAS-Int 21	Income Taxes – Recovery of Revalued Non-Depreciated Assets
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations

2. 主要會計政策 (續)

(a) 編製基準 (續)

採納新訂／經修訂香港財務報告準則

年內，本集團採納與其業務有關之下列香港財務報告準則新訂／經修訂準則及詮釋。比較數字已根據有關規定於有需要時修訂。

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、會計估計之變動及錯誤更正
香港會計準則第10號	結算日後事項
香港會計準則第14號	分類報告
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第18號	收入
香港會計準則第19號	僱員福利
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	有關連人士之披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第28號	聯營公司投資
香港會計準則第32號	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38號	無形資產
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 (修訂本)	金融資產及金融負債之過渡及初步確認
香港會計準則 – 詮釋第15號	經營租賃 – 優惠
香港會計準則 – 詮釋第21號	所得稅 – 重估不可折舊資產的收回
香港財務報告準則第2號	股份付款
香港財務報告準則第3號	業務合併

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

The adoption of new/revised HKFRS (Continued)

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 14, 16, 17, 18, 19, 21, 23, 24, 27, 28, 33, 37 and HKAS-Ints 15 and 21 did not result in substantial change to the accounting policies of the Group.

In summary:

- HKAS 1 affected the presentation of minority interest, share of net after tax results of the associates and other disclosures.
- HKASs 2, 8, 16, 21, 28 affect certain disclosures of the financial statements.
- HKASs 7, 10, 14, 17, 18, 19, 23, 27, 33, 37 and HKAS-Ints 15 and 21 had no material effect on the policies of the Group.
- HKAS 24 affected the identification of related parties and some other related-party disclosures.

The adoption of HKASs 32, 39 and its Amendment resulted in a change in the accounting policies relating to the classification of financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. It also resulted in the recognition of derivative financial instruments at fair value.

The adoption of HKFRS 2 resulted in a change in accounting policy for share-based payments. Until 31 March 2005, the provision of share options to employees did not result in an expense to the income statement. Effective from 1 April 2005, the Group expensed the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7 November 2002 and had not yet vested on 1 April 2005 was expensed retrospectively in the income statement of the respective periods. The Group took advantage of the transitional provisions set out in paragraph 53 of HKFRS 2 under which the new recognition and measurement policies were not applied to all share options or shares granted to employees or directors after 7 November 2002 but were vested before 1 January 2005.

2. 主要會計政策 (續)

(a) 編製基準 (續)

採納新訂／經修訂香港財務報告準則 (續)

採納新訂／經修訂香港會計準則第1、2、7、8、10、14、16、17、18、19、21、23、24、27、28、33及37號以及香港會計準則一詮釋第15及21號並無對本集團會計政策構成重大變動，概述如下：

- 香港會計準則第1號對少數股東權益、分佔聯營公司除稅後業績淨額及其他披露項目造成影響。
- 香港會計準則第2、8、16、21及28號對財務報表若干披露項目造成影響。
- 香港會計準則第7、10、14、17、18、19、23、27、33及37號以及香港會計準則一詮釋第15及21號對本集團政策並無重大影響。
- 香港會計準則第24號對有關連人士之識別及部分其他有關連人士披露項目造成影響。

採納香港會計準則第32、39號及其修訂本導致有關分類按公平值計入損益之金融資產、貸款及應收賬款以及可供出售金融資產之會計政策有變，亦導致按公平值確認衍生金融工具。

採納香港財務報告準則第2號導致股份付款之會計政策有變。直至二零零五年三月三十一日，向僱員提供購股權毋須於收益表支銷。自二零零五年四月一日起，本集團就購股權成本於收益表支銷。基於過渡條文，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歸屬之購股權成本，已於相關期間之收益表追溯支銷。本集團善用香港財務報告準則第2號第53段所載過渡條文，據此，並無就於二零零二年十一月七日後授予僱員或董事，但於二零零五年一月一日前歸屬之所有購股權或股份應用新確認及計量政策。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

The adoption of new/revised HKFRS (Continued)

The adoption of HKFRS 3, HKASs 36 and 38 resulted in change in accounting policy for goodwill. Until 31 March 2005, goodwill was:

- Amortised on a straight-line basis over a period not exceeding ten years; and
- Assessed for an indication of impairment at each balance sheet date.

In accordance with the provisions of HKFRS 3:

- The Group ceased amortization of goodwill from 1 April 2005;
- Accumulated amortization as at 31 March 2005 was eliminated with a corresponding decrease in the cost of goodwill; and
- From the year ended 31 March 2006 onwards, goodwill will be tested annually for impairment, as well as when there is indication of impairment.

The Group reassessed the useful lives of its tangible assets in accordance with the provision of HKAS 38. No adjustment resulted from this reassessment.

2. 主要會計政策 (續)

(a) 編製基準 (續)

採納新訂／經修訂香港財務報告準則 (續)

採納香港財務報告準則第3、香港會計準則第36及38號導致商譽之會計政策有變。直至二零零五年三月三十一日，商譽為：

- 以直線法按不超過10年期間攤銷；及
- 於各結算日評估減值跡象。

根據香港財務報告準則第3號條文：

- 本集團自二零零五年四月一日起停止攤銷商譽；
- 於二零零五年三月三十一日之累計攤銷已撇銷，而商譽成本亦相應減少；及
- 自截至二零零六年三月三十一日止年度起，商譽將每年及於出現減值跡象時檢測減值。

本集團根據香港會計準則第38號條文重估其有形資產之可使用年期。並無就此項重估作出任何調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

The adoption of new/revised HKFRS (Continued)

All changes in the accounting policies were made in accordance with the transition provisions in the respective standards, wherever applicable. All standards adopted by the Group required retrospective application other than:

- HKAS 39 did not permit to recognize, derecognize and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous SSAP 24 "Accounting for investments in securities" to investments in securities for the 2005 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39 were determined and recognised as at 1 April 2005.
- HKFRS 2 only retrospective application for all equity instruments granted after 7 November 2002 and not vested as at 1 April 2005.
- HKFRS 3 prospectively after 1 April 2005.

Certain new standards, amendments and interpretations to existing standards which have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2006 or later periods but which the Group has not early adopted, are as follows:

- | | |
|-----------------------|--|
| - HKAS 19 (Amendment) | Actuarial Gains and Losses, Group Plans and Disclosures (effective from 1 January 2006) |
| - HKAS 39 (Amendment) | Cash Flow Hedge Accounting of Forecast Intragroup Transactions (effective from 1 January 2006) |
| - HKAS 39 (Amendment) | The Fair Value Option (effective from 1 January 2006) |

2. 主要會計政策 (續)

(a) 編製基準 (續)

採納新訂／經修訂香港財務報告準則 (續)

會計政策之所有變動均根據相關準則之過渡條文於適用情況下作出。本集團採納之所有準則均須追溯應用，惟下列者除外：

- 香港會計準則第39號禁止根據此項準則追溯確認、剔除確認及計量金融資產與負債。本集團採納舊會計實務準則第24號「證券投資之會計方法」呈列證券投資於二零零五年之比較資料。已就會計實務準則第24號與香港會計準則第39號間會計方法之差異作出所需調整，並於二零零五年四月一日予以確認。
- 僅就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歸屬之所有股本工具追溯應用香港財務報告準則第2號。
- 預期將於二零零五年四月一日後應用香港財務報告準則第3號。

已頒佈若干強制本集團須就二零零六年一月一日或之後開始會計期間應用之新訂準則、修訂及現行準則之詮釋，但本集團並無提早採納有關準則，該等準則如下：

- | | |
|--------------------|---------------------------------------|
| - 香港會計準則第19號 (修訂本) | 精算損益、集團計劃及披露 (自二零零六年一月一日起生效) |
| - 香港會計準則第39號 (修訂本) | 預測集團內公司間交易之現金流量對沖會計處理 (自二零零六年一月一日起生效) |
| - 香港會計準則第39號 (修訂本) | 選擇以公平值入賬 (自二零零六年一月一日起生效) |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

The adoption of new/revised HKFRS (Continued)

- HKAS 39 and HKFRS 4 (Amendment)	Financial Guarantee Contracts (effective from 1 January 2006)
- HKFRS 7	Financial Instruments Disclosure and a complementary amendment to HKAS 1 Presentation of Financial Statements – Capital Disclosures (effective from 1 January 2007)
- HKFRS-Int 4	Determining whether an Arrangement contains a Lease (effective from 1 January 2006)

The Group has already commenced an assessment of the impact of these new standards, amendments and interpretations but is not yet in a position to quantify the impact of these new standards, amendments and interpretations on its results of operations and financial position.

(b) Consolidation

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

(i) Subsidiaries

Subsidiaries are all entities over which the Group had 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.

2. 主要會計政策 (續)

(a) 編製基準 (續)

採納新訂／經修訂香港財務報告準則 (續)

- 香港會計準則第39號及香港財務報告準則第4號 (修訂本)	財務擔保合約 (自二零零六年一月一日起生效)
- 香港財務報告準則第7號	金融工具之披露及香港會計準則第1號財務報表呈報 – 資本披露之補充修訂 (自二零零七年一月一日起生效)
- 香港財務報告準則 – 詮釋第4號	釐定安排是否包括租賃 (自二零零六年一月一日起生效)

本集團已著手評估此等新訂準則、修訂及詮釋之影響，惟尚未量化此等新訂準則、修訂及詮釋對其經營業績及財務狀況之影響。

(b) 綜合基準

綜合財務報表包括本公司及其所有附屬公司截至三月三十一日止之財務報表。

(i) 附屬公司

附屬公司指本集團有權監管其財務及營運政策之所有實體，且一般附帶超過一半投票權之股權。在評估本集團是否控制另一實體時，會考慮目前可行使或可兌換的潛在投票權的存在及影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Consolidation (Continued)

(i) Subsidiaries (Continued)

Subsidiaries are fully consolidated from the date on which control was 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 during the year. 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 were 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 share of the identifiable net assets acquired by the Group was recorded as goodwill. If the cost of acquisition was less than the fair value of the net assets of the subsidiary acquired, the difference was recognised directly in the income statement.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator 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 balance sheet of the Company, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received or receivable.

(ii) Transactions with minority interests

The Group applies policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interest result gains and losses of 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. 主要會計政策 (續)

(b) 綜合基準 (續)

(i) 附屬公司 (續)

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

本集團年內收購之附屬公司採用購買會計處理法入賬。收購成本乃按交換日期所給予資產、所發行股本工具及所引致或承擔負債之公平值，加收購直接產生之成本計算。業務合併時所收購可識別資產及所承擔負債及或然負債，初步以收購日之公平值計算，而不考慮任何少數股東權益。收購成本超出本集團應佔所收購可識別資產淨值公平值之差額乃記錄為商譽。倘收購成本低於所收購附屬公司資產淨值之公平值，則該差額直接於收益表確認。

集團內公司之間的交易、結餘及未變現收益已撇銷。未變現虧損亦會撇銷，惟被視作所轉讓資產之減值跡象。附屬公司之會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

在本公司之資產負債表內，於附屬公司之投資按成本值減值虧損撥備列賬。附屬公司之業績由本公司按已收及應收股息入賬。

(ii) 與少數股東進行之交易

本集團政策是將與少數股東進行之交易視作本集團與外界人士進行之交易。向少數股東出售所產生本集團收益及虧損，會記入收益表內。向少數股東購買產生之商譽，即任何已付代價與應佔相關所收購附屬公司資產淨值與賬面值間的差異。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Consolidation (Continued)

(iii) Associated companies

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% to 50% of the voting rights. Investments in associated companies are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associated companies includes goodwill (net of any accumulated impairment loss) identified on acquisition.

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

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

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

(c) Segment reporting

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

2. 主要會計政策 (續)

(b) 綜合基準 (續)

(iii) 聯營公司

聯營公司為本集團於當中具有重大影響力但非控制權之所有實體，一般附帶20%至50%投票權之股權。於聯營公司之投資按權益會計法入賬，初步按成本確認。本集團於聯營公司之投資包括收購時識別之商譽（扣除任何累計減值虧損）。

本集團按應佔其聯營公司收購後溢利或虧損及其應佔收購後儲備變動於收益表確認。收購後累計變動就投資賬面值予以調整。本集團應佔一家聯營公司之虧損相等於或超逾其於該聯營公司之權益（包括任何其他無抵押應收賬款）時，本集團不會進一步確認虧損，除非其代表該聯營公司承擔責任或付款則作別論。

本集團與其聯營公司間所進行交易之未變現收益以本集團於該聯營公司權益為限予以撇銷。除非交易有證據顯示所轉讓資產出現減值，否則未變現虧損亦予撇銷。聯營公司之會計政策已於需要時作出變動，以確保與本集團所採納政策貫徹一致。

於本公司之資產負債表內，於聯營公司之投資按成本減減值虧損撥備列賬。聯營公司之業績由本公司按已收及應收股息基準入賬。

(c) 分類呈報

本集團業務分類指從事提供產品或服務之資產及業務，而該組資產及業務之風險及回報與其他業務分類有別。地區分類乃在特定經濟環境下從事提供產品或服務之業務，而該分類之風險及回報與其他經濟環境經營之分類有別。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

Change in the fair value of monetary securities denominated in foreign currency 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 the income statement, and other changes in carrying amount are recognised in equity.

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 assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement 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.

(iii) Group companies

The results and financial position of the Group entities (one 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;

2. 主要會計政策 (續)

(d) 外幣換算

(i) 功能及呈列貨幣

本集團各實體之財務報表所列項目，均以該實體營運主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表乃以本公司之功能及呈列貨幣港元呈列。

(ii) 交易及結餘

外幣交易按交易日之現行匯率換算為功能貨幣。結算該等交易及按年結匯率換算以外幣呈列貨幣資產及負債所產生匯兌收益及虧損均於收益表確認。

分類為可供出售之以外幣列值貨幣證券之公平值變動，乃按證券之攤銷成本變動及證券賬面值其他變動產生之匯兌差額分析。匯兌差額在收益表確認，而賬面值之其他變動則於權益確認。

非貨幣金融資產及負債之匯兌差額呈報為公平值損益其中部分。按公平值計入損益之權益等非貨幣資產及負債之匯兌差額於收益表確認為公平值損益其中部分。分類為可供出售權益之非貨幣金融資產計入權益公平值儲備內。

(iii) 集團公司

集團旗下實體（當中沒有嚴重通脹經濟體系之貨幣）之功能貨幣倘有別於呈列貨幣，則其業績及財務狀況須按以下方式兌換為呈列貨幣：

- (i) 每份呈報的資產負債表所述資產及負債按結算日之收市匯率換算；

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(iii) Group companies (Continued)

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

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

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.

(e) Property, plant and equipment

All property, plant and equipment are stated at historic cost less depreciation and impairment losses. Historic cost includes expenditure that is directly attributable to the acquisition of the item.

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

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

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

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

2. 主要會計政策 (續)

(d) 外幣換算 (續)

(iii) 集團公司 (續)

- (ii) 每份損益賬所示收入及開支按平均匯率換算，除非此平均匯率不足以合理地概約反映於交易日期適用匯率之累計影響，則在此情況下，收入及開支則按交易日期之匯率換算；及
- (iii) 所有由此而產生之匯兌差額均確認為權益獨立組成部分。

於綜合賬目時，因換算於海外實體之淨投資、借貸及其他指定作投資對沖用途之貨幣工具產生之匯兌差額均計入股東權益內。當出售海外業務時，該等匯兌差額乃於收益表確認為出售盈虧其中部分。

收購海外實體時產生之商譽及公平值調整視為該海外實體之資產及負債處理，並按收市匯率換算。

(e) 物業、廠房及設備

所有物業、廠房及設備乃按歷史成本法減折舊及減值虧損列賬。歷史成本包括直接源自收購項目之開支。

僅在與項目相關之日後經濟效益有可能歸於本集團及能可靠地計算出項目成本之情況下，其後成本方會計入資產賬面值或確認為獨立資產（倘適用）。所有其他維修及保養成本於其產生財政期間在收益表支銷。

折舊以直線法於個別資產之估計可使用經濟年期內按下述折舊年率作出撥備：

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

於各結算日檢討及調整（倘適用）資產之餘值及可使用年期。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset was greater than its estimated recoverable amount.

(f) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associated company at the date of acquisition. Goodwill on acquisitions of associated companies is included in investments in associated companies. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(g) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities and current receivables that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for current receivables are reversed if in a subsequent period the amount of the impairment loss decreases. Impairment losses for equity securities are not reversed.
- For financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets).

2. 主要會計政策 (續)

(e) 物業、廠房及設備 (續)

倘資產之賬面值超過其估計可收回金額，則資產之賬面值將即時減至其可收回金額。

(f) 商譽

商譽即收購成本超逾本集團應佔所收購附屬公司或聯營公司於收購日期可識別資產淨值公平值之差額。收購聯營公司之商譽計入於聯營公司之投資。獨立確認之商譽每年檢測減值，並按成本減累計減值虧損列賬。商譽減值虧損不會回撥。出售實體產生之收益及虧損包括與出售實體有關之商譽賬面值。

檢測減值時，商譽分配至現金產生單位。商譽分配至預期將從產生商譽之業務合併中受惠之一組或多組現金產生單位。

(g) 資產減值

(i) 債務及股本證券以及其他應收款項之投資減值

本集團於各結算日檢討按成本或攤銷成本列賬或分類為可出售證券之債務及股本證券以及其他流動與非流動應收款項之投資，以確定是否有客觀證據顯示減值。倘存在任何有關證據，則按以下方式釐定及確認任何減值虧損：

- 就按成本列賬之未報價股本證券及流動應收款項而言，減值虧損乃以金融資產賬面值與以同類金融資產之當時市場回報率折現（倘折現構成重大影響）之估計未來現金流量間之差額計量。倘於其後期間之減值虧損金額減少，則撥回流動應收款項之減值虧損。股本證券之減值虧損並無撥回。
- 就按攤銷成本列賬之金融資產而言，減值虧損乃以資產賬面值與以金融資產原先實際利率（即初步確認此等資產計算之實際利率）折現之估計未來現金流量間之差額計量。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(g) Impairment of assets (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For available-for-sale securities, the cumulative loss that had been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date of identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- pre-paid interests in leasehold land classified as being held under an operating lease;
- intangible assets;
- investments in subsidiaries, associates and joint ventures (except for those classified as held for sale (or included in a disposal group that is classified as held for sale); and
- goodwill.

2. 主要會計政策 (續)

(g) 資產減值 (續)

(i) 債務及股本證券以及其他應收款項之投資減值 (續)

倘減值虧損於其後期間減少，而客觀上與減值虧損確認後發生之事件有關，則於損益撥回減值虧損。減值虧損之撥回不應導致資產賬面值超出並無在過往年度確認減值虧損而應已釐定之數額。

- 就可出售證券而言，直接於股本確認之累計虧損自股本調撥，並於損益確認。於損益確認之累計虧損金額乃收購成本（經扣除任何本金還款及攤銷）與現時公平值減該資產先前於損益確認之任何減值虧損之差額。

就可出售股本證券於損益確認之減值虧損並無於損益撥回。該資產公平值之任何其後增幅直接於股本確認。

倘公平值之其後增幅客觀上與減值虧損確認後發生之事件有關，則撥回可出售債務證券之減值虧損。於此等情況下撥回之減值虧損於損益確認。

(ii) 其他資產之減值

本集團於各結算日檢討內外資料來源，以識別以下資產可能出現減值或（商譽除外）原先已確認之減值虧損不再存在或可能有所減少之跡象：

- 物業、廠房及設備（按重估值列賬之物業除外）；
- 分類為以經營租約持有之租賃土地之預付權益；
- 無形資產；
- 於附屬公司、聯營公司及合營企業之投資（該等分類為持作出售或計入分類為持作出售之出售類別除外）；及
- 商譽。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(g) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. 主要會計政策 (續)

(g) 資產減值 (續)

(ii) 其他資產之減值 (續)

倘出現任何有關跡象，則會估計資產之可收回數額。此外，就商譽、尚未可供使用之無形資產及擁有不確定可供使用年期之無形資產而言，不論有否跡象顯示減值，均會每年估計可收回數額。

— 計算可收回數額

資產之可收回數額以其售價淨額及使用價值兩者中之較高數額為準。於評估使用價值時，使用除稅前折現率將估計未來現金流量折現至其現值，該折現率反映市場當時評估之貨幣時間價值及該資產之獨有風險。倘資產產生之現金流入基本上並非獨立於其他資產產生之現金流入，則以能獨立產生現金流入之最細資產類別（即現金產生單位）釐定可收回數額。

— 確認減值虧損

當資產或其所屬現金產生單位之賬面值超出其可收回數額，則於損益確認減值虧損。就現金產生單位確認之減值虧損，首先按比例分配以減少分配至該現金產生單位（或該組單位）內任何商譽之賬面值，繼而減少於該單位（或該組單位）內其他資產之賬面值，惟資產賬面值不會減少至低於其個別公平值減銷售成本或使用價值（倘能釐定）。

— 撥回減值虧損

就商譽以外之資產而言，倘用以釐定可收回數額之估計出現有利變動，則撥回減值虧損。有關商譽之減值虧損不會撥回。

撥回之減值虧損以假設並無於過往年度確認減值虧損而應已釐定之資產賬面值為限。撥回之減值虧損於確認撥回之年度內計入損益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(h) Investments

From 1 April 2004 to 31 March 2005:

The Group classified its investments in securities, other than subsidiaries and associated companies, as non-trading securities and trading securities.

(i) Non-trading securities

Investments which were held for non-trading purpose were stated at fair value at the balance sheet date. Change in fair value of individual securities were credited or debited to the investment revaluation reserve until securities were sold, or was determined to be impaired. Upon disposal, the cumulative gain or loss representing the difference between the net sale proceeds and the carrying amounts of the relevant security, together with any surplus or deficit transferred from the investment revaluation reserve, was dealt with in the income statement.

Where there was objective evidence that individual investments were impaired, the cumulative loss recorded in the revaluation reserve was taken to the income statement.

(ii) Trading securities

Trading securities were carried at fair value. At each balance sheet date, the net unrealized gains or losses arising from the changes in fair value of trading securities were recognised in the income statement. Profits or losses on disposal of trading securities, representing the difference between the net sales proceeds and the carrying amounts, were recognised in the income statement as they arose.

From 1 April 2005 onwards:

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

2. 主要會計政策 (續)

(h) 投資

自二零零四年四月一日至二零零五年三月三十一日:

除附屬公司及聯營公司外,本集團將其證券投資分類為非買賣證券及買賣證券。

(i) 非買賣證券

持作非買賣用途之投資於結算日按公平值列賬。個別證券之公平值變動計入或扣自投資重估儲備,直至該證券售出,或釐定為減值為止。出售時,累計收益或虧損指銷售所得款項淨額與相關證券賬面值之差額,連同轉撥自投資重估儲值之任何盈餘或虧絀,並於收益表處理。

倘有客觀證據顯示個別投資出現減值,於重估儲備記錄之累計虧損計入收益表。

(ii) 買賣證券

買賣證券按公平值列賬。於各結算日,源自買賣證券公平值變動之未變現收益或虧絀淨額於收益表確認。出售買賣證券之損益指銷售所得款項淨額與賬面值之差額,乃於出現時在收益表確認。

自二零零五年四月一日起:

本集團將其金融資產分為以下類別:其他按公平值計入損益之金融資產、貸款及應收賬款、持至到期投資及可供出售金融資產。分類視乎購入金融資產之目的而定。管理層於初步確認時決定其金融資產分類,並於每個申報日期重新評估該分類。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(h) Investments (Continued)

(i) 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 were categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either for trading or are expected to be realized within 12 months of the balance sheet date.

(ii) 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 long-term receivables and account receivables in the balance sheet.

(iii) Available-for-sale financial assets

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

Regular purchases and sales of investments are recognised on 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 derecognized 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 are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

The fair values of quoted investment are based on current bid prices. For unlisted securities are determined by using valuation technique. 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 model refined to reflect the issuer's specific circumstances.

2. 主要會計政策 (續)

(h) 投資 (續)

(i) 按公平值計入損益之金融資產

此類別可細分為兩類：持作買賣金融資產及該等於購入時指定為按公平值計入損益者。倘主要購入或管理層指定作短期銷售，金融資產會納入此類別。除若指定作對沖用途者外，衍生工具分類為持作買賣。於此類別之資產於作買賣用途或預期將於結算日起計12個月內變現之情況下分類為流動資產。

(ii) 貸款及應收賬款

貸款及應收賬款項為附帶固定或待定付款，且並無在活躍市場報價之非衍生金融資產，均列作流動資產，惟到期日超過結算日後12個月者除外，在此情況下歸類為非流動資產。貸款及應收賬款於資產負債表分類為長期應收賬款及應收賬項。

(iii) 可供出售金融資產

可供出售金融資產乃指定為此類別或未歸類為任何其他類別的非衍生工具。除非管理層擬在結算日後12個月內出售投資，否則均列為非流動資產。

日常購買及出售的投資於交易日，即本集團承諾購買或出售該項資產之日予以確認。就所有並非按公平值計入損益之金融資產而言，投資初步以公平值加交易成本確認。按公平值計入損益之金融資產初步按公平值確認，而交易成本則於收益表支銷。當自投資收取現金流量的權利已屆滿或轉讓，及本集團已將擁有權之絕大部分風險及回報轉讓時，投資將被剔除確認。可供出售金融資產其後以公平值入賬。貸款及應收賬款以實際利率法按攤薄成本列賬。

報價證券之公平值按現行買入價計算。非上市證券以估值方法釐定，當中包括使用最近之公平交易、參考大致上相同之其他工具、貼現現金流量分析以及經改良以反映發行人特定情況之期權定價模式。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(h) Investments (Continued)

(iii) Available-for-sale financial assets (Continued)

The Group reassesses 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 equity securities classified as 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 the income statement 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.

(i) Inventories

Inventories are stated at the lowest of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials and subcontracting charges. It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(j) Trade and other receivables

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

(k) Cash and cash equivalents

Cash and cash equivalent include cash in hand, deposits held at call with banks and fixed deposits with maturity within 3 months or less.

(l) Share capital

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

2. 主要會計政策 (續)

(h) 投資 (續)

(iii) 可供出售金融資產 (續)

本集團在各結算日重新評估是否
存在客觀證據顯示一項金融資產
或一組金融資產出現減值。就分類
為可供出售金融資產之股本證券
而言，其累計虧損金額（即收購成
本與當時公平值間的差額）減早前
於收益表確認之金融資產任何減
值虧損，從權益中移除，並於收益
表確認。於收益表中就股本工具確
認的減值虧損，不再撥回收益表。

(i) 存貨

存貨按成本值與可變現淨額兩者中較低
者列賬。成本值以加權平均法計算，製成
品及在製品之成本包括原料及分包費
用，惟不包括借貸成本。可變現淨值指日
常業務中之估計售價減適用之可變銷售
開支。

(j) 貿易及其他應收賬款

貿易及其他應收賬款初步按公平值確
認，其後則按實際利率法以攤銷成本扣
除減值撥備計算。貿易及其他應收賬款
減值撥備乃在有客觀證據顯示，本集團
無法按應收賬款之原有條款收回所有金
額時作出。撥備金額為資產賬面值與估
計日後現金流量現值（按實際利率貼現
計算）間之差額。撥備金額於收益表內確
認。

(k) 現金及現金等價物

現金及現金等價物包括手頭現金、銀行
活期存款及到期日為三個月以內之定期
存款。

(l) 股本

普通股歸類為權益。發行新股份或購股
權直接應佔成本之增加，於權益中列為
所得款項之扣減項目（已扣除稅項）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(m) 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 differences 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.

(n) Deferred income tax

Deferred income tax was 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, the deferred income tax is not accounted for if it arose from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affected neither accounting nor taxable profit or loss. Deferred income tax was determined using tax rates that are enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset was realized 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 would be available against which the temporary differences could be utilized.

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

2. 主要會計政策 (續)

(m) 借貸

借貸初步按公平值扣除所產生交易成本確認。交易成本為直接源自收購、發行或出售金融資產或金融負債之增加成本，當中包括向代理商、顧問、經紀及交易商支付之費用及佣金、監管機關及證券交易所之徵費、以及過戶稅及關稅。借貸其後按攤銷成本列值，所得款項（扣除交易成本）與贖回價值間之差額於借貸期間以實際利率法在收益表確認。

借貸分類為流動負債，除非本集團具無條件權力，遞延負債還款期至結算日起計最少12個月後則作別論。

(n) 遞延所得稅

遞延所得稅以負債法就資產與負債之稅基與綜合財務報表之賬面值間的暫時差額作全數撥備。然而，倘若於初步確認一項交易（業務合併除外）之資產或負債所產生之遞延所得稅於交易時不會對會計或應課稅溢利或虧損造成影響，則該等遞延所得稅並不會列賬。遞延所得稅乃根據於結算日已經制定或大致上已制定，且預期相關之遞延所得稅資產變現或遞延所得稅負債清償時適用之稅率釐定。

遞延所得稅資產於有可能動用日後應課稅溢利以抵銷暫時差額之情況下方會確認。

遞延所得稅按於附屬公司及聯營公司之投資產生之暫時差額作出撥備，惟本集團可控制暫時差額之撥回時間，且暫時差額在可見未來將不會撥回之情況則除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(o) Employee benefits

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

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

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

(p) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black-Scholes Option-Pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meeting vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit/loss for the year of the review, unless the original employee expenses qualify for recognition of an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

2. 主要會計政策 (續)

(o) 僱員福利

本集團之中國附屬公司參與各省／市機關管理之省／市定額供款退休福利計劃。根據有關規定，附屬公司須按相關省內適用之僱員月薪比率每月作出供款。退休福利成本於收益表扣除。

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

於收益表扣除之退休福利開支指本集團應向退休福利計劃作出之供款。

(p) 股份付款

授予僱員之購股權公平值確認為僱員成本，而權益內之資本儲備亦會相應增加。公平值於授出日期採用「柏力克－舒爾斯」期權定價模式，考慮授出購股權所依據之條款及條件計量。倘僱員於無條件擁有購股權前須符合歸屬條件，購股權之估計公平值總額經考慮購股權將歸屬之可能性於歸屬期內入賬。

於歸屬期內，會審閱預計將歸屬之購股權數目。於過往年度確認累計公平值之任何調整乃扣自／計入回顧年內之溢利／虧損，除非原有僱員開支合資格確認為資產則作別論，而資本儲備亦會相應調整。於歸屬日期，確認為開支之金額予以調整，以反映實際歸屬之購股權數目，而資本儲備亦會相應調整，惟因未能達致與本公司股份市價有關之歸屬條件被沒收之情況除外。權益金額於資本儲備確認，直至購股權獲行使（於轉撥至股份溢價賬時）或購股權到期（於直接自保留溢利撥回時）為止。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(q) 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.

When 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 obligation may be small.

(r) Revenue recognition

- (i) Revenue from sales of goods is recognised when the Group delivered products to the customer, the customer has accepted the products and collectibility of the related receivable is reasonably assured.
- (ii) Interest income is recognised on a time proportion basis, using the effective interest method.
- (iii) Dividend income is recognised when the right to receive payment is established.

(s) Leases

(i) Operating lease

Leases in which a significant portion of the risks and rewards are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) are expenses in the income statement on a straight-line basis over the period of the lease.

(ii) Finance leases

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payments is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. 主要會計政策 (續)

(q) 撥備

倘本集團需就過去事件承擔現有法律或推定責任，且履行該責任極有可能導致資源流出，並能可靠估計金額，便會確認撥備。

倘出現多項類似債務，乃釐定清償債務是否需要經濟利益流出時以整體類別考慮。即使同類別債務中任何一項導致經濟利益流出的機會不大，仍須確認撥備。

(r) 收益確認

- (i) 銷售貨品之收益乃於本集團向客戶交付產品，而客戶已接納有關產品，並合理保證可收回相關應收賬款時確認。
- (ii) 利息收入乃採用實際利率法按時間比例基準確認。
- (iii) 股息收入於收取付款之權利確立時確認。

(s) 租賃

(i) 經營租賃

大部分風險及回報仍屬出租人所有之租賃，一概列為經營租賃。根據經營租賃支付之款項須扣除自出租人所得任何優惠，按直線法於租期內於收益表支銷。

(ii) 融資租賃

本集團擁有資產擁有權之大部分風險及回報之租賃，均歸類為融資租賃。融資租賃於租期開始時按出租物業公平值與最低租賃付款現值兩者之較低者撥充資本。各租賃付款於負債與財務開支間分配，以達致未償還財務結餘之固定比率。相應租金承擔於扣除財務支出後，計入流動及非流動借貸內。財務費用之利息部分於租期內在收益表確認，以就各期間負債餘額提供固定定期比率。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

31 March 2006 於二零零六年三月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(t) Borrowing costs

Borrowing costs are recognised in the income statement in which they are incurred.

(u) Dividend distribution

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

(v) Intangible assets (other than goodwill)

On initial recognition, intangible assets acquired separately and from business combinations are recognised at cost and at fair value respectively. After initial recognition, intangible assets with indefinite useful lives are carried at cost less subsequent accumulated impairment losses. Intangible assets with finite useful lives are stated at cost and are amortised on the straight line method over their useful lives with amortisation commences when the asset is available for use.

The intangible assets are assessed for impairment at each balance sheet date by comparing their carrying amounts with their recoverable amounts. Where indication of impairment exists, an impairment loss is charged to profit and loss to reduce the assets to its recoverable amount.

(w) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

2. 主要會計政策 (續)

(t) 借貸成本

借貸成本於產生時在收益表確認。

(u) 股息分派

分派予本公司股東之股息於本公司股東批准股息期間，在本集團之財務報表中確認為負債。

(v) 無形資產 (商譽除外)

於初步確認時，分開購入及來自業務合併之無形資產分別按成本及公平值確認。於初步確認後，享有無限可使用年期之無形資產按成本減其後出現之累計減值虧損列賬。有限定可使用年期之無形資產按成本列賬，並於其可使用年內以直線法攤銷。攤銷由資產可供使用時開始計算。

無形資產於每個結算日進行減值評估，方法為以其賬面值與其可收回金額作比較。倘有跡象顯示存在減值，減值虧損自損益扣除，藉以將有關資產減至其可收回金額。

(w) 有關連人士

就此等財務報表而言，倘本集團有能力直接或間接控制有關人士或於該名人士作出財務及營運決策時行使重大影響力，或反之亦然，或倘本集團及該名人士受共同控制或共同受到重大影響，則有關人士被視作與本集團有關連。有關連人士可為個別人士（主要管理人員、大股東及／或彼等近親）或其他實體，包括受屬個別人士之本集團有關連人士重大影響之實體，以及就本集團僱員之利益而設之僱用前福利計劃或加入本集團之集團有關連人士。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

3. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risks (including currency risk, fair value, interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

(a) Market risks

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

(ii) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

(iii) Liquidity risk

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

(iv) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

(b) Fair value estimation

The fair value of financial assets through profit or loss 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 fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group used a variety of methods and made assumptions that are based on market conditions existing at each balance sheet date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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 purposed 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.

3. 財務風險管理

本集團業務面對各種財務風險：市場風險（包括外匯風險、公平值、利率風險及價格風險）、信貸風險、流動資金風險及現金流量利率風險。

(a) 市場風險

(i) 外匯風險

本集團業務遍及全球，因不同貨幣而須承擔外匯風險。外匯風險源自日後進行之商業交易、已確認資產與負債以及海外業務之投資淨額。

(ii) 信貸風險

本集團並無高度集中信貸風險。本集團訂有政策確保向具良好信貸記錄之客戶銷售產品。

(iii) 流動資金風險

本集團審慎管理流動資金風險，備有充足現金及有價證券，同時透過充裕已承諾信貸融資，維持充足資金以及有能力為市場持倉平倉。由於相關業務靈活多變，故本集團旨在維持充裕已承諾信貸融資，以保持資金之靈活彈性。

(iv) 現金流量及公平值利率風險

由於本集團並無重大計息資產，故本集團之收入及經營現金流量大致上不受市場利率變動影響。

(b) 公平值估計

計入損益之金融資產公平值按結算日所報市價計算。本集團所持金融資產採用之市場報價為當時買入價。

並非於活躍市場買賣之金融工具之公平值乃使用估值法釐定。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。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。

貿易應收賬款及應付賬款之面值減估計信貸調整乃假設與其公平值相若。作為披露用途，金融負債之公平值乃按本集團就類似金融工具可得當時市場利率貼現日後約定現金流量估計。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Group made 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 causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2(f). The recoverable amounts of cash generating units are determined based on value-in-use calculation. These calculations require the use of estimates.

(b) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charge for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovation. Management will change the depreciation charge where useful lives are different from the previously estimated lives. It will also write-off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(c) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes 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 are initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 重要會計估計及判斷

本集團會根據過往經驗及其他因素，包括在相關情況下認為合理之對未來事件期望，不斷評估估計及判斷。

本集團會就未來作出估計及假設，所產生會計估計項目顧名思義極少等同相關實際結果。很大可能導致下一個財政年度之資產及負債賬面值須作出重大調整之估計及假設於下文討論：

(a) 估計商譽減值

根據附註2(f)所述會計政策，本集團須每年檢測商譽有否出現減值。現金產生單位之可收回金額按使用價值法釐定。該等計算方法均須採用估計項目。

(b) 物業、廠房及設備之可用年期

本集團管理層釐定其物業、廠房及設備的估計可用年期及相關折舊開支。此項估計乃根據性質及功能相若之物業、廠房及設備過往實際可用年限為基準作出，可因技術創新而產生重大變動。管理層將於可用年期有別於以往估計時調整折舊費用，亦會撇銷或撇減已棄置或售出之技術過時或非策略資產。

(c) 所得稅

本集團須繳納多個司法權區之所得稅。釐定世界各地所得稅撥備時須作出重大判斷。有部分交易及計算之最終稅項未能於日常業務中確定。本集團根據是否需要繳付額外稅項之評估，就預計稅務審核項目確認負債。倘最終稅務結果與初步記錄款額有別，差額將影響釐定期間所得稅及遞延稅項撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Continued)

(d) Equity compensation

In determining the total expenses for the Group's equity compensation plans, the Group estimates the number of options/shares that are expected to become exercisable/vested at the date of grant. At each balance sheet date before the options/shares that are become exercisable/vested, the Group will revise the total expenses where the number of options/shares that are expected to become exercisable/vested are different to previously estimated.

5. TURNOVER AND SEGMENTAL INFORMATION

(a) Primary reporting format – business segment

For the year ended 31 March 2006, the Group has been organized into two business segments: manufacturing and trading of automotive components and trading of electronic components.

Turnover consisted of sales from these two segments amounted to HK\$15,030,000 (2005: HK\$16,038,000).

Other operations of the Group mainly comprised investments in securities, provision of logistics services and production and distribution of TV programmes.

4. 重要會計估計及判斷 (續)

(d) 股本補償

於釐定本集團股本補償計劃之總開支時，本集團估計預期將於授出日期可予行使／歸屬之購股權／股份數目。於購股權／股份可予行使／歸屬前各結算日，本集團將於預期可予行使／歸屬之購股權／股份數目有別於早前估計之情況下修訂總開支。

5. 營業額及分類資料

(a) 主要呈報方式 – 業務分類

截至二零零六年三月三十一日止年度，本集團以兩個業務分類經營：買賣及製造汽車零件以及買賣電子零件。

營業額包括源自該兩個業務分類之銷售額15,030,000港元（二零零五年：16,038,000港元）。

本集團其他業務主要包括證券投資、提供物流服務及電視節目製作及發行。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

5. TURNOVER AND SEGMENTAL INFORMATION (Continued)

(a) Primary reporting format – business segment (Continued)

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

5. 營業額及分類資料 (續)

(a) 主要呈報方式 – 業務分類 (續)

本集團業務按業務分類劃分之分析如下:

		2006 二零零六年			
		Manufacturing and trading of automotive components 製造及買賣 汽車零件 HK\$'000 千港元	Trading of electronic components 買賣 電子零件 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合數額 HK\$'000 千港元
Turnover	營業額	1,381	13,649	1,368	16,398
Segment results	分類業績	(3,109)	(17,475)	(9,397)	(29,981)
Unallocated group expenses	未分配集團開支				(16,152)
Loss from operations	經營虧損				(46,133)
Finance costs	財務費用				(600)
Impairment on goodwill of associates	聯營公司商譽減值				(25,479)
Impairment on loans to associates	給予聯營公司貸款之減值				(4,667)
Share of loss of associates	應佔聯營公司之虧損				(1,717)
Loss before taxation	除稅前虧損				(78,596)
Taxation	稅項				-
Loss before minority interests	未計少數股東權益前虧損				(78,596)
Minority interests	少數股東權益				1,460
Loss for the year attributable to equity holders of the Company	本公司權益持有人應佔年內虧損				(77,136)
Segment assets	分類資產	23,494	12,167	3,278	38,939
Investment in associates	於聯營公司之投資				393
Unallocated	未分配				40,601
Total assets	資產總值				79,933
Segment liabilities	分類負債	(3,950)	-	(312)	(4,262)
Unallocated	未分配				(790)
Total liabilities	負債總額				(5,052)
Capital expenditure	資本開支	843	-	1,043	1,886
Unallocated capital expenditure	未分配資本開支				1,197
					3,083
Depreciation	折舊	192	142	450	784
Unallocated depreciation	未分配折舊				352
					1,136

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

5. TURNOVER AND SEGMENTAL INFORMATION (Continued) 5. 營業額及分類資料 (續)

(a) Primary reporting format – business segment (Continued) (a) 主要呈報方式 – 業務分類 (續)

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

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

5. TURNOVER AND SEGMENTAL INFORMATION (Continued)

(b) Secondary reporting format – geographical segments

The analysis of the geographical segments of operations of the Group for the year ended 31 March 2006 are as follows:

5. 營業額及分類資料 (續)

(b) 次要呈報方式 – 地區分類

截至二零零六年三月三十一日止年度，本集團業務按地區分類劃分之分析如下：

		2006 二零零六年			
	Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Overseas 海外 HK\$'000 千港元	Consolidated 綜合數額 HK\$'000 千港元	
Turnover	營業額	1,177	14,779	442	16,398
Segment assets	分類資產	4,460	34,479	-	38,939
Investment in associates	於聯營公司之投資				393
Unallocated	未分配				40,601
Total assets	資產總值				79,933
Segment liabilities	分類負債	(312)	(3,950)	-	(4,262)
Unallocated	未分配				(790)
Total liabilities	負債總額				(5,052)
Capital expenditure	資本開支	1,034	843	-	1,877
Unallocated capital expenditure	未分配資本開支				1,206
					3,083
Depreciation	折舊	78	865	-	943
Unallocated depreciation	未分配折舊				193
					1,136

For the year ended 31 March 2005, the Group had been operating in one single geographical segment and sales were made mainly to customers in the PRC.

截至二零零五年三月三十一日止年度，本集團以單一地區分類營運，而銷售主要向中國客戶作出。

6. OTHER NET LOSS

Net loss realised from disposal of investment in securities	出售證券投資之已變現虧損淨額	(1,076)	(1,349)
Unrealised holding losses on investment in securities	證券投資之未變現持有虧損	-	(140)
Exchange gain on investment in foreign currency warrants	於外匯認股權證投資之匯兌收益	-	163
Interest income	利息收入	432	2
Others	其他	171	-
		(473)	(1,324)

6. 其他虧損淨額

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(1,076)	(1,349)
-	(140)
-	163
432	2
171	-
(473)	(1,324)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

7. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging:

Auditors' remuneration	核數師酬金
– for the current year	– 本年度
– underprovision in prior year	– 以往年度撥備不足
Amortisation of intangible assets	無形資產攤銷
Amortisation of goodwill	商譽攤銷
Cost of inventories sold	售出存貨成本
Directors' emoluments	董事酬金
Depreciation of property, plant and equipment	物業、廠房及設備之折舊
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損
Operating lease charges in respect of rented premises	承租物業之經營租賃支出
Impairment on	以下各項之減值
– Trade receivable	– 貿易應收賬款
– Others	– 其他
Impairment on	以下各項之減值
– Plant and machinery	– 廠房及機器
– Available-for-sale financial assets	– 可供出售金融資產
– Inventories	– 存貨
– Intangible assets	– 無形資產
Staff costs (excluding directors' emoluments)	僱員成本(不包括董事酬金)
– salaries and allowances	– 薪金及津貼
– equity-settled share-based payments	– 股本結算股份付款
– contributions to retirement benefits schemes (Note)	– 退休福利計劃供款(附註)

Note: At 31 March 2006, the Group had no forfeited contributions available to reduce its contributions to its retirement benefits schemes in future years (2005: HK\$Nil).

7. 經營虧損

經營虧損已扣除以下各項：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
300	300
–	80
–	50
–	2,115
21,550	15,195
8,204	5,580
1,136	1,256
370	–
827	549
6,664	–
–	2,499
6,664	2,499
3,053	1,451
506	2,087
–	3,750
55	350
3,614	7,638
4,837	2,959
823	–
300	135

附註：於二零零六年三月三十一日，本集團並無沒收供款(二零零五年：零港元)，可用作減少未來年度向退休福利計劃作出之供款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

8. FINANCE COSTS

Interest on convertible bonds	可換股債券利息
Interest on bank overdrafts	銀行透支利息
Interest on short term loan	短期貸款利息
Interest on shareholder's loan	股東貸款利息
Finance charges on leases	租賃之財務開支

8. 財務費用

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
5	1,241
-	1
-	128
595	-
-	36
600	1,406

9. TAXATION

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

Hong Kong profits tax is calculated at 17.5% (2005: 17.5%) on the estimated assessable profit for the year.

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

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

9. 稅項

由於本集團於該兩個年度並無在香港或任何司法權區產生任何應課稅溢利，故此並無就香港利得稅及本集團經營所在地區之海外稅項於財務報表作出撥備。

香港利得稅乃按年內之估計應課稅溢利以稅率17.5% (二零零五年: 17.5%) 計算。

其他司法權區之稅項乃按各司法權區適用之稅率計算。

年內支出與收益表所列虧損對賬如下:

Loss before taxation	除稅前虧損
Tax at the domestic income tax rate at 17.5% (2005: 17.5%)	按本地所得稅率17.5% (二零零五年: 17.5%) 課稅
Tax effect of expenses that are not deductible in determining taxable profit	釐定應課稅溢利時不可減扣支出之稅務影響
Tax effect of income that are not assessable in determining taxable profit	釐定應課稅溢利時毋須評估收入之稅務影響
Tax effect of accelerated tax depreciation not previously recognised	過往未確認之加速稅務折舊之稅務影響
Deferred tax assets not recognised	未確認之遞延稅項資產
Effect of different tax rate of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司之不同稅率影響

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(78,596)	(37,157)
(13,755)	(6,503)
7,907	3,024
(106)	-
(480)	(452)
6,434	4,109
-	(178)
-	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

9. TAXATION (Continued)

No share of tax of associates for both years.

At 31 March 2006, the Group has unprovided deferred tax assets of approximately HK\$6,434,000 (2005: HK\$4,109,000), primarily representing the tax effect of cumulative tax losses (subject to agreement by relevant tax authorities). The deferred tax assets have not been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

10. LOSS ATTRIBUTABLE TO EQUITY HOLDERS

The consolidated loss attributable to equity holders of the Company includes a loss of approximately HK\$70,137,000 (2005: HK\$84,264,000) dealt with in the financial statements of the Company.

11. DIVIDENDS

No dividends were paid or declared by the Company during the year (2005: Nil).

12. LOSS PER SHARE

(a) Basic loss per share

The basic loss per share is calculated based on the consolidated loss attributable to equity holders of the Company of HK\$77,136,000 (2005: HK\$37,157,000) and the weighted average number of 467,394,970 (2005: 143,870,674 as restated due to a share consolidation of every ten shares of the Company into one share which was completed on 26 September 2005) ordinary shares in issue during the year.

(b) Diluted loss per share

As there is no dilutive potential ordinary share as at 31 March 2006 and 2005 and accordingly, no diluted loss per share has been presented for both years.

9. 稅項 (續)

該兩年均無應佔聯營公司稅項。

於二零零六年三月三十一日，本集團有未撥備遞延稅項資產約6,434,000港元（二零零五年：4,109,000港元），主要為累計稅項虧損之稅務影響，須待有關稅務當局同意。由於未來溢利流量不可預測，該遞延稅項資產未被確認。該稅項虧損可無限期結轉。

10. 權益持有人應佔虧損

本公司權益持有人應佔綜合虧損包括已在本公司財務報表處理之虧損約70,137,000港元（二零零五年：84,264,000港元）。

11. 股息

年內本公司並無派發或宣派任何股息（二零零五年：無）。

12. 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司權益持有人應佔綜合虧損77,136,000港元（二零零五年：37,157,000港元）及年內已發行普通股加權平均數467,394,970股（二零零五年：基於二零零五年九月二十六日完成每十股本公司股份合併為一股股份之股份合併而重列為143,870,674股）計算。

(b) 每股攤薄虧損

由於二零零六年及二零零五年三月三十一日並無具攤薄潛力之普通股，故並無呈列該兩個年度之每股攤薄虧損。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

13. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION 13. 董事及高級管理人員之薪酬

(a) Directors' remuneration

The remuneration of the directors of the Company (the "Directors") for the year ended 31 March 2006 is set out below:

(a) 董事薪酬

截至二零零六年三月三十一日止年度之本公司董事（「董事」）薪酬載列如下：

	Salaries, allowances and benefits in kind	Equity-settled share-based payments	Retirement benefits schemes contributions	2006 Total
Directors' fees	薪金、津貼及實物利益	股本結算股份付款	退休福利計劃供款	二零零六年總計
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
Executive Directors 執行董事				
Mr. Loo Chung Keung Steve	盧重強先生	-	12	792
Mr. Chan Wai Ming	陳偉明先生	-	12	792
Mr. Sun Yeung Yeung	孫揚陽先生	148	-	148
Ms. Tin Yuen Sin Carol	田琬善女士	-	-	-
Mr. Zu Yuan	祖員先生	295	-	313
Non-executive Directors 非執行董事				
Mr. Gouw Kai Yiu Carl	吳家耀先生	-	1	41
Ms. Gouw San Bo Elizabeth	吳珊寶女士	-	5	5,848
Mr. Tung Tat Chiu Michael	佟達釗先生	36	-	96
Mr. Chak Chi Man	翟志文先生	-	-	-
Independent non-executive Directors 獨立非執行董事				
Mr. Pang Chun Sing	彭振聲先生	-	-	60
Mr. Chan Chun Wai	陳振威先生	-	-	60
Mr. Tsang Pak Chung Eddy	曾百中先生	-	-	-
Mr. Wong Miu Sung	黃妙送先生	-	-	54
	7,695	479	30	8,204

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

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

(a) Directors' remuneration (Continued)

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

	Directors' fees 董事袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 HK\$'000 千港元	Equity-settled share-based payments 股本結算股份付款 HK\$'000 千港元	Retirement benefits schemes contributions 退休福利計劃供款 HK\$'000 千港元	2005 Total 二零零五年總計 HK\$'000 千港元
Executive Directors 執行董事					
Mr. Loo Chung Keung Steve 盧重強先生	-	-	-	-	-
Mr. Chan Wai Ming 陳偉明先生	-	-	-	-	-
Mr. Sun Yeung Yeung 孫揚陽先生	-	-	-	-	-
Mr. Gouw Hiap Kian 吳協建先生	-	1,598	-	-	1,598
Non-executive Directors 非執行董事					
Mr. Gouw Kai Yiu Carl 吳家耀先生	-	2,098	-	12	2,110
Ms. Gouw San Bo Elizabeth 吳珊寶女士	-	1,780	-	12	1,792
Mr. Tung Tat Chiu Michael 佟達釗先生	-	-	-	-	-
Mr. Chow Yeung Tuen Richard 鄒揚敦先生	-	-	-	-	-
Mr. Ha Kee Choy Eugene 夏其才先生	-	80	-	-	80
Mr. Lo Mun Lam Raymond 盧敏霖先生	-	-	-	-	-
Independent non-executive Directors 獨立非執行董事					
Mr. Pang Chun Sing 彭振聲先生	-	-	-	-	-
Mr. Chan Chun Wai 陳振威先生	-	-	-	-	-
Mr. Tsang Pak Chung Eddy 曾百中先生	-	-	-	-	-
Mr. Law Hung Wai Sam 羅洪偉先生	-	-	-	-	-
Mr. Ko Sai Kit Larry 高世杰先生	-	-	-	-	-
	-	5,556	-	24	5,580

(a) 董事薪酬 (續)

截至二零零五年三月三十一日止年度之董事薪酬載列如下:

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

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

(a) Directors' remuneration (Continued)

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

Fees	袍金
Executive Directors	執行董事
Non-executive Directors	非執行董事
Independent non-executive Directors	獨立非執行董事
Other emoluments for Directors	董事其他酬金
Salaries and other benefits	薪金及其他福利
Equity-settled share-based payments	股本結算股份付款
Retirement benefits schemes contributions	退休福利計劃供款

The emoluments of the Directors fell within the following bands:

HK\$Nil – HK\$1,000,000	零港元至1,000,000港元
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元
HK\$1,500,001 – HK\$2,000,000	1,500,001港元至2,000,000港元
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元
HK\$2,500,001 – HK\$3,000,000	2,500,001港元至3,000,000港元
HK\$3,000,001 – HK\$3,500,000	3,000,001港元至3,500,000港元
HK\$3,500,001 – HK\$4,000,000	3,500,001港元至4,000,000港元
HK\$4,000,001 – HK\$4,500,000	4,000,001港元至4,500,000港元
HK\$4,500,001 – HK\$5,000,000	4,500,001港元至5,000,000港元
HK\$5,000,001 – HK\$5,500,000	5,000,001港元至5,500,000港元
HK\$5,500,001 – HK\$6,000,000	5,500,001港元至6,000,000港元

13. 董事及高級管理人員之薪酬 (續)

(a) 董事薪酬 (續)

年內應付董事酬金總額如下:

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
–	–
–	–
–	–
–	–
7,695	5,556
479	–
30	24
8,204	5,580
8,204	5,580

董事酬金之幅度如下:

Number of Directors 董事人數

2006 二零零六年	2005 二零零五年
12	12
–	–
–	2
–	1
–	–
–	–
–	–
–	–
–	–
–	–
–	–
1	–

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

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

(a) Directors' remuneration (Continued)

The above emoluments included the value of share options granted to certain Directors under the Company's share option scheme as estimated at the date of grant. The details of these benefits in kind are disclosed under the paragraph "Share Option Scheme" in the Directors' Report and Note 30.

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

(b) Five highest paid individuals

The five highest paid individuals of the Group for the year ended 31 March 2006 included two (2005: one) executive Directors, one (2005: two) non-executive Director details of whose emoluments are set out above. The emoluments of the remaining two (2005: two) employees for the year ended 31 March 2006 were as follows:

Salaries and other benefits	薪金及其他福利
Retirement benefits schemes contributions	退休福利計劃供款

The emoluments were within the following bands:

HK\$Nil – HK\$1,000,000	零港元至1,000,000港元
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元
HK\$1,500,001 – HK\$2,000,000	1,500,001港元至2,000,000港元
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元

13. 董事及高級管理人員之薪酬 (續)

(a) 董事薪酬 (續)

上述酬金包括於授出日期所估計根據本公司之購股權計劃向若干董事授出之購股權價值。該等實物利益之詳情，於董事會報告書「購股權計劃」一段及附註30內披露。

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

(b) 五名最高薪僱員

截至二零零六年三月三十一日止年度，本集團五名最高薪僱員包括兩名（二零零五年：一名）執行董事及一名（二零零五年：兩名）非執行董事，有關彼等之酬金詳情載於上文。截至二零零六年三月三十一日止年度，其餘兩名（二零零五年：兩名）僱員之酬金詳情如下：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
711	517
9	23
720	540

酬金幅度如下：

Number of Employees 僱員人數

2006 二零零六年	2005 二零零五年
2	2
–	–
–	–
–	–

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

14. PROPERTY, PLANT AND EQUIPMENT

Group – 2006

14. 物業、廠房及設備

本集團 – 二零零六年

		Leasehold improvements 租賃樓宇裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture and equipment 傢具及設備 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	成本					
At 1 April 2005	於二零零五年四月一日	375	4,459	4,718	198	9,750
Additions	添置	573	223	1,004	1,283	3,083
Acquisition of a subsidiary	收購一家附屬公司	850	6,251	72	187	7,360
Disposals	出售	(380)	–	(227)	(198)	(805)
At 31 March 2006	於二零零六年三月三十一日	1,418	10,933	5,567	1,470	19,388
Accumulated depreciation and impairment	累計折舊及減值					
At 1 April 2005	於二零零五年四月一日	148	4,459	967	79	5,653
Charge for the year	本年度支出	128	328	596	84	1,136
Impairment	減值	–	–	3,053	–	3,053
Disposals	出售	(205)	–	(100)	(109)	(414)
At 31 March 2006	於二零零六年三月三十一日	71	4,787	4,516	54	9,428
Net book value	賬面淨值					
At 31 March 2006	於二零零六年三月三十一日	1,347	6,146	1,051	1,416	9,960

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group – 2005

14. 物業、廠房及設備 (續)

本集團 – 二零零五年

		Leasehold improvements 租賃樓宇裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture and equipment 傢具及設備 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	成本					
At 1 April 2004	於二零零四年四月一日	364	4,459	119	2,089	7,031
Additions	添置	11	–	4,599	100	4,710
Disposal of a subsidiary	出售一間附屬公司	–	–	–	(1,991)	(1,991)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2005	於二零零五年 三月三十一日	375	4,459	4,718	198	9,750
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation and impairment	累計折舊及減值					
At 1 April 2004	於二零零四年四月一日	73	3,008	24	418	3,523
Charge for the year	本年度支出	75	–	943	238	1,256
Impairment	減值	–	1,451	–	–	1,451
Disposal of a subsidiary	出售一間附屬公司	–	–	–	(577)	(577)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2005	於二零零五年 三月三十一日	148	4,459	967	79	5,653
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value	賬面淨值					
At 31 March 2005	於二零零五年 三月三十一日	227	–	3,751	119	4,097
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

15. GOODWILL

Goodwill recognised in the consolidated balance sheet, arising from the acquisition of Unicla International Limited is as follow:

Group

Cost

At 1 April 2004, 31 March 2005 and 1 April 2005

Arising on acquisition of a subsidiary

At 31 March 2006

Impairment

At 1 April 2004, 31 March 2005 and 1 April 2005

Impairment loss recognized for the year

At 31 March 2006

Carrying value

At 31 March 2006

At 31 March 2005

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segments.

A segment-level summary of the goodwill allocation is presented below:

Manufacturing and trading of automotive components

汽車零件製造與買賣

15. 商譽

因收購尤里克拉國際有限公司所產生於綜合資產負債表確認之商譽如下：

本集團

HK\$'000
千港元

成本

於二零零四年四月一日、二零零五年三月三十一日及二零零五年四月一日收購一家附屬公司所產生

於二零零六年三月三十一日

減值

於二零零四年四月一日、二零零五年三月三十一日及二零零五年四月一日本年度確認之減值虧損

於二零零六年三月三十一日

賬面值

於二零零六年三月三十一日

於二零零五年三月三十一日

商譽減值測試

商譽乃分配至本集團根據經營所在國家及業務分類識別之現金產生單位。

商譽分配之分類水平概要呈報如下：

2006
二零零六年
HK\$'000
千港元

2005
二零零五年
HK\$'000
千港元

816

-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

15. GOODWILL (Continued)

Impairment tests for goodwill (Continued)

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below.

Key assumptions used for value-in-use calculations

Gross Profit Margin	10-25%
Growth Rate	25%
Discount Rate	25%

These assumptions have been used for the analysis of the CGU within the business segment.

Management determined budgeted gross profit margin and growth rate based on past performance and its expectations of the market development. The discount rate used is pre-tax and reflect specific risks relating to the relevant segment.

16. INTERESTS IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份·按成本
Amounts due from subsidiaries	應收附屬公司款項
Less: Provision for impairment	減: 減值撥備

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

15. 商譽 (續)

商譽減值測試 (續)

現金產生單位之可收回金額按使用價值計算法釐定。有關計算方法涉及按管理層所批准五年財務預算計算所得現金流量預測。五年期間以外現金流量按下述所採用估計增長率推斷得出。

使用價值計算法所採用主要假設

毛利率	10-25%
增長率	25%
貼現率	25%

該等假設已用作分析業務分類內現金產生單位。

管理層根據往績及預期市場發展釐定預算毛利率及增長率。所採用貼現率乃未扣稅項，可反映相關業務之具體風險。

16. 附屬公司權益

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
21	99
126,790	121,135
(126,811)	(85,731)
<hr/>	<hr/>
-	35,503
<hr/>	<hr/>

應收附屬公司款項乃無抵押、免息及無固定還款期。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

16. INTERESTS IN SUBSIDIARIES (Continued)

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

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Nominal value of issued and fully paid/ registered capital 已發行及繳足股本/ 註冊資本面值	Percentage held by the 持股百分比		Principal activities 主要業務
			Company 本公司	Group 本集團	
Basland Enterprises Ltd.	British Virgin Islands 英屬維爾京群島	100 ordinary shares of US\$1 each 100股每股面值 1美元之普通股	100%	100%	Investment holding 投資控股
Carico (Hong Kong) Limited (Formerly known as Carico Holdings Limited) 中汽資源(香港)有限公司 (前稱中汽資源投資 有限公司)	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 1港元之普通股	–	100%	Investment holding 投資控股
Carico Logistics Limited 中汽物流有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 1港元之普通股	–	100%	Logistics 物流
Carico Strategic Investment Ltd.	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1港元之普通股	100%	100%	Dormant 暫無營業
Cheer Asia Investment Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	100%	100%	Investment holding 投資控股
China Automotive Resources Limited (Formerly known as China Automobile Resources Limited) 中國汽車資源有限公司 (前稱China Automobile Resources Limited)	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 1港元之普通股	100%	100%	Dormant 暫無營業
China Automotive Resources (Canada) Inc.	Canada 加拿大	CAD1 1加元	–	100%	Dormant 暫無營業

16. 附屬公司權益 (續)

於二零零六年三月三十一日，附屬公司之詳情如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

16. INTERESTS IN SUBSIDIARIES (Continued)

16. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Nominal value of issued and fully paid/ registered capital 已發行及繳足股本/ 註冊資本面值	Percentage held by the 持股百分比		Principal activities 主要業務
			Company 本公司	Group 本集團	
China Automotive Resources (USA) Inc.	USA 美國	100 shares common stock of US\$0.01 each 100股每股面值 0.01美元之普通股	–	100%	Dormant 暫無營業
Crown Wealth Development Limited 冠添發展有限公司	Hong Kong 香港	2 ordinary shares of HK\$1 each 2股每股面值 1港元之普通股	50%	100%	Investment holding 投資控股
Fullbelief International Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	–	100%	Investment holding 投資控股
Gorient (Hong Kong) Limited 協里(香港)有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股每股面值 1港元之普通股	100%	100%	Investment holding 投資控股
Glory Era Limited 鴻歷有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值 1港元之普通股	100%	100%	Cost centre 成本中心
Lucky Metro Trading Ltd.	British Virgin Islands 英屬維爾京群島	100 ordinary shares of US\$1 each 100股每股面值 1美元之普通股	–	100%	Investment holding 投資控股
Prime Year Investments Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	100%	100%	Investment holding 投資控股

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

16. INTERESTS IN SUBSIDIARIES (Continued)

16. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Nominal value of issued and fully paid/ registered capital 已發行及繳足股本/ 註冊資本面值	Percentage held by the 持股百分比		Principal activities 主要業務
			Company 本公司	Group 本集團	
Sky Cheer Corporation Limited 天緻有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 1港元之普通股	–	100%	Production and distribution of TV programmes 電視節目製作 及發行
Sky Era Limited 天歷有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值 1港元之普通股	–	100%	General trading 一般貿易
Tianjin Guangying Automotive Mirror Company Limited (Note) 天津光盈汽車鏡有限公司 (附註)	People's Republic of China 中華人民共和國	US\$500,000 500,000美元	–	50%	Dormant 暫無營業
Unicla International Limited 尤里克拉國際有限公司	Hong Kong 香港	25,000,000 ordinary shares of HK\$1 each 25,000,000股每股面值 1港元之普通股	–	53%	Trading and Manufacturing of compressor 壓縮機買賣 及製造
Unicla International (Japan) Limited	Japan 日本	60 shares of Yen50,000 each 60股每股面值 50,000日圓	–	53%	Trading of compressor 壓縮機買賣
Yinshau Limited 盈濤有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值 1港元之普通股	100%	100%	Investment holding and trading of electronic components 投資控股及電子 零件買賣

Note:

Tianjin Guangying Automotive Mirror Company Limited is a Sino-foreign owned joint venture enterprise under the laws of the People's Republic of China. It has been regarded as a subsidiary and its accounts have been consolidated since in the opinion of the directors, the Group has the power to govern its financial and operating policies.

附註:

天津光盈汽車鏡有限公司為根據中華人民共和國法律成立之中外合資合營企業。由於董事認為，本集團有權力監管其財務及經營政策，故天津光盈被視作附屬公司，而其賬目已綜合計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

17. INTERESTS IN ASSOCIATES

Group

Share of net liabilities	應佔負債淨值
Unamortised goodwill on acquisition (Note a)	收購時未攤銷商譽(附註a)
Impairment on goodwill of associates (Note a)	聯營公司商譽減值(附註a)
Loans to associates (Note b)	給予聯營公司貸款(附註b)
Less: Impairment on loans to associates	減: 給予聯營公司貸款 之減值

17. 聯營公司權益

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
(3,080)	(2,425)
25,479	25,479
(25,479)	—
(3,080)	23,054
9,890	9,890
(6,417)	(1,750)
3,473	8,140
393	31,194

(a) Goodwill on acquisition

Cost
At 1 April 2004, 31 March 2005 and 31 March 2006

Accumulated amortisation

At 1 April 2004
Charge for the year

At 31 March 2005
Charge for the year

At 31 March 2006

Impairment

At 1 April 2004
Impairment for the year

At 31 March 2005
Impairment for the year

At 31 March 2006

Net book value

At 31 March 2006

At 31 March 2005

(a) 收購產生之商譽

成本

於二零零四年四月一日， 二零零五年三月三十一日及 二零零六年三月三十一日
--

累計攤銷

於二零零四年四月一日
年度攤銷

於二零零五年三月三十一日
年度攤銷

於二零零六年三月三十一日

減值

於二零零四年四月一日
年度減值

於二零零五年三月三十一日
年度減值

於二零零六年三月三十一日

賬目淨值

於二零零六年三月三十一日

於二零零五年三月三十一日

HK\$'000
千港元

27,812

218

2,115

2,333

—

2,333

—

—

—

25,479

25,479

—

25,479

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

17. INTERESTS IN ASSOCIATES (Continued)

- (b) The loans are unsecured, interest free and have no fixed terms for repayment. In the opinion of the Directors, the carrying value of the loans to associates approximate to their fair value at the balance sheet date.
- (c) The summarised financial information in respect of the Group's associates is set out below:

Total assets	資產總值
Total liabilities	負債總額
Revenue	收益
(Loss)/profit for the year	本年度(虧損)/溢利

Details of the associates are as follows:

17. 聯營公司權益 (續)

- (b) 該貸款為無抵押、免息及無固定還款期。董事認為，給予聯營公司貸款之賬面值與其於結算日之公平值相若。
- (c) 下文載列本集團聯營公司之財務資料概要：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
4,945	7,303
(10,586)	(11,755)
14,574	9,818
(4,722)	1,451

聯營公司之詳情如下：

Name of company 公司名稱	Place of incorporation 註冊成立地點	Percentage of equity shares held by the Group 本集團所持權益股份之百分比		Principal activities 主要業務
		Directly 直接	Indirectly 間接	
Intelligent Transport System Holdings Limited*	British Virgin Islands 英屬維爾京群島	-	50%	Investment holding 投資控股
ITS Car Alarm Limited* 鷹眼汽車防盜有限公司	Hong Kong 香港	-	50%	Trading of motor car alarm systems 汽車警報系統買賣
Intelligent Transport System (Telematics) Limited* 鷹眼科技(遠傳)有限公司	Hong Kong 香港	-	50%	Dormant 暫無營業
Intelligent Transport System Asia Limited*	British Virgin Islands 英屬維爾京群島	-	50%	Provision of consultancy service 提供顧問服務
Wide and Bright Limited*	British Virgin Islands 英屬維爾京群島	-	30%	Distribution, sale and sublicensing of distributorship right 分銷、銷售及分包分銷權

* Not audited by CCFI CPA Limited

* 未經陳葉馮會計師事務所有限公司審核。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Group

Investments in securities, at cost 證券投資，按成本
Less: Impairment loss 減：減值虧損

Other investment 其他投資
Less: Impairment loss 減：減值虧損

18. 可供出售金融資產

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
1,450	1,450
(1,450)	(1,450)
-	-
1,680	1,680
(1,680)	(1,174)
-	506
-	506

Investments in securities made for the long-term with an identified strategy purpose represent:

具已確定策略用途之長期證券投資指：

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

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

為長期資本收益持有之其他投資僅指：

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

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

19. INVENTORIES

Group

At cost:	按成本：
Raw materials	原料
– for manufacturing of compressor	– 用於製造壓縮機
Finished goods	製成品
– electronics components	– 電子零件
– compressors	– 壓縮機

19. 存貨

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
5,607	–
–	20,605
4,432	–
10,039	20,605

20. AMOUNTS DUE FROM RELATED COMPANIES

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

20. 應收關連公司款項

應收關連公司款項乃無抵押、免息及無固定償還期。

21. TRADE AND OTHER RECEIVABLES

Trade receivable (Note a)	應收貿易賬款 (附註a)
Advances to suppliers	墊付供應商款項
Other receivables (Note b)	其他應收賬款 (附註b)

21. 貿易及其他應收賬款

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
13,856	13,613	–	–
64	–	–	–
12,214	8,002	14	–
26,134	21,615	14	–

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

(a) 應收貿易賬款之賬齡分析如下：

Group 本集團		Company 本公司	
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
1,786	7,203	–	–
–	6,410	–	–
12,070	–	–	–
13,856	13,613	–	–

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

授予貿易債務人之一般信貸期為三十至九十日。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

21. TRADE AND OTHER RECEIVABLES (Continued)

(b) Other receivables in 2005 included the amount of HK\$4,040,000 (2005: HK\$8,000,000) as deposit paid by a subsidiary for a proposed investment. A termination agreement signed on 7 February 2005 for the termination of the proposed investment. HK\$3,960,000 was refunded during the year and the remaining balance of HK\$4,040,000 was settled subsequent to the balance sheet date.

21. 貿易及其他應收賬款 (續)

(b) 二零零五年其他應收賬款包括一家附屬公司就投資建議支付之按金4,040,000港元(二零零五年: 8,000,000港元)。本公司於二零零五年二月七日簽訂終止協議終止該項投資建議。年內已退回3,960,000港元,而該4,040,000港元之餘額已於結算日後支付。

22. OTHER FINANCIAL ASSETS

Group

Listed securities:	上市證券:
Equity securities – Hong Kong	股本證券 – 香港
Market value of listed securities	上市證券市值

22. 其他金融資產

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
—	8,468
—	8,468

23. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	銀行及手頭現金
Short-term bank deposits	短期銀行存款

23. 現金及銀行結餘

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
17,443	3,505	10,243	3,461
15,100	—	15,100	—
32,543	3,505	25,343	3,461

The effective interest rate on short-term bank deposits is 4% per annum (2005: Nil), these deposits have an average maturity of less than 7 days.

短期銀行存款之實際年利率為4厘(二零零五年:零),該等存款之平均到期日為少於7日。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付賬款

		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
Trade payable	應付貿易賬款	193	-	-	-
Other payables and accruals	其他應付賬款及應計費用	4,859	6,106	576	2,590
		5,052	6,106	576	2,590

The ageing analysis of the trade payable was as follows:

應付貿易賬款之賬齡分析如下：

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 3 months	三個月內	193	-	-	-

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

由貿易債權人授予之一般信貸期為三十至九十日。

25. SHAREHOLDER'S LOAN

The shareholder's loan was unsecured, bore interest rate of 8% per annum (2005: interest free) and had no fixed terms of repayment and was repaid in full during the year.

25. 股東貸款

股東貸款乃無抵押、按年利率8厘計息（二零零五年：免息）及無固定還款期，有關貸款已於年內悉數償還。

26. CONVERTIBLE BONDS

On 20 April 2004, the Company issued convertible bonds of HK\$18,000,000 bore interest rate of 8% per annum which entitle the bondholders to subscribe for 100,000,000 shares at a conversion price of HK\$0.18 per share. During the year ended 31 March 2005, 11,111,111 shares of HK\$0.10 each were issued on conversion of the subscription rights of HK\$2,000,000 convertible bonds. The outstanding HK\$16,000,000 convertible bonds subsequently matured on 19 April 2005 and the Company repaid the outstanding amount in full to the bondholders.

26. 可換股債券

於二零零四年四月二十日，本公司發行18,000,000港元，按年利率為8厘之可換股債券，授權債券持有人可按兌換價每股0.18港元認購100,000,000股股份。於截至二零零五年三月三十一日止年度內，已發行11,111,111股每股面值0.10港元之股份以兌換2,000,000港元可換股債券之認購權。16,000,000港元之尚未行使可換股債券隨後已於二零零五年四月十九日到期，本公司已向債券持有人悉數償還未償付款額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

27. SHARE CAPITAL

27. 股本

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

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

27. SHARE CAPITAL (Continued)

27. 股本 (續)

		2006 二零零六年	
		'000 千股	HK\$'000 千港元
Authorised:	法定股本：		
At the beginning of year	年初	50,000,000	500,000
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Consolidation of every 10 shares	每10股合併為1股之股份		
into 1 share	合併	(45,000,000)	(450,000)
		5,000,000	50,000
Cancellation of unissued shares	註銷未發行股份	(4,792,782)	(47,927)
Increase in authorised share capital	增加法定股本	49,792,782	497,927
		50,000,000	500,000
At the end of year	年終		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Issued and fully paid:	已發行及繳足股本：		
At the beginning of year	年初	1,727,177	17,272
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Issue of new shares pursuant to share	根據股份配售發行新股份	345,000	3,450
placements			
Consolidation of every 10 shares	每10股合併為1股之股份		
into 1 share	合併	(1,864,959)	-
Capital reduction	股本削減	-	(18,650)
Issue of new shares pursuant to an	根據公開發售發行新股份	621,653	6,217
open offer			
		828,871	8,289
At the end of year	年終		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		

(a) Capital reorganization

By a resolution passed at the annual general meeting of the Company held on 23 August 2004, it was resolved that with effect from 24 August 2004:

- (1) the nominal value of the shares in issue was reduced from HK\$0.10 each to HK\$0.01 each by canceling the issued share capital to the extent of HK\$0.09 paid up on each of the issued shares ("Capital Reduction");
- (2) all the authorised but unissued share capital of the Company was cancelled and subsequently the authorised share capital was increased to the original authorised share capital of HK\$300,000,000 by the creation of such number of the new shares of HK\$0.01 each taking into account the number of issued new shares ranking pari passu with the then existing shares of the Company;
- (3) credit arising from the Capital Reduction was entirely transferred to the contributed surplus account of the Company;

(a) 股本重組

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

- (1) 註銷每股已發行股份之繳足已發行股本0.09港元，使已發行股份之面值由每股0.10港元削減至0.01港元（「削減股本」）；
- (2) 註銷本公司所有法定但未發行之股本，並於其後藉增設在各方面與本公司現有股份享有同等權益之每股面值0.01港元新股份，將法定股本增至原法定股本300,000,000港元，而增設新股份之數目經計入已發行之新股數目；
- (3) 削減股本產生之進賬全部轉至本公司之繳入盈餘賬；

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

27. SHARE CAPITAL (Continued)

(a) Capital reorganization (Continued)

(4) the entire amount standing to the credit of the share premium account of the Company as at 30 June 2004 was cancelled ("Share Premium Reduction") and the credit arising from the Share Premium Reduction was entirely transferred to the contributed surplus account of the Company; and

(5) an amount equivalent to the amount of the accumulated losses of the Company as at 31 March 2004 was applied from the contributed surplus account against such accumulated losses in full.

(b) Increase in authorised share capital

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

(c) Conversion of convertible bonds

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

(d) Exercise of warrants

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

(e) Subscriptions of new shares

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

(f) Exercise of share options

During the year ended 31 March 2005, options were exercised to subscribe for 193,560,000 ordinary shares in the Company. The net consideration was HK\$12,647,000, of which HK\$8,225,000 was credited to share capital and the balance of HK\$4,422,000 was credited to the share premium account.

All the new ordinary shares issued during the year ended 31 March 2005 ranked *pari passu* in all respects with the then existing ordinary shares of the Company.

(g) Share consolidation

By a resolution passed at the special general meeting of the Company held on 23 September 2005, the issued share capital of the Company had been consolidated for every ten ordinary shares of HK\$0.01 each into one ordinary share of HK\$0.1 each ("Consolidated Share").

27. 股本 (續)

(a) 股本重組 (續)

(4) 註銷本公司於二零零四年六月三十日股份溢價賬之全部進賬(「削減股份溢價」)，而削減股份溢價所產生之進賬全部轉至本公司之繳入盈餘賬；及

(5) 動用繳入盈餘賬中相等於本公司於二零零四年三月三十一日之累計虧損金額之數額，以悉數抵銷本公司該累計虧損。

(b) 增加法定股本

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

(c) 兌換可換股債券

於二零零四年六月三日至二零零四年六月十七日，本公司以兌換價每股0.18港元向兩名可換股債券持有人各自發行11,111,111股每股面值0.10港元之普通股。削減股本後，股份面值為每股0.01港元。

(d) 行使認股權證

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

(e) 認購新股

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

(f) 行使購股權

於截至二零零五年三月三十一日止年度，已行使購股權以認購193,560,000股本公司普通股。代價淨額為12,647,000港元，其中8,225,000港元已計入股本，而餘額4,422,000港元計入股份溢價賬內。

所有於截至二零零五年三月三十一日止年度發行之新普通股在各方面與本公司當時現有普通股享有同等權益。

(g) 股份合併

根據於二零零五年九月二十三日舉行之本公司股東特別大會通過之決議案，本公司已發行股本由每十股每股面值0.01港元之普通股合併為一股面值0.1港元之普通股(「合併股份」)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

27. SHARE CAPITAL (Continued)

(h) Capital reorganization

By a resolution passed at the special general meeting of the Company held on 23 September 2005, it was resolved that with effect from 26 September 2005:

- (1) the nominal value of the Consolidated Shares in issue was reduced from HK\$0.10 each to HK\$0.01 each by canceling the issued share capital to the extent of HK\$0.09 paid up on each of the issued Consolidated Shares ("2005 Capital Reduction");
- (2) all the authorised but unissued share capital of the Company was cancelled and subsequently the authorised share capital was increased to the original authorised share capital of HK\$500,000,000 by the creation of such number of the new shares of HK\$0.01 each taking into account the number of issued new shares ranking *pari passu* with the then existing shares of the Company;
- (3) credit arising from the 2005 Capital Reduction was entirely transferred to the contributed surplus account of the Company;
- (4) the entire amount standing to the credit of the share premium account of the Company as at 31 March 2005 was cancelled ("2005 Share Premium Reduction") and the credit arising from the 2005 Share Premium Reduction was entirely transferred to the contributed surplus account of the Company; and
- (5) an amount equivalent to the amount of the accumulated losses of the Company as at 31 March 2005 was applied from the contributed surplus account against such accumulated losses in full.

(i) Increase in authorised share capital

On 26 September 2005, the Company's authorised share capital was increased to HK\$500,000,000 by the creation of additional 49,792,782,284 ordinary shares of HK\$0.01 each, ranking *pari passu* with the then existing shares of the Company.

(j) Subscriptions of new shares

On 13 June 2005, the Company issued 345,000,000 ordinary shares of HK\$0.01 each at a price of HK\$0.04 per share to not less than six independent investors, all ranking *pari passu* in all respects with the then existing shares of the Company.

On 25 October 2005, the Company issued 621,653,148 ordinary shares of HK\$0.01 each at the subscription price of HK\$0.10 per share pursuant to the open offer on the basis of three offer shares for every adjusted share held on 3 October 2005.

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

27. 股本 (續)

(h) 股本重組

於二零零五年九月二十三日舉行之本公司股東特別大會上通過決議案，議決自二零零五年九月二十六日起：

- (1) 註銷每股已發行合併股份之繳足已發行股本0.09港元，使已發行合併股份之面值由每股0.10港元削減至0.01港元（「二零零五年削減股本」）；
- (2) 註銷本公司所有法定但未發行之股本，並於其後藉增設在各方面與本公司當時現有股份享有同等權益之每股面值0.01港元新股份，將法定股本增至原法定股本500,000,000港元，而增設新股份之數目經計入已發行之新股數目；
- (3) 二零零五年削減股本產生之進賬全部轉至本公司之繳入盈餘賬；
- (4) 註銷本公司於二零零五年三月三十一日股份溢價賬之全部進賬（「二零零五年削減股份溢價」），而二零零五年削減股份溢價所產生之進賬全部轉至本公司之繳入盈餘賬；及
- (5) 動用繳入盈餘賬中相等於本公司於二零零五年三月三十一日之累計虧損金額之數額，以悉數抵銷本公司該累計虧損。

(i) 增加法定股本

於二零零五年九月二十六日，藉額外發行在各方面與本公司當時現有股份享有同等權益之49,792,782,284股每股面值0.01港元之普通股，將本公司之法定股本增至500,000,000港元。

(j) 認購新股

於二零零五年六月十三日，本公司按每股0.04港元之價格向不少於六名獨立投資者發行345,000,000股每股面值0.01港元之普通股，全部普通股在各方面與本公司當時現有股份享有同等權益。

於二零零五年十月二十五日，本公司根據公開發售按於二零零五年十月三日每持有一股經調整股份獲發三股發售股份之基準，以認購價每股0.10港元發行621,653,148股每股面值0.01港元之普通股。

年內發行之所有新普通股在各方面與本公司當時現有普通股享有同等權益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

28. RESERVES

Group

28. 儲備

本集團

		Share premium	Exchange reserve	Contributed surplus	Capital redemption reserve	Enterprises development reserve	Share option reserve	Accumulated losses	Total
		股份溢價	匯兌儲備	繳入盈餘	資本贖回 儲備	企業發展 儲備	購股權 儲備	累計虧損	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
At 1 April 2004	於二零零四年四月一日	31,109	235	-	1,868	803	-	(95,453)	(61,438)
Capital reduction	削減股本	-	-	120,915	-	-	-	-	120,915
Cancellation of share premium	註銷股份溢價	(32,185)	-	32,185	-	-	-	-	-
Transfers	轉讓	-	-	(94,415)	-	-	-	94,415	-
Issue of new shares	發行新股份	23,511	-	-	-	-	-	-	23,511
Loss for the year	年內虧損	-	-	-	-	-	-	(37,157)	(37,157)
At 31 March 2005 and 1 April 2005	於二零零五年 三月三十一日及 二零零五年四月一日	22,435	235	58,685	1,868	803	-	(38,195)	45,831
Capital reduction	削減股本	-	-	18,650	-	-	-	-	18,650
Cancellation of share premium	註銷股份溢價	(22,435)	-	22,435	-	-	-	-	-
Transfers	轉讓	-	-	(84,264)	-	-	-	84,264	-
Issue of new shares	發行新股份	66,299	-	-	-	-	-	-	66,299
Issue of share options	發行購股權	-	-	-	-	-	2,956	-	2,956
Exchange difference on translation of the financial statements of foreign subsidiaries	折算海外附屬公司財務報表時產生之匯兌差額	-	6	-	-	-	-	-	6
Loss for the year	年內虧損	-	-	-	-	-	-	(77,136)	(77,136)
At 31 March 2006	於二零零六年 三月三十一日	66,299	241	15,506	1,868	803	2,956	(31,067)	56,606

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

28. RESERVES (Continued)

Company

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Capital redemption reserve 資本贖回 儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2004	於二零零四年四月一日	31,109	-	1,868	-	(94,415)	(61,438)
Capital reduction	削減股本	-	120,915	-	-	-	120,915
Share premium reduction	削減股份溢價	(32,185)	32,185	-	-	-	-
Transfer	轉讓	-	(94,415)	-	-	94,415	-
Issue of new shares	發行新股份	23,511	-	-	-	-	23,511
Loss for the year	年內虧損	-	-	-	-	(84,264)	(84,264)
At 31 March 2005 and 1 April 2005	於二零零五年 三月三十一日及 二零零五年四月一日	22,435	58,685	1,868	-	(84,264)	(1,276)
Capital reduction	削減股本	-	18,650	-	-	-	18,650
Share premium reduction	削減股份溢價	(22,435)	22,435	-	-	-	-
Transfer	轉讓	-	(84,264)	-	-	84,264	-
Issue of new shares	發行新股份	66,299	-	-	-	-	66,299
Issue of share option	發行購股權	-	-	-	2,956	-	2,956
Loss for the year	年內虧損	-	-	-	-	(70,137)	(70,137)
At 31 March 2006	於二零零六年 三月三十一日	66,299	15,506	1,868	2,956	(70,137)	16,492

The Company has no reserves available for distribution as at 31 March 2006 (2005: HK\$Nil).

28. 儲備 (續)

本公司

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Capital redemption reserve 資本贖回 儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2004	於二零零四年四月一日	31,109	-	1,868	-	(94,415)	(61,438)
Capital reduction	削減股本	-	120,915	-	-	-	120,915
Share premium reduction	削減股份溢價	(32,185)	32,185	-	-	-	-
Transfer	轉讓	-	(94,415)	-	-	94,415	-
Issue of new shares	發行新股份	23,511	-	-	-	-	23,511
Loss for the year	年內虧損	-	-	-	-	(84,264)	(84,264)
At 31 March 2005 and 1 April 2005	於二零零五年 三月三十一日及 二零零五年四月一日	22,435	58,685	1,868	-	(84,264)	(1,276)
Capital reduction	削減股本	-	18,650	-	-	-	18,650
Share premium reduction	削減股份溢價	(22,435)	22,435	-	-	-	-
Transfer	轉讓	-	(84,264)	-	-	84,264	-
Issue of new shares	發行新股份	66,299	-	-	-	-	66,299
Issue of share option	發行購股權	-	-	-	2,956	-	2,956
Loss for the year	年內虧損	-	-	-	-	(70,137)	(70,137)
At 31 March 2006	於二零零六年 三月三十一日	66,299	15,506	1,868	2,956	(70,137)	16,492

本公司於二零零六年三月三十一日並無可供分派之儲備(二零零五年:零港元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

29. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

(a) Disposal of subsidiaries

Net liabilities disposed of:	出售之淨負債：
Property, plant and equipment	物業、廠房及設備
Trade and other payables	貿易及其他應付賬款
Obligation under finance lease	融資租賃承擔
Satisfied by:	支付方式：
Cash consideration	現金代價
Gain on disposal of subsidiaries	出售附屬公司之收益

(b) Acquisition of a subsidiary

On 28 July 2005, the Group acquired 30% of the issued share capital of Unicla International Limited ("UIL"), which was accounted for as interest in an associate using equity method during the period from 28 July 2005 to 14 December 2005. On 15 December 2005, additional 23% of the issued share capital of UIL was acquired. UIL has been consolidated as a subsidiary of the Group when control was acquired effectively on 15 December 2005.

UIL contributed turnover of HK\$757,000 and a loss after tax of HK\$3,106,000 to the Group since the date of acquisition of its control.

29. 綜合現金流量表附註

(a) 出售附屬公司

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
-	1,414
(45)	(209)
-	(1,285)
(45)	(80)
-	(2)
(45)	(82)

(b) 收購一家附屬公司

於二零零五年七月二十八日，本集團收購尤里克拉國際有限公司（「尤里克拉國際」）已發行股本30%，此項收購於二零零五年七月二十八日至二零零五年十二月十四日期間以權益法按一家聯營公司之權益列賬。於二零零五年十二月十五日，本集團額外收購尤里克拉國際已發行股本23%。尤里克拉國際已於二零零五年十二月十五日實際收購控制權時合併為本集團附屬公司。

自收購控制權之日以來，尤里克拉國際為本集團帶來營業額757,000港元及除稅後虧損3,106,000港元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

29. NOTES TO CONSOLIDATED CASH FLOW STATEMENT 29. 綜合現金流量表附註 (續)

(Continued)

(b) Acquisition of a subsidiary (Continued)

(b) 收購一家附屬公司 (續)

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Fair value of net assets acquired:	收購之淨資產公平值：		
Property, plant and equipment	物業、廠房及設備	7,360	-
Trade and other receivables	貿易及其他應收賬款	1,881	-
Inventories	存貨	10,155	-
Goodwill on acquisition	收購產生之商譽	816	-
Intangible assets	無形資產	55	-
Cash and cash equivalents	現金及現金等價物	3,411	-
Trade and other payables	貿易及其他應付賬款	(1,405)	-
Minority interests	少數股東權益	(10,085)	-
		12,188	-
Satisfied by:	支付方式：		
Cash considerations	現金代價	13,250	-
Share of equity results before taking control	於取得控制權前應佔股本	(1,062)	-
		12,188	-
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：		
Cash considerations paid	已付現金代價	(13,250)	-
Cash and cash equivalents acquired	收購之現金及現金等價物	3,411	-
		(9,839)	-

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

31 March 2006 於二零零六年三月三十一日

30. SHARE OPTION SCHEME

On 30 March 2004, a share option scheme (as amended by the addendum adopted by the Company on 7 December 2005) (the "Scheme") was approved and adopted by the shareholders of the Company with the purpose to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group, which will be effective for ten years until 29 March 2014.

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

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

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

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

30. 購股權計劃

於二零零四年三月三十日，本公司股東批准採納一項購股權計劃（「該計劃」，經本公司於二零零五年十二月七日採納附錄修訂），使本集團可授予選定參與人購股權，以獎勵及嘉許彼等為本集團作出貢獻。計劃將於截至二零一四年三月二十九日止十年期間有效。

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

30. SHARE OPTION SCHEME (Continued)

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

(a) Share options granted before 1 April 2005

The following table discloses the details of the share options granted before 1 April 2005 and movements in such holdings during the year ended 31 March 2006:

Category of participants 參與者類別	Date of grant 授出日期	Outstanding	Granted/ Exercised/ Lapsed	Effect on consolidation of shares (Note 1)	Effect on open offer (Note 2)	Outstanding	Exercise price (Note 2)	Weighted range market price of securities immediately before the exercise date	Market price of the securities immediately before the dates on which the options were granted	
		at 1/4/2005 於二零零五年 四月一日 尚未行使	during the year 於年內授出/ 行使/失效	(Note 1) 合併股份 之影響 (附註1)	(Note 2) 公開發售 之影響 (附註2)	at 31/3/2006 於二零零六年 三月三十一日 尚未行使		Exercise period 行使期 (附註2)	immediately before the exercise date 緊接行使 日期前證券之 加權平均市價	the securities immediately before the dates on which the options were granted 緊接授出購股權 日期前證券之市價
Advisors and Consultants 諮詢顧問 及顧問	15/4/2004 – 23/8/2004 二零零四年 四月十五日至 二零零四年 八月二十三日	34,380,000	-	(30,942,000)	1,498,615	4,936,615	15/4/2004 – 22/6/2014 二零零四年 四月十五日至 二零一四年 六月二十二日	0.7 – 0.73	N/A 不適用	0.055 – 0.11
	24/8/2004 – 31/12/2004 二零零四年 八月二十四日至 二零零四年 十二月三十一日	10,640,000	-	(9,576,000)	463,795	1,527,795	24/8/2004 – 24/6/2014 二零零四年 八月二十四日至 二零一四年 六月二十四日	0.54	N/A 不適用	0.027 – 0.076
		<u>45,020,000</u>	<u>-</u>	<u>(40,518,000)</u>	<u>1,962,410</u>	<u>6,464,410</u>				

30. 購股權計劃 (續)

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

(a) 於二零零五年四月一日前授出之購股權

下表披露於二零零五年四月一日前授出之購股權及該等購股權於截至二零零六年三月三十一日止年度之變動詳情：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

30. SHARE OPTION SCHEME (Continued)

(a) Share options granted before 1 April 2005 (Continued)

The following table discloses the details of the share options granted before 1 April 2005 and movements in such holdings during the year ended 31 March 2005:

Category of participants 參與者類別	Date of grant 授出日期	Outstanding at 1/4/2004	Granted during the year	Exercised during the year	Lapsed during the year*	Outstanding at 31/3/2005	Exercise period 行使期	Exercise price 行使價	Weighted range market price of securities immediately before the exercise date	Market price of the securities immediately before the dates on which the options were granted
		於二零零四年四月一日尚未行使	於年內授出	於年內已行使	於年內已失效*	於二零零五年三月三十一日尚未行使			緊接行使日期前證券之加權平均市價	緊接授出購股權日期前證券之市價
Directors 董事	28/4/2004 二零零四年四月二十八日	-	12,000,000	(2,400,000)	(9,600,000)	-	28/4/2004 – 27/4/2014 二零零四年四月二十八日至二零零四年四月二十七日	0.10	0.1090	0.1050
Employees 僱員	15/4/2004 – 23/8/2004 二零零四年四月十五日至二零零四年八月二十三日	-	16,760,000	(14,760,000)	(2,000,000)	-	15/4/2004 – 22/6/2014 二零零四年四月十五日至二零零四年六月二十二日	0.10 – 0.105	0.0495	0.074 – 0.11
	24/8/2004 – 17/11/2004 二零零四年八月二十四日至二零零四年十一月十七日	-	24,440,000	(24,440,000)	-	-	24/8/2004 – 24/6/2014 二零零四年八月二十四日至二零零四年六月二十四日	0.03 – 0.073	0.0344	0.03 – 0.07
		-	41,200,000	(39,200,000)	(2,000,000)	-				
Advisers and Consultants 諮詢顧問及顧問	15/4/2004 – 23/8/2004 二零零四年四月十五日至二零零四年八月二十三日	-	87,100,000	(52,720,000)	-	34,380,000	15/4/2004 – 22/6/2014 二零零四年四月十五日至二零零四年六月二十二日	0.10 – 0.105	0.0751	0.055 – 0.11
	24/8/2004 – 31/12/2004 二零零四年八月二十四日至二零零四年十二月三十一日	-	109,880,000	(99,240,000)	-	10,640,000	24/8/2004 – 24/6/2014 二零零四年八月二十四日至二零零四年六月二十四日	0.027 – 0.078	0.0433	0.027 – 0.076
		-	196,980,000	(151,960,000)	-	45,020,000				
		-	250,180,000	(193,560,000)	(11,600,000)	45,020,000				

* The share options lapsed during the year as a result of the resignation of the relevant director and employees.

* 購股權因有關董事及僱員辭任而於年內失效。

30. 購股權計劃 (續)

(a) 於二零零五年四月一日前授出之購股權 (續)

下表披露於二零零五年四月一日前授出之購股權及於截至二零零五年三月三十一日止年度持有該等購股權之變動詳情：

Weighted range market price of securities immediately before the exercise date	Market price of the securities immediately before the dates on which the options were granted
緊接行使日期前證券之加權平均市價	緊接授出購股權日期前證券之市價

0.1090

0.0495

0.0344

0.0751

0.0433

0.027 – 0.078

0.055 – 0.11

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

30. SHARE OPTION SCHEME (Continued)

(a) Share options granted before 1 April 2005 (Continued)

Notes:

- (1) Upon the share consolidation became effective on 26 September 2005, every 10 ordinary shares of HK\$0.01 each was consolidated into 1 ordinary share of HK\$0.1 each.
- (2) Upon completion of the open offer on 18 October 2005, the number of share options and exercise price were adjusted as follows:

30. 購股權計劃 (續)

(a) 於二零零五年四月一日前授出之購股權 (續)

附註:

- (1) 自股份合併自二零零五年九月二十六日生效後，每10股每股面值0.01港元之普通股，已合併為1股面值0.1港元之普通股。
- (2) 公開發售於二零零五年十月十八日完成後，購股權數目及行使價已調整如下：

	No. of share option 購股權數目		Exercise price 行使價	
	Before adjustment 調整前	After adjustment 調整後	Before adjustment 調整前 HK\$ 港元	After adjustment 調整後 HK\$ 港元
Advisors & Consultants 諮詢顧問及顧問	4,502,000	6,464,410	0.078-0.105	0.54-0.73

- (3) The financial impact of share options granted before 1 April 2005 is not recorded in the Company's or Group's financial statements as the Group took advantage of the transitional provisions set out in paragraph 53 of HKFRS 2 under which the new recognition and measurement policies were not applied to share options granted after 7 November 2002 but were vested before 1 January 2005.

- (3) 本集團因應用香港財務報告準則第2號第53段所載過渡條文，據此，並無就於二零零二年十一月七日後授出，但於二零零五年一月一日前歸屬之購股權應用新確認及計量政策，因此，於二零零五年四月一日前授出購股權之財務影響並無於本公司或本集團之財務報表記錄。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

30. SHARE OPTION SCHEME (Continued)

(b) Share options granted after 1 April 2005

Details of share options granted on 21 December 2005 at the exercise price of HK\$0.128 are as follows:

Number of options 購股權數目	Vesting period 歸屬期	Exercise period 行使期
82,800,000	N/A 不適用	21 December 2005 to 20 December 2015 二零零五年十二月二十一日至 二零一五年十二月二十日

The closing price of the shares of the Company immediately before the date on which the options granted was HK\$0.128.

The following table discloses the details of the share options granted on 21 December 2005:

Directors	董事
Employees	僱員
Suppliers	供應商
Others	其他人士

No option was exercised, cancelled or lapsed during the year.

The estimated fair values of the options granted on those dates are HK\$0.0357.

The fair values were calculated using The Black-Scholes Option-Pricing Model. The inputs into the model were as follows:

Exercise price	行使價	0.128港元
Expected volatility	預期波幅	44.67%
Expected life	預期年期	2年
Risk-free rate	無風險比率	3.98%
Expected dividend yield	預期股息收益率	0%

Expected volatility was estimated by the annualized standard deviations of the continuously compounded rates of return on the comparable listed auto-parts companies in Hong Kong due to the change of the core business operation of the Company.

30. 購股權計劃 (續)

(b) 於二零零五年四月一日後授出之購股權於二零零五年十二月二十一日已授出行使價為0.128港元之購股權詳情如下：

緊接購股權授出日期前，本公司股份之收市價為0.128港元。

下表披露於二零零五年十二月二十一日授出之購股權詳情：

Number of options granted during the year and outstanding at 31 March 2006 年內授出且於二零零六年三月三十一日未行使之購股權數目
13,420,000
23,040,000
21,500,000
24,840,000
82,800,000

年內概無購股權獲行使、被註銷或失效。

於該等日期已授出購股權之估計公平值為0.0357港元。

公平值以「柏力克－舒爾斯」期權定價模式計算。輸入模式之數據包括：

由於本公司之核心業務有所轉變，故根據香港可資比較汽車零件上市公司之長期複合回報率的標準差額，再加以年度化，以估計預期波幅。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

30. SHARE OPTION SCHEME (Continued)

(b) Share options granted after 1 April 2005 (Continued)

The Group recognized the total expenses of HK\$2,956,000 (2005: HK\$Nil) for the year ended 31 March 2006 in relation to share options granted after 1 April 2005 by the Company.

31. COMMITMENTS

(a) Capital commitments

Capital expenditure in respect of the acquisition of a subsidiary contracted for but not provided in the financial statements	收購一家附屬公司相關已訂約但未於財務報表撥備之資本開支
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(b) Commitments under operating leases

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

Operating leases which expire:	經營租賃屆滿期限：
Within one year	一年內
Two to five years	兩年至五年內

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

30. 購股權計劃 (續)

(b) 於二零零五年四月一日後授出之購股權 (續)

本集團於截至二零零六年三月三十一日止年度就本公司於二零零五年四月一日後授出購股權確認總開支2,956,000港元(二零零五年:零港元)。

31. 承擔

(a) 資本承擔

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
8,860	—

(b) 經營租賃承擔

於結算日，本集團根據有關土地及樓宇之不可撤銷經營租賃之未償付最低承擔如下：

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
1,292	318
1,891	—
3,183	318

於各結算日，本公司並無任何重大承擔。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

32. RELATED PARTY TRANSACTIONS

(a) Related party transactions

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

Consultancy and professional fees paid to a related company	支付予關連公司之顧問及專業費用	(i)	-	166
Disposal of subsidiary to a related company	向關連公司出售附屬公司	(ii)	-	2
Operating expenses paid to a related company	支付予關連公司之營運開支	(iii)	-	200
Rental expenses paid to a related company	支付予關連公司之租金支出	(iv)	7	100
Salaries and MPF paid to connected persons	支付有關連人士之薪金及強積金	(v)	138	248
Fixed assets purchased from a connected company	從關連公司購入之固定資產	(vi)	250	-
Management fee income received from a related company	支付予關連公司之管理費用	(vii)	150	-

Notes:

- (i) Fees paid for consultancy and company secretarial services rendered by a related company.
- (ii) Sold a subsidiary to a related party at a cash consideration of HK\$2,000.
- (iii) Operating expenses paid to a related company represents administrative services provided to the Group and were reimbursed at cost.
- (iv) Rental expenses paid to a related company on normal commercial terms.
- (v) Salaries paid to connected persons for his/her employment with subsidiaries.
- (vi) Fixed assets were purchased from a connected person on normal commercial terms.
- (vii) Fee paid for general operation service provided by a related company.

(b) Key management compensation

Emoluments of key management are disclosed in Note 13 to the financial statements.

32. 有關連人士交易

(a) 有關連人士交易

年內，重大有關連人士交易概述如下：

Notes 附註	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
(i)	-	166
(ii)	-	2
(iii)	-	200
(iv)	7	100
(v)	138	248
(vi)	250	-
(vii)	150	-

附註：

- (i) 就一家關連公司提供之顧問及公司秘書服務而支付之費用。
- (ii) 以現金代價2,000港元向一有關連人士出售一家附屬公司。
- (iii) 支付予關連公司營運開支指就向本集團提供之行政服務按成本支付之報酬。
- (iv) 按一般商業條款向一家關連公司支付之租金支出。
- (v) 向一名由附屬公司聘用之關連人士支付薪金。
- (vi) 按一般商業條款向一名關連人士購入固定資產。
- (vii) 就一家關連公司提供之一般營運服務而支付之費用。

(b) 主要管理人員補償

主要管理人員之酬金於財務報表附註13披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 March 2006 於二零零六年三月三十一日

33. EVENTS AFTER THE BALANCE SHEET DATE

(a) Acquisition of a subsidiary

On 24 January 2006, Fullbelief International Limited, a subsidiary of the Company entered into a sale and purchase agreement with independent third parties to acquire the entire issued share capital of Infast Brokerage Limited. The acquisition was completed in June 2006 at a consideration of HK\$8.9 million.

(b) Proposed open offer of new shares

On 30 May 2006, the Company entered into an underwriting agreement with the underwriters in respect of the open offer to issue not less than 829,550,864 but not more than 911,670,864 offer shares at a price of HK\$0.12 per offer share payable in full on application, details of which are set out in the Company's announcement dated 7 June 2006.

(c) Cessation of an operation

On 14 July 2006, the Group resolved to discontinue the business of trading of electronic components.

During the year, the electronic components trading business incurred a loss of approximately HK\$17.5 million (2005: HK\$14.3 million) and contributed HK\$27,000 (2005: used up HK\$23.5 million) to the Group's net operating cash flows, paid HK\$Nil (2005: HK\$4.5 million) in respect of investing activities, and paid HK\$Nil (2005: HK\$Nil) in respect of financing activities.

The major classes of assets and liabilities of the business of trading of electronic components as included in the balance sheet at 31 March 2006 are as follows:

Furniture and equipment, net of impairment	傢俱及設備·扣除減值
Trade receivable, net of impairment	貿易應收賬款·扣除減值

(d) Proposed investment

On 24 May 2006, a non-legally binding memorandum of understanding was entered into between the Company and 江蘇松林汽車零部件有限公司 (Jiangsu Songlin Automobile Parts Co., Ltd.) ("Jiangsu Songlin"), in relation to the proposed subscription of approximately 39.4% of the total registered capital of Jiangsu Songlin as enlarged by such subscription at a consideration of RMB65 million (equivalent to approximately HK\$63 million).

34. COMPARATIVE FIGURES

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

33. 結算日後事項

(a) 收購一家附屬公司

於二零零六年一月二十四日·本公司一家附屬公司Fullbelief International Limited與獨立第三方訂立買賣協議·收購進滙證券有限公司全部已發行股本·收購已於二零零六年六月完成·代價為8,900,000港元。

(b) 建議公開發售新股份

於二零零六年五月三十日·本公司就公開發售與包銷商訂立包銷協議·以按每股發售股份0.12港元之價格(須於申請時繳足)·發行不少於829,550,864股但不多於911,670,864股發售股份·有關詳情載於日期為二零零六年六月七日本公司之公佈。

(c) 終止一項業務

於二零零六年七月十四日·本集團議決終止電子零件買賣業務。

年內·電子零件買賣業務產生虧損約17,500,000港元(二零零五年:14,300,000港元)·並為本集團之經營現金流量淨額貢獻27,000港元(二零零五年:動用23,500,000港元)·已分別就投資活動及融資活動支付零港元(二零零五年:4,500,000港元)及零港元(二零零五年:零港元)。

電子零件買賣業務之主要類別資產及負債載於二零零六年三月三十一日之資產負債表·載列如下:

2006
二零零六年
HK\$'000
千港元
97
12,070
12,167

(d) 建議投資

於二零零六年五月二十四日·本公司與江蘇松林汽車零部件有限公司(「江蘇松林」)簽訂無法律約束力諒解備忘錄·本公司將以人民幣65,000,000(相等於約63,000,000港元)認購江蘇松林經擴大股本後總註冊資本約39.4%權益。

34. 比較數字

經審閱財務報表之呈報方式後·當中若干項目已予重新分類·更適合用於呈報事件或交易·因此·為符合本年度之呈報方式·比較數字已重新分類。

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