

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

1. GENERAL

The Company is incorporated in Hong Kong with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The ultimate holding company of the Company is Jade Forest Limited ("Jade Forest"), a limited liability company incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information included in the annual report.

The financial statements are presented in Hong Kong dollars, which is the functional currency of the Company.

The Company is an investment holding company. The activities of its principal subsidiaries at 31st March, 2006 are set out in note 40.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRS(s)"), Hong Kong Accounting Standards ("HKAS(s)") and Interpretations (hereinafter collectively referred to as the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for accounting periods beginning on or after 1st January, 2005. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current and prior accounting years are prepared and presented.

1. 總則

本公司為一間在香港註冊成立之有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司之最終控股公司為 Jade Forest Limited（「Jade Forest」），其為一間在英屬處女群島註冊成立之有限公司。本公司之註冊辦事處及主要營業地點之地址於年報之公司資料內披露。

財務報告以港元呈列，而港元為本公司之功能貨幣。

本公司為一間投資控股公司，其主要附屬公司於二零零六年三月三十一日之業務載於財務報告附註40。

2. 應用香港財務報告準則／會計政策變動

於本年度，本集團已首次應用由香港會計師公會（「香港會計師公會」）頒佈之多項新增香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（下文統稱「新香港財務報告準則」）。該等新香港財務報告準則於二零零五年一月一日或以後開始之會計期間生效。採納新香港財務報告準則導致本集團在下列範疇之會計政策出現變動，並對本會計年度及過往會計年度之業績之編製及呈列方式構成影響。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Share-based payments

In the current year, the Group has applied HKFRS 2 "Share-based Payment" which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares, or in exchange for other assets equivalent in value to a given number of shares or rights over shares. The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options granted to directors and employees of the Company, determined at the date of grant of the share options, over the vesting period.

Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. The Group has applied HKFRS 2 to share options granted on or after 1st April, 2005. In relation to share options granted before 1st April, 2005, the Group chooses not to apply HKFRS 2 with respect to share options granted on or before 7th November, 2002 and vested before 1st April, 2005. Comparative figures have been restated. (see below for the financial impact).

2. 應用香港財務報告準則／會計政策變動（續）

以股份為基礎之付款

於本年度，本集團已應用香港財務報告準則第2號「以股份為基礎之付款」，其中規定當本集團以股份或股份權利作為購買貨品或取得服務之代價，或換取價值相等於指定數目之股份或股份權利之其他資產，則須確認開支。香港財務報告準則第2號對本集團之主要影響乃關乎本公司董事及僱員之購股權於購股權授出日期釐定之公平價值，須於歸屬期內支銷。

在應用香港財務報告準則第2號前，本集團在購股權獲行使前並無確認該等購股權之財務影響。本集團已就於二零零五年四月一日或以後授出之購股權應用香港財務報告準則第2號。就於二零零五年四月一日前授出之購股權而言，本集團選擇不會就於二零零二年十一月七日或以前授出而於二零零五年四月一日前已歸屬之購股權應用香港財務報告準則第2號。比較數字已予重列（有關財務影響見下文）。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Owner-occupied leasehold interest in land

In previous periods, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost method. In the current year, the Group has applied HKAS 17 "Leases". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interest in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight line basis. This change in accounting policy has been applied retrospectively. The unamortised prepaid lease payments for property interest in land has been separately shown in the consolidated balance sheet. (see below for the financial impact).

Financial instruments

In the current year, the Group has applied HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement. HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1st January, 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The application of HKAS 32 and HKAS 39 has had no material impact on how the financial results of the Group are presented for current and prior accounting periods.

2. 應用香港財務報告準則／會計政策變動(續)

業主自用土地租賃權益

於過往期間，業主自用租賃土地及樓宇乃以成本值方法計量並列入物業、機器及設備內。於本年度，本集團已應用香港會計準則第17號「租賃」。根據香港會計準則第17號，就租賃分類而言，租賃土地及樓宇之土地與樓宇部分乃分開計算，除非租賃款項無法可靠地在土地及樓宇部分之間作出分配，則在該情況下，整份租賃一般會被視作為融資租賃處理。倘租賃款項能夠可靠地在土地及樓宇部分之間作出分配，則土地租賃權益將重新分類為經營租賃項下之預付租賃款項，該租賃款項乃按成本列賬，並於租賃期內以直線法攤銷。此項會計政策變動已追溯應用。於土地內物業權益之未攤銷預付租賃款項已於綜合資產負債表內分開呈列(有關財務影響見下文)。

金融工具

於本年度，本集團已應用香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」。香港會計準則第32號要求追溯應用。香港會計準則第39號適用於二零零五年一月一日或其後開始之年度期間，一般而言並不容許財務資產及負債作追溯確認、取消確認或計量。應用香港會計準則第32號及香港會計準則第39號對本集團於本會計期間及過往會計期間之財政業績呈列方式並無重大影響。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

The effects of the changes in the accounting policies described above on the results for the current and prior years are as follows:

2. 應用香港財務報告準則／會計政策變動（續）

金融工具（續）

上文所述會計政策變動對本年度及過往年度業績之影響如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Income statement item	收益表項目		
Expenses in relation to share options granted included in total staff costs (administrative expenses)	涉及所授出購股權之開支 列作員工成本總額 (行政開支)	5,192	5,516

The cumulative effects of the application of the new HKFRSs as at 1st April, 2005 are summarised below:

於二零零五年四月一日應用新香港財務報告準則之累計影響概述如下：

		As originally stated 原先呈列 HK\$'000 千港元	Effect of HKAS 17 香港會計準則 第17號之影響 HK\$'000 千港元	Effect of HKFRS 2 香港財務報告 準則第2號 之影響 HK\$'000 千港元	As restated 經重列 HK\$'000 千港元
Balance sheet items	資產負債表項目				
Non-current assets	非流動資產				
Property, plant and equipment	物業、機器及設備	256,962	(5,922)	-	251,040
Prepaid lease payments	預付租賃款項	-	5,796	-	5,796
Current assets	流動資產				
Prepaid lease payments	預付租賃款項	-	126	-	126
Accumulated profits	累計溢利	23,273	-	(6,456)	16,817
Share-based compensation reserve	股份酬金儲備	-	-	6,456	6,456

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The cumulative effects of the application of the new HKFRSs as at 1st April, 2004 are summarised below:

2. 應用香港財務報告準則／會計政策變動(續)

於二零零四年四月一日應用新香港財務報告準則之累計影響概述如下：

		As originally stated	Effect of HKFRS 2 香港財務報告準則第2號 之影響	As restated
		原先呈列 HK\$'000 千港元	HK\$'000 千港元	經重列 HK\$'000 千港元
Accumulated losses	累計虧損	(144,777)	(940)	(145,717)
Share-based compensation reserve	股份酬金儲備	-	940	940

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of the above standards, amendments and interpretations will have no material impact on the financial statements of the Group except for the adoption of HKAS 39 and HKFRS 4 (Amendments) "Financial guarantee contracts" which requires financial guarantee contracts within the scope of HKAS 39 to be initially measured at fair value. The Group has commenced considering the potential impact of HKAS 39 and HKFRS 4 (Amendments) but is not yet in a position to determine whether they would have a significant impact on how its results of operations and financial position are prepared and presented.

本集團並未提前採納下列已頒佈但尚未生效之新準則、修訂或詮釋。本公司董事預計，應用該等新準則、修訂及詮釋將不會對本集團之財務報告構成重大影響，惟不包括採納香港會計準則第39號及香港財務報告準則第4號(修訂本)「財務擔保合約」，其中規定屬於香港會計準則第39號範圍內之財務擔保合約初次按公平價值計量。本集團已開始考慮香港會計準則第39號及香港財務報告準則第4號(修訂本)可能構成之影響，惟尚未能確定該等準則是否對其經營業績及財政狀況之編製及呈列構成重大影響。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2. 應用香港財務報告準則／會計政策變動（續）

HKAS 1 (Amendment) 香港會計準則第1號(修訂本)	Capital disclosures ¹ 股本披露 ¹
HKAS 19 (Amendment) 香港會計準則第19號(修訂本)	Actuarial gains and losses, group plans and disclosures ² 精算盈虧、集團計劃及披露 ²
HKAS 21 (Amendment) 香港會計準則第21號(修訂本)	Net investment in a foreign operation ² 海外業務之淨投資 ²
HKAS 39 (Amendment) 香港會計準則第39號(修訂本)	Cash flow hedge accounting of forecast intragroup transactions ² 預測集團內部交易之現金流量對沖會計法 ²
HKAS 39 (Amendment) 香港會計準則第39號(修訂本)	The fair value option ² 公平價值期權 ²
HKAS 39 and HKFRS 4 (Amendments) 香港會計準則第39號及香港 財務報告準則第4號(修訂本)	Financial guarantee contracts ² 財務擔保合約 ²
HKFRS 6 香港財務報告準則第6號	Exploration for and evaluation of mineral resources ² 勘探及評估礦物資源 ²
HKFRS 7 香港財務報告準則第7號	Financial instruments: Disclosures ¹ 金融工具：披露 ¹
HK(IFRIC) – INT 4 香港(國際財務報告詮釋委員會) — 詮釋第4號	Determining whether an arrangement contains a lease ² 釐定安排是否包含租賃 ²
HK(IFRIC) – INT 5 香港(國際財務報告詮釋委員會) — 詮釋第5號	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds ² 享有解除運作、修復及環境修復基金所產生 權益之權利 ²
HK(IFRIC) – INT 6 香港(國際財務報告詮釋委員會) — 詮釋第6號	Liabilities arising from participating in a specific market – waste electrical and electronic equipment ³ 參與特定市場—廢物電業及電子設備所產生 之負債 ³
HK(IFRIC) – INT 7 香港(國際財務報告詮釋委員會) — 詮釋第7號	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ⁴ 根據香港會計準則第29號惡性通脹經濟體系 財務報告之重列方式 ⁴
HK(IFRIC) – INT 8 香港(國際財務報告詮釋委員會) — 詮釋第8號	Scope of HKFRS 2 ⁵ 香港財務報告準則第2號之範疇 ⁵
HK(IFRIC) – INT 9 香港(國際財務報告詮釋委員會) — 詮釋第9號	Reassessment of embedded derivatives ⁶ 內置衍生工具之重新評估 ⁶

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- ¹ Effective for annual periods beginning on or after 1st January, 2007.
- ² Effective for annual periods beginning on or after 1st January, 2006.
- ³ Effective for annual periods beginning on or after 1st December, 2005.
- ⁴ Effective for annual periods beginning on or after 1st March, 2006.
- ⁵ Effective for annual periods beginning on or after 1st May, 2006.
- ⁶ Effective for annual periods beginning on or after 1st June, 2006.

2. 應用香港財務報告準則／會計政策變動(續)

- ¹ 適用於二零零七年一月一日或之後開始之年度期間。
- ² 適用於二零零六年一月一日或之後開始之年度期間。
- ³ 適用於二零零五年十二月一日或之後開始之年度期間。
- ⁴ 適用於二零零六年三月一日或之後開始之年度期間。
- ⁵ 適用於二零零六年五月一日或之後開始之年度期間。
- ⁶ 適用於二零零六年六月一日或之後開始之年度期間。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis and in accordance with the HKFRSs issued by HKICPA. In addition, the financial statements include applicable disclosures required by Rules Governing the Listing of Securities on the Stock Exchange and by the Companies Ordinance.

Basis of consolidation

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

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

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

Trade marks

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

Property, plant and equipment

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

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives after taking into account their estimated residual values, using the straight-line method.

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

3. 主要會計政策

財務報告乃按歷史成本基準及根據香港會計師公會頒佈之香港財務報告準則編製。此外，財務報告包括聯交所證券上市規則及公司條例規定之適用披露資料。

綜合賬目基準

綜合財務報告包括本公司及其附屬公司計至每年三月三十一日止之財務報告。

本集團內公司間之所有重大交易及結存均於綜合賬目時抵銷。

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

商標

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

物業、機器及設備

物業、機器及設備按成本減去折舊及攤銷與任何減值虧損後入賬。

資產之折舊於其估計可使用年期內並經計及估計剩餘價值以直線法撇銷成本計算。

根據融資租約持有之資產於其預計可使用年期內按與自置資產相同之基準計算折舊。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year in which the item is derecognised.

Investments in subsidiaries

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

Club debentures

Club debentures with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses. Club debentures are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the club debentures is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Gains or losses arising from derecognition of club debentures are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

3. 主要會計政策 (續)

物業、機器及設備於出售時或預期持續使用該資產不再帶來未來經濟利益時取消確認。因資產取消確認產生之任何收益或虧損(按出售所得款項淨額與資產賬面值之差額計算)乃於項目取消確認之年度內列入收益表。

附屬公司投資

附屬公司投資按成本減去任何獲確認之減值虧損後列入本公司之資產負債表。

會所債券

擁有無限期有效年期之會所債券乃按成本減任何其後之累計減值虧損列賬。會所債券按年進行減值測試，方式為比較其賬面值與其可收回款額，而不論是否有任何跡象顯示可能出現減值。倘資產之可收回款額估計少於其賬面值，則資產之賬面值將撇減至其可收回款額。減值虧損即時確認為開支。

倘若其後出現減值虧損撥回，則會所債券之賬面值會回升至其可收回款額之估計經修訂後水平，惟所增加後之賬面值不得超過倘若於以往年度未有就該資產確認減值之原應獲確定之賬面值。

取消確認會所債券產生之收益或虧損乃按出售所得款項淨額與資產賬面值間之差額計量，並於資產取消確認時於收益表入賬。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the income statement in the period when they are incurred.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Trade receivables/amounts due from related companies/amounts due from subsidiaries/pledged bank deposits/bank balances

Trade receivables, amounts due from related companies, amounts due from subsidiaries, pledged bank deposits and bank balances are measured at fair value on initial recognition, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

3. 主要會計政策 (續)

借貸成本

所有借貸成本乃於產生之期間在收益表確認及列作財務費用。

金融工具

財務資產及財務負債乃當集團實體成為工具合約條文之訂約方時，在資產負債表上確認。因收購或發行財務資產及財務負債而直接產生之交易成本（於損益賬按公平值處理之財務資產及財務負債除外）於首次確認時新增至財務資產或財務負債之公平值或自公平值扣除（如適用）。因收購於損益賬按公平價值處理之財務資產或財務負債而直接產生之交易成本即時於損益賬中確認。

應收賬款／應收關連公司款項／應收附屬公司款項／已抵押銀行存款／銀行結存

應收賬款、應收關連公司款項、應收附屬公司款項、已抵押銀行存款及銀行結存於首次確認時按公平值計量，其後則採用實際利率法按已攤銷成本計量。倘有客觀憑證顯著資產出現減值，則就估計不可收回款額之適當撥備於損益賬確認。所確認撥備乃資產賬面值與於首次確認時按實際利率貼現計算之估計未來現金流量兩者間之差額計量。

現金及現金等價物

現金及現金等價物包括手頭現金及通知存款。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Bank borrowings

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade payables/amount due to ultimate holding company/amount due to a subsidiary/amount due to a related company

Trade payables, amount due to ultimate holding company, amount due to a subsidiary and amount due to a related company are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. 主要會計政策 (續)

金融工具 (續)

財務負債及股本權益

本集團發行之財務負債及股本權益工具乃根據所訂立合約安排之性質與及財務負債及股本權益工具之定義而分類。股本權益工具為證明於集團經扣除其所有負債後之資產剩餘權益之任何合約。就特定財務負債及股本權益工具採納之會計政策載列於下文。

銀行借款

附息銀行貸款首次按公平值計量，其後則採用實際利率法按已攤銷成本計量。

應付賬款／應付最終控股公司款項／應付一間附屬公司款項／應付一間關連公司款項

應付賬款、應付最終控股公司款項、應付一間附屬公司款項及應付一間關連公司款項首次按公平值計量，其後則採用實際利率法按已攤銷成本計量。

股本權益工具

本公司發行之股本權益工具乃按已收所得款項（扣除直接發行成本）入賬。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value is determined as the estimated selling price less all further costs of production and the related costs of marketing, selling and distribution.

3. 主要會計政策 (續)

減值

於每個結算日，本集團會審閱其資產之賬面值以確定有否任何跡象顯示該等資產已出現減值虧損。倘可收回款額估計少於其賬面值，則賬面值將撇減至其可收回款額。減值虧損會即時確認為開支。

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

存貨

存貨按成本與可變現淨值兩者中之較低值入賬。成本按加權平均法計算。可變現淨值乃按估計售價減所有進一步生產成本及市場推廣、出售及分銷相關成本計算。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research and development expenditure

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

Leases

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

3. 主要會計政策 (續)

研發費用

研究活動費用於發生期間確認為開支。

租約

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

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

All other leases are classified as operating leases and the rentals are charged to the income statement on a straight-line basis over the relevant lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Taxation

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

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

3. 主要會計政策 (續)

租約 (續)

所有其他租約列作經營租約，而租金開支以直線法於有關租約期內從收益表中扣除。作為訂立經營租賃優惠之已收及應收利益乃以直線法於租賃期內確認為削減租金開支。

稅項

所得稅開支指目前應付稅項及遞延稅項之總額。

目前應付之稅項乃按期內之應課稅溢利計算。由於應課稅溢利不包括於其他期間應課稅或可扣稅之收入或開支項目，亦不包括永不課稅或可扣稅之項目，故此應課稅溢利與收益表所載溢利並不相同。本集團之本年度稅項負債乃採用於結算日已訂立或大致上已訂立之稅率計算。

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

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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

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

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amount receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

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

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

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3. 主要會計政策 (續)

稅項 (續)

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

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

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

收入之確認

收益乃按已收或應收代價之公平值計量，並相等於在日常業務過程就所提供貨品及服務之應收款額（扣除折扣及銷售相關稅項）。

銷售貨品之收入於貨品已送交及所有權已轉移之時予以確認。

來自投資之股息收入於股東確定收取股息款項之權利時予以確認。

財務資產之利息收入乃按時間基準，並參考未償還本金及適用之實際利率計算，該利率為確實地將財務資產之預計可用年期內之估計未來現金收入貼現至該資產之賬面淨值之貼現率。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

3. 主要會計政策 (續)

外幣

於編製各個別集團實體之財務報告時，以該實體之功能貨幣以外之貨幣（外幣）進行之交易乃按於交易日期之匯率換算為其功能貨幣（即該實體經營所在之主要經濟環境之貨幣）。於各結算日，以外幣定值之貨幣項目乃按結算日之匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

貨幣項目結算及貨幣項目換算產生之匯兌差額乃於產生之期間於損益賬確認。

就呈列綜合財務報告而言，本集團之海外業務資產及負債乃按結算日之主要匯率換算為本公司之呈列貨幣（即港元），而彼等之收入及開支則按本年度之平均匯率換算，惟倘期內匯率顯著波動則除外，於該情況下，則採用交易日期之主要匯率。所產生之匯兌差額（如有）乃確認為股本權益之獨立部份（匯兌儲備）。該項匯兌差額乃於出售海外業務之期內於損益賬確認。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment transactions

Share options granted to directors of the Company, employees of the Group and other participants

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based compensation reserve).

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited subsequent to vesting or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated profits.

Retirement benefits costs

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

3. 主要會計政策 (續)

以股份為基礎之付款交易

向本公司董事、本集團僱員及其他參與者授出購股權

所獲服務之公平值乃參考購股權於授出日期之公平值釐定，在歸屬期間以直線法列作開支，並於股本權益（股份酬金儲備）作相應之增加。

於購股權獲行使時，先前於購股權儲備中確認之款項將撥入股份溢價。當購股權被沒收或於屆滿日仍未行使，先前於購股權儲備確認之款項將轉撥至累計溢利。

退休福利成本

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

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include borrowings, bank balances, trade receivables and trade payables. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Certain trade receivables of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

4. 財務風險管理目標及政策

本集團之主要金融工具包括借貸、銀行結存、應收賬款及應付賬款。該等金融工具之詳情已於有關附註披露。下文載列與該等金融工具有關之風險及如何減低該等風險之政策。管理層管理及監察該等風險，以確保適時及有效地採取適當措施。

貨幣風險

本集團若干應收賬款以外幣計值。本集團目前並無外幣對沖政策。然而，管理層監察外匯風險，並在有需要時會考慮對沖重大外匯風險。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at 31st March, 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in the People's Republic of China ("PRC") other than Hong Kong. The balance of trade receivables as at 31st March, 2006 comprise 46.44% (2005: 46.85%) of receivables derived from PRC.

The credit risk on bank balances is minimal because the counterparties are banks with high credit-ratings.

4. 財務風險管理目標及政策 (續)

信貸風險

倘交易對手方於二零零六年三月三十一日並無履行其有關各類別已確認財務資產之義務，則本集團要承受之最大信貸風險為綜合資產負債表所列之該等資產之賬面值。為了盡量減低信貸風險，本集團管理層已授權小組專責釐定信貸額、信貸批核及其他監察程序，以確保採取跟進措施收回逾期之債務。此外，本集團定期檢討各個別應收賬款之可收回款額，以確保就無法收回之款額作出足夠之減值虧損撥備。就此而言，管理層認為本集團之信貸風險已顯著降低。

本集團按地點劃分之信貸風險集中程度主要位於中華人民共和國（「中國」）（香港以外）。應收賬款於二零零六年三月三十一日之結餘包括46.44%（二零零五年：46.85%）來自中國之應收賬款。

銀行結存之信貸風險極低，原因為交易對手方均為擁有優良信貸評級之銀行。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

The Group's fair value interest rate risk relates to its fixed-rate bank loans. However, the management consider the risk is insignificant to the Group.

5. SEGMENT INFORMATION

The Group currently has one business segment of development and sale of digital consumer products. The directors considered that the geographical segments by market, irrespective of the origin of the goods/services, is the primary segment.

Primary reporting segment – geographical segments

For the year ended 31st March, 2006

4. 財務風險管理目標及政策 (續)

利率風險

本集團之公平值利率風險來自其定息銀行貸款。然而，管理層認為該風險對本集團並無重大影響。

5. 分類資料

本集團目前僅有一項業務分類—數碼消費產品開發及銷售。董事認為主要分類是按市場(不論貨品/服務之來源地)之地區分類。

主要報告分類—地區分類

截至二零零六年三月三十一日止年度

		Europe 歐洲	USA 美國	Hong Kong 香港	Other regions in the PRC 中國其他地區	Others 其他	Eliminated 抵銷	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Turnover	營業額							
External sales	對外銷售	460,203	970,763	14,225	746,355	122,160	-	2,313,706
Inter-segment sales*	集團內部銷售*	4,833	-	135,911	117,843	20,716	(279,303)	-
Total	總額	465,036	970,763	150,136	864,198	142,876	(279,303)	2,313,706
Segment results	分類業績	51,913	105,658	6,194	90,193	13,296	-	267,254
Interest income	利息收入							4,399
Unallocated corporate expenses	未分配公司開支							(12,309)
Finance costs	財務費用							(39,638)
Profit before taxation	除稅前溢利							219,706
Taxation	稅項							(4,654)
Profit for the year	本年度溢利							215,052

* Inter-segment sales are charged at prices agreed by both parties.

* 集團內部銷售乃按交易雙方協定之價格計算。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

5. SEGMENT INFORMATION (CONTINUED)

Primary reporting segment – geographical segments (continued)

As at 31st March, 2006

5. 分類資料 (續)

主要報告分類 – 地區分類 (續)

於二零零六年三月三十一日

		Europe 歐洲 HK\$'000 千港元	USA 美國 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Other regions in the PRC 中國其他地區 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Eliminated 抵銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產							
Segment assets	分類資產	234,001	17,013	27,701	575,334	78,949	-	932,998
Unallocated corporate assets	未分配公司資產							1,547,725
Consolidated total assets	綜合總資產							2,480,723
Liabilities	負債							
Segment liabilities	分類負債	1,700	-	63,501	153,692	1,035	-	219,928
Unallocated corporate liabilities	未分配公司負債							915,348
Consolidated total liabilities	綜合總負債							1,135,276
Other information	其他資料							
Additions to property, plant and equipment	增添物業、機器及設備	-	-	2,637	5,019	-	-	7,656
Addition to trademarks	商標增加	-	-	-	22,050	-	-	22,050
Depreciation and amortisation	折舊及攤銷	-	-	14,848	25,282	188	-	40,318
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	-	-	2	-	-	-	2
Allowance for inventories	存貨撥備	-	-	-	191	-	-	191
Amortisation of prepaid lease payment	預付租賃款項攤銷	-	-	-	126	-	-	126

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

5. SEGMENT INFORMATION (CONTINUED)

Primary reporting segment – geographical segments (continued)

For the year ended 31st March, 2005 (restated)

5. 分類資料 (續)

主要報告分類 – 地區分類 (續)

截至二零零五年三月三十一日止年度
(經重列)

		Europe 歐洲 HK\$'000 千港元	USA 美國 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Other regions in the PRC 中國其他地區 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Eliminated 抵銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Turnover	營業額							
External sales	對外銷售	121,319	773,394	108,695	638,728	61,616	-	1,703,752
Inter-segment sales*	集團內部銷售*	-	-	23,827	30,122	-	(53,949)	-
Total	總額	121,319	773,394	132,522	668,850	61,616	(53,949)	1,703,752
Segment results	分類業績	9,869	112,507	17,845	85,723	9,297	-	235,241
Interest income	利息收入							2,368
Unallocated corporate expenses	未分配公司開支							(11,386)
Finance costs	財務費用							(11,112)
Profit before taxation	除稅前溢利							215,111
Taxation	稅項							(18,888)
Profit for the year	本年度溢利							196,223

* Inter-segment sales use charged at prices agreed by both parties.

* 集團內部銷售乃按交易雙方協定之價格計算。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

5. SEGMENT INFORMATION (CONTINUED)

Primary reporting segment – geographical segments (continued)

As at 31st March, 2005 (restated)

5. 分類資料 (續)

主要報告分類 – 地區分類 (續)

於二零零五年三月三十一日 (經重列)

		Europe 歐洲 HK\$'000 千港元	USA 美國 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Other regions in the PRC 中國其他地區 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Eliminated 抵銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產							
Segment assets	分類資產	77,440	121,719	110,082	744,375	73,989	-	1,127,605
Unallocated corporate assets	未分配公司資產							744,567
Consolidated total assets	綜合總資產							1,872,172
Liabilities	負債							
Segment liabilities	分類負債	341	-	49,979	281,414	712	-	332,446
Unallocated corporate liabilities	未分配公司負債							351,104
Consolidated total liabilities	綜合總負債							683,550
Other information	其他資料							
Additions to property, plant and equipment	增添物業、機器及設備	-	-	2,909	42,476	168	-	45,553
Depreciation and amortisation	折舊及攤銷	-	-	2,987	22,205	158	-	25,350
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	-	-	-	885	-	-	885
Allowance for bad and doubtful debts	呆壞賬撥備	7,780	-	-	25,096	-	-	32,876
Allowance for inventories	存貨撥備	-	-	2,232	9,631	-	-	11,863
Amortisation of prepaid lease payments	預付租賃款項攤銷	-	-	-	126	-	-	126

At 31st March, 2006 and 2005, the Group has only one business segment of development and sale of digital consumer products and therefore no analysis of segment assets and liabilities is presented.

All of the production facilities of the Group are located in the PRC.

於二零零六年及二零零五年三月三十一日，本集團僅有一項業務分類—數碼消費產品開發及銷售，因此並無呈報分類資產及負債之分析。

本集團之所有生產設施均位於中國。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

6. OTHER INCOME

Other income for the year includes the following:

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest received on bank deposits 銀行存款收取之利息	4,399	2,368
Gain on disposal of machinery held for sale 出售持作待售機器 之收益	2,878	-

6. 其他收入

年內之其他收入包括以下各項：

7. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

(i) Details of directors' remuneration are as follows:

The emoluments paid or payable to each of the seven (2005: eight) directors were as follows:

		Other emoluments 其他酬金			Total 酬金總額
		Fees 袍金	Salaries and other benefits 薪金及 其他福利	Pension costs 退休成本	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Pan Su Tong ("Mr. Pan") 潘蘇通(「潘先生」)		-	5,200	-	5,200
Lai Chi Kin, Lawrence 黎志堅		300	-	-	300
Ng Lai Man, Carmen 吳麗文		250	-	-	250
Cheng Kwan Wai, Sunny 鄭君威		200	-	-	200
Siu Wai Yip, James 蕭偉業		-	840	12	852
Huang Hui 黃暉		-	280	-	280
Dong Zhi Qiang 董志強		-	989	-	989
Total for 2006 二零零六年總額		750	7,309	12	8,071

7. 董事及五名最高薪僱員酬金

(i) 董事酬金詳情如下：

已付或應付七名(二零零五年：八名)董事每名之酬金如下：

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

7. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (CONTINUED)

(i) Details of directors' remuneration are as follows: (continued)

7. 董事及五名最高薪僱員酬金 (續)

(i) 董事酬金詳情如下：(續)

		Other emoluments 其他酬金			
		Salaries and other benefits		Pension costs	Total emoluments
		Fees 袍金	薪金及 其他福利	退休成本	酬金總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Mr. Pan	潘先生	-	7,200	-	7,200
Chung Kwan Yat	叢筠日	-	900	-	900
Lai Chi Kin, Lawrence	黎志堅	300	-	-	300
Ng Lai Man, Carmen	吳麗文	221	-	-	221
Cheng Kwan Wai, Sunny	鄭君威	52	-	-	52
Siu Wai Yip, James	蕭偉業	-	480	3	483
Huang Hui	黃暉	-	177	-	177
Dong Zhi Qiang	董志強	-	96	-	96
Total for 2005	二零零五年總額	573	8,853	3	9,429

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

7. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (CONTINUED)

(ii) Employees' remuneration:

Of the five highest paid individuals of the Group, three (2005: one) are employees of the Group, details of whose remuneration are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	3,160	997
Pension costs	退休成本	30	12
		3,190	1,009

Their emoluments were within the following bands:

		2006 二零零六年	2005 二零零五年
HK\$nil to HK\$1,000,000	零港元至1,000,000港元	2	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	-
		3	1

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

7. 董事及五名最高薪僱員酬金 (續)

(ii) 僱員酬金:

在本集團五名最高薪人士中，三名(二零零五年：一名)為本集團僱員，彼等之酬金詳情如下：

彼等之酬金介乎下列範圍

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

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

8. FINANCE COSTS

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
Interest on:	下列各項之利息：		
Bank borrowings wholly repayable within five years	須於五年內悉數償還 之銀行借款	(39,404)	(9,502)
Other borrowings wholly repayable within five years	須於五年內悉數償還 之其他借款	-	(410)
Finance leases	融資租約	(234)	(1,200)
		(39,638)	(11,112)

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

9. PROFIT BEFORE TAXATION

9. 除稅前溢利

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除以下各項：		
Allowance for bad and doubtful debts	呆壞賬撥備	-	32,876
Allowance for inventories	存貨撥備	191	11,863
Amortisation of prepaid lease payments	預付租賃款項攤銷	126	126
Auditors' remuneration	核數師酬金	2,100	1,800
Depreciation of property, plant and equipment	物業、機器及設備之折舊	28,358	22,480
Amortisation of trade marks	商標之攤銷	11,960	2,870
Total depreciation and amortisation	折舊及攤銷總額	40,318	25,350
Foreign exchange loss	外匯虧損	10,808	-
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	2	885
Operating lease rentals in respects of rented premises	租賃物業之經營租約租金	7,684	8,735
Research and development costs	研發成本	3,618	9,360
Royalty expenses	版權費支出	3,318	429
Staff costs, including directors' emoluments	員工成本，包括董事酬金	52,636	38,154
and after crediting:	並已計入以下各項：		
Reversal of allowance for bad and doubtful debts	呆壞賬撥備撥回	8,228	-
Foreign exchange gain	外匯收益	-	106

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

10. TAXATION

10. 稅項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The charge comprises:	稅項支出包括：		
The Company and subsidiaries:	本公司及附屬公司：		
Hong Kong:	香港：		
– Current year	– 本年度	–	(8,252)
– Over (under) provision in prior years	– 以往年度超額撥備 (撥備不足)	356	(144)
PRC Enterprise Income Tax	中國企業所得稅	(5,010)	(10,673)
		(4,654)	(19,069)
Deferred taxation credit for the year	年度遞延稅項抵免	–	181
Taxation charge for the year	年度稅項支出	(4,654)	(18,888)

Hong Kong Profits Tax is calculated at 17.5% (2005: 17.5%) of the estimated assessable profit for the year. Taxation arising in other countries or other regions in the PRC is calculated at the rates prevailing in the relevant jurisdiction. Pursuant to relevant laws and regulations in the PRC, certain subsidiaries are entitled to exemption from Enterprise Income Tax under certain tax holidays and concessions. And one of the subsidiaries established in Macau is entitled to exemption from income tax under relevant tax concessions.

香港利得稅乃根據本年度之估計應課稅溢利按17.5% (二零零五年: 17.5%) 之稅率計算。其他國家或中國其他地區之稅項乃按有關司法權區所採用之現行稅率計算。根據中國相關法例及法規，若干附屬公司有權按若干免稅期及減免豁免繳納企業所得稅。根據有關稅項減免，於澳門成立之一間附屬公司亦享有所得稅豁免。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

10. TAXATION (CONTINUED)

Pursuant to an approval document issued by the State Bureau of Dalian dated 25th June, 2004, Matsunichi Technology (Dalian) Company Limited, a subsidiary of the Company, had been designated as an advanced technology enterprise and its income tax rate was reduced from 33% to 15%. Moreover, Matsunichi Technology (Dalian) Company Limited was entitled to the two year's exemption from income tax followed by three years of 50% tax reduction commencing from the first profit-making year with effect from 2004.

Pursuant to an approval document issued by the State Bureau of Shenzhen Longgang District dated 20th July, 2004, Matsunichi Information Technology (Shenzhen) Company Limited, a subsidiary of the Company, had been designated as a newly established foreign manufacturing enterprises. As a result, Matsunichi Information Technology (Shenzhen) Company Limited was entitled to the two year's exemption from income tax followed by three years of 50% tax reduction commencing from the first profit-making year with effect from 2004.

10. 稅項 (續)

根據State Bureau of Dalian於二零零四年六月二十五日發出之批文，本公司之附屬公司松日科技(大連)有限公司已指定為先進科技企業，其所得稅率已由33%削減至15%。此外，松日科技(大連)有限公司於首年錄得盈利之年，即二零零四年起享有兩年之所得稅豁免，並於隨後三年享有50%之稅項寬減。

根據State Bureau of Shenzhen Longgang District於二零零四年七月二十日發出之批文，本公司之附屬公司松日信息科技(深圳)有限公司已指定為新成立外資製造企業。因此，松日信息科技(深圳)有限公司於首年錄得盈利之年，即二零零四年起享有兩年之所得稅豁免，並於隨後三年享有50%之稅項寬減。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

10. TAXATION (CONTINUED)

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

10. 稅項 (續)

年度稅項支出可與綜合收益表之除稅前溢利對賬如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (經重列)
Profit before taxation	除稅前溢利	219,706	215,111
Tax charge at the domestic income tax rate of 17.5% (2005: 17.5%)	按本地所得稅率17.5% (二零零五年：17.5%) 計算之稅項支出	(38,448)	(37,644)
Tax effect of income not taxable for tax purpose	就課稅而言毋須課稅收入之 稅務影響	4,207	146
Tax effect of expenses not deductible for tax purpose	就課稅而言不得扣減開支之 稅務影響	(4,309)	(1,916)
Tax effect of tax losses not recognised	並無確認之稅項虧損之 稅務影響	(20,810)	(2,690)
Effect of tax exemptions granted to the PRC subsidiaries	授予中國附屬公司之稅項 豁免之影響	32,390	23,295
Effect of tax exemptions for offshore profits	就離岸溢利之稅項 豁免之影響	21,100	-
Effect of different tax rate of a subsidiary in the PRC	中國附屬公司之不同 稅項之影響	860	65
Over(under)provision in prior years	過往年度之超額撥備(撥備不足)	356	(144)
Taxation charge for the year	年度稅項支出	(4,654)	(18,888)

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

11. DIVIDENDS

11. 股息

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Proposed final dividend of HK4 cents (2005: HK1.5 cents) per share	議派末期股息每股4港仙 (二零零五年: 1.5港仙)	27,477	10,078
2005 final dividend paid	二零零五年已付末期股息	10,078	-
Interim dividend of HK5 cents (2005: Nil) per share	中期股息每股5港仙 (二零零五年: 無)	34,344	-
Special dividend of HK7 cents (2005: Nil) per share	特別股息每股7港仙 (二零零五年: 無)	48,081	-
Total dividends paid	已付股息總額	92,503	-

The final dividend of HK4 cents per share has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

The directors paid an interim dividend of HK5 cents per share (2005: Nil) and a special dividend of HK7 cents per share (2005: Nil) to the shareholders of the Company whose names appear on the register of members of the Company on 6th January, 2006.

本公司董事建議派發末期股息每股4港仙，有關建議須於應屆股東週年大會上獲得股東之批准。

董事已向於二零零六年一月六日名列本公司股東登記冊之本公司股東派付中期股息每股5港仙(二零零五年:無)及特別股息每股7港仙(二零零五年:無)。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

12. EARNINGS PER SHARE

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

12. 每股盈利

每股基本及攤薄盈利乃根據下列資料計算：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (經重列)
Earnings	盈利		
Profit for the purpose of basic and diluted earnings per share (profit for the year attributable to equity holders of the Company)	就計算每股基本及攤薄溢利之盈利 (本公司權益持有人應佔年度溢利)	215,052	196,223
		2006 二零零六年 Number of shares 股份數目	2005 二零零五年 Number of shares (restated) (經重列) 股份數目
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利之普通股加權平均數	677,701,160	532,037,503
Effect of dilutive potential ordinary shares – Share options	潛在攤薄普通股之影響 – 購股權	8,356,667	11,690,045
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利之普通股加權平均數	686,057,827	543,727,548

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

12. EARNINGS PER SHARE (CONTINUED)

The following table summaries the impact on earnings per share as a result of changes in accounting policies:

12. 每股盈利 (續)

下表概述因會計政策變動對每股盈利之影響：

		Impact on basic earnings per share 對每股基本盈利之影響		Impact on diluted earnings per share 對每股攤薄盈利之影響	
		2006 二零零六年 HK cents 港仙	2005 二零零五年 HK cents 港仙	2006 二零零六年 HK cents 港仙	2005 二零零五年 HK cents 港仙
Figures before adjustments	調整前數字	32.50	37.92	32.11	37.10
Adjustments arising from changes in accounting policies (see note 2)	因會計政策變動產生之調整 (見附註2)	(0.77)	(1.04)	(0.76)	(1.01)
Reported/restated	報告/經重列	31.73	36.88	31.35	36.09

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、機器及設備

		Buildings 樓宇 HK\$'000 千港元	Plant and machinery 機器及 設備 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝修及器材 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
THE GROUP	本集團						
AT COST	成本						
At 1st April, 2004	於二零零四年四月一日	71,675	155,627	4,419	4,169	4,702	240,592
Additions	增加	36,981	6,590	-	1,210	772	45,553
Disposals	出售	-	-	(525)	-	(1,702)	(2,227)
At 31st March, 2005	於二零零五年三月三十一日	108,656	162,217	3,894	5,379	3,772	283,918
Additions	增加	104	3,627	1,890	705	1,330	7,656
Disposals	出售	-	-	(2,086)	-	(698)	(2,784)
At 31st March, 2006	於二零零六年三月三十一日	108,760	165,844	3,698	6,084	4,404	288,790
DEPRECIATION AND AMORTISATION	折舊及攤銷						
At 1st April, 2004	於二零零四年四月一日	-	8,009	1,244	825	567	10,645
Provided for the year	年度撥備	1,487	17,055	1,551	1,586	801	22,480
Eliminated on disposals	出售時抵銷	-	-	-	-	(247)	(247)
At 31st March, 2005	於二零零五年三月三十一日	1,487	25,064	2,795	2,411	1,121	32,878
Provided for the year	年度撥備	3,171	20,876	1,626	1,874	811	28,358
Eliminated on disposals	出售時抵銷	-	-	(1,993)	-	(188)	(2,181)
At 31st March, 2006	於二零零六年三月三十一日	4,658	45,940	2,428	4,285	1,744	59,055
CARRYING AMOUNT	賬面值						
At 31st March, 2006	於二零零六年三月三十一日	104,102	119,904	1,270	1,799	2,660	229,735
At 31st March, 2005	於二零零五年三月三十一日	107,169	137,153	1,099	2,968	2,651	251,040

Note: On 31st July, 2003, the Group entered into a purchase agreement to acquire the entire equity interests in Best Concord Group Limited, which beneficially owned the plant construction situated at Shenzhen, the PRC, from Matsunichi Communications (Hong Kong) Limited, a company which was wholly and beneficially owned by Mr. Pan, a substantial shareholder and a director of the Company, at a consideration of HK\$78,000,000, which is included in the buildings. The remaining balance outstanding as at 31st March, 2006 of HK\$11,700,000 has been included in the amount due to a related company in the current liabilities (see note 26) which shall be payable upon completion of due registration of the title of the plant in the name of Best Concord Group Limited, with all necessary licences for commencing operation of the plant by Best Concord Group Limited having been obtained. Such registration of the title had not yet been completed as at 31st March, 2006.

附註：於二零零三年七月三十一日，本集團訂立一項購買協議，向松日資訊（香港）有限公司收購 Best Concord Group Limited 之全部股權。松日資訊（香港）有限公司乃本公司主要股東兼董事潘先生全資及實益擁有。Best Concord Group Limited 則實益擁有位於中國深圳市之興建中廠房。有關之代價為 78,000,000 港元。有關物業已列入樓宇。於二零零六年三月三十一日應付而未付之餘款為 11,700,000 港元，已列入流動負債中應付一間關連公司款項（見附註 26），應付時間為完成廠房業權以 Best Concord Group Limited 名義正式登記，以及取得 Best Concord Group Limited 將廠房投產所需之一切許可證明文件。於二零零六年三月三十一日，該業權登記尚未完成。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

The carrying amount of the Group's plant and machinery includes an amount of HK\$730,000 (2005: HK\$32,855,000) in respect of assets held under finance leases.

The above items of property, plant and equipment are depreciated on a straight line basis of the following rates per annum:

Buildings	Over the estimated useful life of 20 years, or the unexpired term of the relevant lease, whichever is shorter
樓宇	二十年之估計可用年期或尚餘有關租約期內(以較短期者為準)
Plant and machinery	10% – 20%
機器及設備	
Leasehold improvements	Over the estimated useful life of 5 years or the unexpired term of the relevant lease, whichever is shorter
租賃物業裝修	五年之估計可用年期或尚餘有關租約期內(以較短期者為準)
Furniture, fixtures and equipment	20% – 33 $\frac{1}{3}$ %
傢俬、裝修及器材	
Motor vehicles	20%
汽車	

13. 物業、機器及設備(續)

該樓宇位於以中期租約持有之土地上並位於中國。

本集團名下機器及設備之賬面值中以融資租約持有之資產所佔款額為730,000港元(二零零五年:32,855,000港元)。

上述物業、機器及設備乃以直線法按下列年率折舊:

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

14. TRADE MARKS

THE GROUP

14. 商標

本集團

HK\$'000
千港元

COST

Acquired during the year ended
31st March, 2005 and
balance at 1st April, 2005

成本

於截至二零零五年三月三十一日止年度內
收購及於二零零五年四月一日之結餘

229,600

Acquired during the year

年內收購

22,050

Balance at 31st March, 2006

於二零零六年三月三十一日結餘

251,650

AMORTISATION

Balance at 1st April, 2004
Charge for the year

攤銷

於二零零四年四月一日之結餘
年度支出

-

(2,870)

Balance at 1st April, 2005

於二零零五年四月一日結餘

(2,870)

Charge for the year

年度支出

(11,960)

Balance at 31st March, 2006

於二零零六年三月三十一日結餘

(14,830)

CARRYING AMOUNTS

At 31st March, 2006

賬面值

於二零零六年三月三十一日

236,820

At 31st March, 2005

於二零零五年三月三十一日

226,730

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

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

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

14. TRADE MARKS (CONTINUED)

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

The PRC trade marks agreement was completed on 1st November, 2005, and accordingly, 15,000,000 ordinary shares were allotted and issued to Jade Forest Limited on that date at a price of HK\$1.47, being the closing price of the shares.

The fair value of trade marks at the date of acquisition could not be estimated reliably. Accordingly, the fair value of trade marks are measured by reference to the fair value of the equity instruments granted, measured at the date the Group obtained the trade marks.

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

14. 商標 (續)

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

中國商標協議已於二零零五年十一月一日完成，因此，15,000,000股普通股已於當日按1.47港元之價格（即股份之收市價）配發及發行予Jade Forest Limited。

於收購日期之商標公平值無法可靠估計。因此，商標之公平值乃參考所授出股本權益工具之公平值計量，並於本集團取得商標之日期計量。

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

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

15. INVESTMENT IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份，按成本
Unlisted capital contributions, at cost	非上市注資，按成本

Particulars of the Company's principal subsidiaries at 31st March, 2006 are set out in note 40.

16. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments represent land use rights situated in the PRC under medium-term leases.

Analysed for reporting purposes as:	就報告目的作出分析：
Current portion	流動部份
Non-current portion	非流動部份

15. 於附屬公司投資

THE 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
78,000	78,000
163,188	158,139
241,188	236,139

本公司主要附屬公司於二零零六年三月三十一日之資料載於附註40。

16. 預付租賃款項

本集團之預付租賃款項乃指以中期租約持有位於中國之土地使用權。

THE 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
126	126
5,670	5,796
5,796	5,922

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

17. OTHER ASSETS

17. 其他資產

		THE GROUP AND THE COMPANY 本集團及本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Club debentures	會所債券	610	610
Less: Impairment losses recognised	減：已確認之減值虧損	(520)	(520)
		90	90

The club debentures are having an indefinite useful life because they are expected to generate economic benefit indefinitely. The club debentures are tested for impairment annually by reference to the market value.

會所債券擁有無限有效期，原因為有關債券預期可無限期帶來經濟利益。會所債券按年參考市值進行減值測試。

18. INVENTORIES

18. 存貨

		THE 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
Raw materials	原料	54,847	150,446
Work in progress	半製成品	2,390	7,739
Finished goods	製成品	11,745	28,912
		68,982	187,097

19. MACHINERY HELD FOR SALE

THE GROUP

Machinery held for sale was stated at cost. During the year ended 31st March, 2006, the Group entered into a sale and purchase agreement with a third party to dispose of the machinery held for sale for a consideration of approximately HK\$27,000,000 which was settled on 17th June, 2006 in full.

19. 持作待售機器

本集團

持作待售機器乃按成本入賬。截至二零零六年三月三十一日止年度，本集團與一名第三方訂立一項買賣協議，以代價約為27,000,000港元出售持作待售機器，代價已於二零零六年六月十七日全數支付。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

20. TRADE AND OTHER RECEIVABLES

20. 應收賬款及其他應收款項

		THE 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
Trade receivables	應收賬款	615,893	667,140
Less: Allowance for bad and doubtful debts	減：呆壞賬撥備	(26,043)	(32,505)
		589,850	634,635
Other receivables	其他應收款項	38,546	24,789
		628,396	659,424

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

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

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

以下為於結算日以賬齡劃分之應收賬款分析：

		THE GROUP 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 – 30 days	零至30日	57,649	187,617
31 – 90 days	31至90日	25,718	122,286
91 – 180 days	91至180日	323,036	247,404
Over 180 days	180日以上	209,490	109,833
		615,893	667,140

The fair values of the Group's trade and other receivables at 31st March, 2006 and 2005 approximate their corresponding carrying amounts.

本集團之應收賬款及其他應收款項於二零零六年及二零零五年三月三十一日之公平值約相等於其賬面值。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

21. AMOUNTS DUE FROM RELATED COMPANIES

Particulars of the amounts due from related companies in which Mr. Pan, a director of the Company, has beneficial interests are as follows:

Name of related company 關連公司名稱	THE GROUP 本集團		
	Balance at 31st March, 2006 於二零零六年三月三十一日之結餘 HK\$'000 千港元	Balance at 1st April, 2005 於二零零五年四月一日之結餘 HK\$'000 千港元	Maximum amount outstanding during the year 年內尚未收回款項之最高款額 HK\$'000 千港元
松日高科電子(深圳)有限公司	245	-	245
松日信息上海分公司	1,888	-	4,000
	<u>2,133</u>	<u>-</u>	

The amounts are unsecured, interest-free and repayable on demand. The directors of the Company consider the carrying amount of amounts due from related companies approximates its fair value.

本公司董事潘先生擁有實益權益之應收關連公司款項之詳情如下：

THE GROUP 本集團		
Balance at 31st March, 2006 於二零零六年三月三十一日之結餘 HK\$'000 千港元	Balance at 1st April, 2005 於二零零五年四月一日之結餘 HK\$'000 千港元	Maximum amount outstanding during the year 年內尚未收回款項之最高款額 HK\$'000 千港元
245	-	245
1,888	-	4,000
<u>2,133</u>	<u>-</u>	

有關款項乃無抵押、免息及按要求償還。本公司董事認為，應收關連公司款項之賬面值約相等於其公平值。

22. PLEDGED BANK DEPOSITS THE GROUP

The amounts represent deposits pledged to a bank to secure short-term banking facilities granted to the Group and are therefore classified as current assets.

The deposits carried fixed interest rate at 1.15% to 2.5% (2005: 0.33% to 1.78%). The pledged bank deposits will be released upon the settlement of relevant bank borrowings. The fair value of bank deposits at 31st March, 2006 and 2005 approximates its carrying amount.

22. 已抵押銀行存款 本集團

有關款項乃指抵押予銀行之存款，以取得授予本集團之短期銀行融資，故此被分類為流動資產。

存款按定息計算，息率為1.15%至2.5%（二零零五年：0.33%至1.78%）。已抵押銀行存款將於償還有關銀行借款後解除抵押。銀行存款於二零零六年及二零零五年三月三十一日之公平值約相等於其賬面值。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

23. OTHER FINANCIAL ASSETS AND LIABILITIES

THE GROUP AND THE COMPANY

Bank balances and cash

Bank balances include short-term bank deposits which carry effective interest rates ranging from 1.25% to 2.98% (2005: 0.36% to 1.89%). The fair value of these assets at 31st March, 2006 and 2005 approximate their corresponding carrying amounts.

THE COMPANY

Amounts due from subsidiaries/amount due to a subsidiary

The amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand. The fair value of these assets and liabilities at 31st March, 2006 and 2005 approximates its carrying amount.

23. 其他財務資產及負債

本集團及本公司

銀行結存及現金

銀行結存包括短期銀行存款，按實際利率介乎1.25%至2.98%（二零零五年：0.36%至1.89%）計息。該等資產於二零零六年及二零零五年三月三十一日之公平值約相等於其賬面值。

本公司

應收附屬公司款項／應付一間附屬公司款項

應收／應付附屬公司款項乃無抵押、免息及按要求償還。該等資產於二零零六年及二零零五年三月三十一日之公平值約相等於其賬面值。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

24. TRADE AND OTHER PAYABLES

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

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

The fair value of the Group's trade and other payables at 31st March, 2006 and 2005 approximates its carrying amount.

25. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

THE GROUP AND THE COMPANY

The amount is unsecured, interest free and repayable on demand. The directors of the Company consider the carrying amount of amount due to ultimate holding company approximates its fair value.

24. 應付賬款及其他應付款項

以下為於結算日以賬齡劃分之應付賬款分析：

		THE GROUP	
		本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
0 – 90 days	零至90日	34,644	192,544
91 – 180 days	91至180日	16,063	42,923
Over 180 days	180日以上	25,730	29,137
		76,437	264,604
Other payables	其他應付款項	130,951	55,154
		207,388	319,758

本集團之應付賬款及其他應付款項於二零零六年及二零零五年三月三十一日之公平值約相等於其賬面值。

25. 應付最終控股公司款項

本集團及本公司

有關款項乃無抵押、免息及按要求償還。本公司董事認為，應付最終控股公司款項之賬面值約相等於其公平值。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

26. AMOUNT DUE TO A RELATED COMPANY

THE GROUP AND THE COMPANY

The amount represents amount due to Matsunichi Communications (Hong Kong) Limited in which Mr. Pan is the ultimate shareholder and a director (see note 13).

The amount is unsecured and interest free. In the opinion of the directors, the aforesaid registration of land will be completed within the next twelve months and accordingly, the amount has been classified as current asset.

The fair value of the amount due to a related company at 31st March, 2006 and 2005 approximates its carrying amount.

27. BANK BORROWINGS

26. 應付一間關連公司款項

本集團及本公司

該款項為應付松日資訊(香港)有限公司之款項。潘先生為松日資訊(香港)有限公司之最終股東及董事(見附註13)。

該款項乃無抵押及免息。董事認為，上述土地登記將於未來十二個月完成，故此該款項已分類為流動資產。

應付一間關連公司款項於二零零六年及二零零五年三月三十一日之公平值約相等於其賬面值。

27. 銀行借款

		THE 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
Bank loans	銀行貸款	56,580	56,580
Trust receipt loans	信託收據貸款	833,812	242,774
Bank overdrafts	銀行透支	964	2,999
		891,356	302,353
Analysis as:	分析如下：		
Secured	有抵押	2,946	2,830
Unsecured	無抵押	888,410	299,523
		891,356	302,353

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

27. BANK BORROWINGS (CONTINUED)

The Group's bank borrowings that are denominated in currencies other than the functional currency of the Company are set out below.

27. 銀行借款(續)

以本公司功能貨幣以外貨幣計值之本集團銀行借款載列如下：

		THE GROUP 本集團 RMB'000 千人民幣
At 31st March, 2006	於二零零六年三月三十一日	859,489
At 31st March, 2005	於二零零五年三月三十一日	243,933

The Group's bank loans represented a revolving one year loan and are arranged at an average rate of 5.58% (2005: 5.58%).

本集團之銀行貸款乃指一年期循環貸款，並按平均利率5.58%（二零零五年：5.58%）計息。

The trust receipt loans and bank overdraft carry interest at prevailing market rates.

信託收據貸款及銀行透支按主要市場利率計息。

A portion of the trust receipts loans is utilized under the bank facilities in which are guaranteed by China Export & Credit Insurance Corporation

部份從銀行融資中動用的信託收據貸款由中國出口信用保險公司提供擔保。

The fair value of the Group's bank borrowings at 31st March, 2006 and 2005 approximates to the corresponding carrying amount.

本集團銀行借款於二零零六年及二零零五年三月三十一日之公平值約相等於其賬面值。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

28. OBLIGATIONS UNDER FINANCE LEASES

28. 融資租約承擔

		Minimum lease payments 最低支付租金額		Present value of minimum lease payments 最低支付租金額之現值	
		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
THE GROUP	本集團				
Amounts payable under finance leases:	根據融資租約應付之金額：				
Within one year	一年內	306	15,134	252	14,106
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	467	13,713	431	12,626
		773	28,847	683	26,732
Less: Future finance charges	減：未來融資費用	(90)	(2,115)	-	-
Present value of lease obligations	租約債務之現值	683	26,732	683	26,732
Less: Amounts due for settlement within one year	減：一年內到期償還款額			(252)	(14,106)
Amounts due for settlement after one year	一年後到期償還款額			431	12,626

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

The fair value of the Group's obligations under finance lease was determined based on the present value of the estimated future cash flows discounted using the prevailing market rates at the balance sheet dates approximate to their carrying amount.

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

本集團融資租約承擔之公平值根據採用於結算日之主要市場利率貼現之估計未來現金流量現值計算，並約相等於其賬面值。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

29. SHARE CAPITAL

29. 股本

	Notes 附註	Number of shares 股份數目		Share capital 股本	
		2006 二零零六年	2005 二零零五年	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
		Ordinary shares of HK\$0.05 each Authorised: At 1st April, and 31st March,	每股面值0.05港元 之普通股 法定： 於四月一日及 於三月三十一日	10,000,000	10,000,000
Issued and fully paid: At 1st April,	已發行及繳足： 於四月一日	669,086,683	509,086,683	33,454	25,454
Issue of new shares	發行新股份	15,000,000	80,000,000	750	4,000
Issue of new shares by way of placement	以配售方式發行 新股份	-	80,000,000	-	4,000
Issue of new shares upon exercise of share options	因行使購股權 發行新股份	6,300,000	-	315	-
Shares repurchased and cancelled	購回及註銷股份	(3,462,000)	-	(173)	-
At 31st March,	於三月三十一日	686,924,683	669,086,683	34,346	33,454

(a) Pursuant to an agreement dated 3rd November, 2004 for the acquisition of the trade marks from MIHL, a company in which Mr. Pan has a beneficial interest, 80,000,000 and 15,000,000 new shares of HK\$0.05 each in the Company were issued and allotted to MIHL or its nominees on 24th January, 2005 and 1st November, 2005 respectively. All shares issued rank pari passu with the then existing shares in issue in all respects.

(a) 根據於二零零四年十一月三日與松日國際集團（由潘先生擁有實益權益之公司）就收購商標訂立之協議，80,000,000股及15,000,000股每股面值0.05港元之本公司新股份已分別於二零零五年一月二十四日及二零零五年十一月一日發行及配發予松日國際集團或其代名人。所有已發行股份在各方面均與當時之現有已發行股份享有同等權益。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

29. SHARE CAPITAL (CONTINUED)

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

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

- (c) During the year, 800,000 shares of HK\$0.05 each in the Company at a price of HK\$1.3 per share was issued upon exercise of share options granted on 5th February, 2004. During the year, 5,500,000 shares of HK\$0.05 each in the Company at a price of HK\$1.54 per share was issued upon exercise of share options granted on 20th April, 2004.
- (d) During the year, the Company repurchased its own share through the Stock Exchange as follows:

Month of repurchase	No. of ordinary shares of HK\$0.05 each 每股面值0.05港元之普通股數目
July, 2005 二零零五年七月	3,462,000

The above shares were cancelled upon repurchase.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

29. 股本 (續)

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

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

- (c) 年內，於二零零四年二月五日授出之購股權行使時，已按每股1.3港元之價格發行每股面值0.05港元之800,000股本公司股份。年內，於二零零四年四月二十日授出之購股權行使時，已按每股1.54港元之價格發行本公司每股面值0.05港元之5,500,000股股份。
- (d) 年內，本公司透過聯交所購回其本身股份如下：

Price per share	Aggregate consideration paid	
	Highest	Lowest
每股價格	最高	最低
最高 HK\$ 港元	最低 HK\$ 港元	已付代價總額 HK\$'000 千港元
1.65	1.55	5,691

上述股份已於購回時註銷。

本公司之附屬公司於年內並無購買、出售或贖回本公司任何上市證券。

30. SHARE OPTIONS

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

Under the Scheme, the board of directors of the Company may grant options as an incentive to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company at the price determined by the directors, but shall not be lower than the higher of (i) the closing price of the Company's shares on the Stock Exchange on the date of grant; (ii) the average of the closing prices of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares. The maximum number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the total number of shares of the Company on the date of adopting the Scheme. An option may be exercised at any time within ten years from the date of grant, upon payment of HK\$1 on acceptance.

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

30. 購股權

本公司運作一項購股權計劃（「該計劃」），以鼓勵或嘉許參與者。

根據該計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司之董事）授出購股權作為對合資格僱員之鼓勵。合資格僱員可按董事釐定之價格認購本公司股份，惟有關價格不可低於（i）本公司股份於購股權授出日期在聯交所之收市價；（ii）本公司股份於緊接購股權授出日期前五個交易日在聯交所之平均收市價；及（iii）本公司股份之面值（以較高者為準）。根據該計劃而授出之購股權獲行使時可發行之股份最高數目不可超逾於採納該計劃日期之本公司已發行股份總數之10%。於接納時支付1港元後，購股權可在授出之日起計10年內任何時間行使。

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

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

30. SHARE OPTIONS (CONTINUED)

The following tables disclose details of the Company's share options held by employees (other than directors) and movements in such holdings during the year:

30. 購股權 (續)

下表披露年內由僱員(董事除外)持有之本公司購股權之詳情及有關持有量之變動:

Date of grant 授出日期	Subscription price 每股認購價 HK\$ 港元 (Note) (附註)	Exercisable period 行使期	Number of share options 購股權數目						Outstanding at 31.3.2006 於二零零六年三月三十一日 尚未行使
			Outstanding at 1.4.2004 於二零零四年四月一日 尚未行使		Outstanding at 1.4.2005 於二零零五年四月一日 尚未行使		Lapsed during the year 年內已失效	Exercised during the year 年內已行使	
			Granted during the year 年內已授出	Granted during the year 年內已授出	Granted during the year 年內已授出	Granted during the year 年內已授出			
5.2.2004 二零零四年二月五日	1.30	5.2.2005 to 4.2.2014 二零零五年二月五日至 二零一四年二月四日	2,550,000	-	2,550,000	-	(1,225,000)	(50,000)	1,275,000
5.2.2004 二零零四年二月五日	1.30	5.2.2006 to 4.2.2014 二零零六年二月五日至 二零一四年二月四日	2,550,000	-	2,550,000	-	(1,225,000)	-	1,325,000
20.4.2004 二零零四年四月二十日	1.54	20.4.2004 to 19.4.2014 二零零四年四月二十日至 二零一四年四月十九日	-	8,350,000	8,350,000	-	(1,950,000)	-	6,400,000
28.9.2005 二零零五年九月二十八日	1.43	28.9.2005 to 27.9.2015 二零零五年九月二十八日至 二零一五年九月二十七日	-	-	-	8,100,000	(300,000)	-	7,800,000
			5,100,000	8,350,000	13,450,000	8,100,000	(4,700,000)	(50,000)	16,800,000

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

30. SHARE OPTIONS (CONTINUED)

Details of share options held by the directors of the Company are as follows:

30. 購股權 (續)

於上表所述由本公司董事持有之購股權詳情如下：

Date of grant 授出日期	Subscription price 每股認購價 HK\$ 港元 (Note) (附註)	Exercisable period 行使期	Number of share options 購股權數目					
			Outstanding at 1.4.2004 於二零零四年四月一日 尚未行使	Granted during the year 年內已授出	Outstanding at 1.4.2005 於二零零五年四月一日 尚未行使	Granted during the year 年內已授出	Lapsed during the year 年內已失效	Outstanding at 31.3.2006 於二零零六年三月三十一日 尚未行使
5.2.2004 二零零四年二月五日	1.30	5.2.2005 to 4.2.2014 二零零五年二月五日至二零零四年二月四日	1,300,000	-	1,300,000	-	(1,150,000)	150,000
5.2.2004 二零零四年二月五日	1.30	5.2.2006 to 4.2.2014 二零零六年二月五日至二零零四年二月四日	1,300,000	-	1,300,000	-	(1,150,000)	150,000
20.4.2004 二零零四年四月二十日	1.54	20.4.2004 to 19.4.2014 二零零四年四月二十日至二零零四年四月十九日	-	500,000	500,000	-	-	500,000
28.9.2005 二零零五年九月二十八日	1.43	28.9.2005 to 27.9.2015 二零零五年九月二十八日至二零零五年九月二十七日	-	-	-	3,500,000	(2,000,000)	1,500,000
			2,600,000	500,000	3,100,000	3,500,000	(4,300,000)	2,300,000

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

30. SHARE OPTIONS (CONTINUED)

Details of share options held by other participants of the Company are as follows:

30. 購股權 (續)

本公司其他參與者持有之購股權詳情如下：

Date of grant 授出日期	Subscription price per share 每股認購價 HK\$ 港元 (Note) (附註)	Exercisable period 行使期 尚未行使	Number of share options 購股權數目				
			Outstanding at 1.4.2004 於二零零四年 四月一日尚未行使	Granted during the year 年內已授出	Outstanding at 1.4.2005 於二零零五年 四月一日 尚未行使	Exercised during the year 年內已行使	Outstanding at 31.3.2006 於二零零六年 三月三十一日
5.2.2004 二零零四年二月五日	1.30	5.2.2005 to 4.2.2014 二零零五年二月五日至 二零一四年二月四日	-	6,150,000	6,150,000	(750,000)	5,400,000
5.2.2004 二零零四年二月五日	1.30	5.2.2006 to 4.2.2014 二零零六年二月五日至 二零一四年二月四日	-	6,150,000	6,150,000	-	6,150,000
20.4.2004 二零零四年四月二十日	1.54	20.4.2004 to 19.4.2014 二零零四年四月二十日至 二零一四年四月十九日	-	21,150,000	21,150,000	(5,500,000)	15,650,000
			-	33,450,000	33,450,000	(6,250,000)	27,200,000

Note: The closing prices of the Company's shares immediately preceding the date of grant of 5th February, 2004, 20th April, 2004 and 28th September, 2005 were HK\$1.30, HK\$1.48 and HK\$1.43, respectively.

附註：本公司股份於緊接授出日期二零零四年二月五日、二零零四年四月二十日及二零零五年九月二十八日之收市價分別為1.30港元、1.48港元及1.43港元。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

30. SHARE OPTIONS (CONTINUED)

The vesting period ends on the date the exercisable period of the share options begins.

In respect of the share options exercised during the year, the weighted average share price at the date of exercise is HK\$1.42.

The estimated weighted average fair value of the options granted on 5th February, 2004 and 28th September, 2005 are HK\$0.4106 and HK\$0.4235 per share, respectively. The fair value was calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

		5.2.2004 二零零四年 二月五日	28.9.2005 二零零五年 九月二十八日
Share price	股價	HK\$1.3	HK\$1.43
Exercise price	行使價	HK\$1.3	HK\$1.43
Expected volatility	預期波幅	44%	44%
Expected life	預期年期	10 years	10 years
Risk-free rate	無風險息率	3.97%	4.18%
Expected dividend yield	預期股息收益	6%	6%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous twelve months.

The Group recognised total expenses of HK\$5,192,000 (2005: HK\$5,516,000) related to equity-settled share-based payment transactions during the year.

The Black-Scholes option pricing model requires the input of highly subjective assumptions including the volatility of share price, changes in subjective input assumptions can materially affect the fair value estimate.

30. 購股權 (續)

歸屬期於購股權行使期間日期開始時結束。

就年內已行使之購股權而言，於行使日期之加權平均股價為1.42港元。

於二零零四年二月五日及二零零五年九月二十八日授出之購股權之估計加權平均公平值分別為每股0.4106港元及0.4235港元。公平值乃採用柏力克-舒爾斯期權定價模式計算。模式計入之因素如下：

	5.2.2004 二零零四年 二月五日	28.9.2005 二零零五年 九月二十八日
預期波幅採用本公司股價於過去十二個月之過往波幅釐定。		

本集團於年內就以股本結算之以股份為基礎之付款交易確認之開支總額為5,192,000港元(二零零五年:5,516,000港元)。

柏力克-舒爾斯期權定價模式要求計入高度主觀之假設性因素，包括股價波幅，而所計入主觀假設性因素出現變動可對公平值之估計構成重大影響。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

31. RESERVES

THE GROUP

Details of changes in reserves of the Group are set out in the consolidated statement of changes in equity on page 35.

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

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

31. 儲備

本集團

本集團儲備變動詳情載於第35頁之綜合權益變動表內。

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

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

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

31. RESERVES (CONTINUED) THE COMPANY

31. 儲備 (續) 本公司

		Share premium 股份溢價 HK\$'000 千港元	Share-based compensation reserve 股份酬金儲備 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Accumulated (losses) profits 累計 (虧損) 溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Balance at 1st April, 2004	於二零零四年四月一日結存						
- as originally stated	- 原先呈列	691,151	-	45,255	-	(266,860)	469,546
- effect of change in accounting policies (note 2)	- 會計政策變動 之影響 (附註2)	-	940	-	-	(940)	-
- as restated	- 經重列	691,151	940	45,255	-	(267,800)	469,546
Issue of new shares (note 29)	發行新股份 (附註29)	409,600	-	-	-	-	409,600
Expenses incurred in connection with issue of new shares	因發行股份而引致 之支出	(5,550)	-	-	-	-	(5,550)
Recognition of equity settled share-based payments	確認以股本結算之以股份 為基礎之付款	-	5,516	-	-	-	5,516
Profit for the year	本年度溢利	-	-	-	-	241,936	241,936
Transfer upon full settlement of all outstanding debts at the effective date of the share capital reorganisation (Note)	於股本重組生效日期 全數償還所有 未償還債務時 轉撥 (附註)	-	-	(45,255)	-	45,255	-
Balance at 31st March, 2005	於二零零五年三月三十一日結存	1,095,201	6,456	-	-	19,391	1,121,048
Issue of new shares (note 29)	發行新股份 (附註29)	21,300	-	-	-	-	21,300
Recognition of equity settled share-based payments	確認以股本結算之以股份 為基礎之付款	-	5,192	-	-	-	5,192
Exercise of share options	行使購股權	9,447	(252)	-	-	-	9,195
Lapse of share options	購股權失效	-	(1,886)	-	-	1,886	-
Profit for the year	本年度溢利	-	-	-	-	136,973	136,973
Shares repurchased and cancelled	購回及註銷股份	-	-	-	173	(5,691)	(5,518)
Final dividend for 2005	二零零五年末期股息	-	-	-	-	(10,078)	(10,078)
Interim and special dividends for 2006	二零零六年中期及特別股息	-	-	-	-	(82,425)	(82,425)
Balance at 31st March, 2006	於二零零六年三月三十一日結存	1,125,948	9,510	-	173	60,056	1,195,687

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

31. RESERVES (CONTINUED)

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

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

31. 儲備 (續)

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

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

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

31. RESERVES (CONTINUED)

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

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

31. 儲備(續)

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

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

		Up to 31st March, 2004 直至 二零零四年三月三十一日 HK\$ 港元
Increase in issued share capital	增加之已發行股本	25,104,185.87
Increase in share premium account, net of expenses incurred	增加之股份溢價賬，已扣除引致之支出	568,899,209.42
		<u>594,003,395.29</u>

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

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

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

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

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

32. DEFERRED TAXATION

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

	Accelerated tax depreciation 稅項加速折舊
	HK\$'000 千港元
At 1st April, 2004 於二零零四年四月一日	181
Credit to income statement for the year 計入本年度之收益表	(181)
At 31st March, 2005 and 2006 於二零零五年及二零零六年三月三十一日	—

At the balance sheet date, the Group had unused tax losses of approximately HK\$183,503,000 (2005: HK\$62,932,000) available for offset future profits. The losses may be carried forward indefinitely. No deferred taxation asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. There were no other significant temporary differences arising during the year or at the balance sheet date.

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

以下為於本年度及過往年度已確認之主要遞延稅項負債及其變動：

於結算日，本集團未動用之稅項虧損約183,503,000港元（二零零五年：62,932,000港元）可用於抵銷日後溢利。由於日後溢利來源之不可預測性，並無就稅項虧損確認任何遞延稅項資產。年內或於結算日並無其他重大暫時差異。

本公司年內或於結算日並無重大暫時差異。

33. MAJOR NON-CASH TRANSACTION

As disclosed in note 14, 15,000,000 (2005: 80,000,000 ordinary shares) ordinary shares were issued and allotted to MIHL or its nominees for the acquisition of trade marks during both years at an issue price of HK\$1.47 (2005: HK\$2.62) per share.

34. PLEDGE OF ASSETS

At the balance sheet date, certain borrowings of the Group were secured by the bank deposits of HK\$4,236,000 (2005: HK\$3,430,000).

33. 主要非現金交易

誠如附註14所披露，於兩個年度內，15,000,000（二零零五年：80,000,000股普通股）股普通股已發行及配發予松日國際集團或其代名人，作為收購商標之代價，每股發行價為1.47港元（二零零五年：2.62港元）。

34. 資產抵押

於結算日，本集團之若干借款以銀行存款4,236,000港元（二零零五年：3,430,000港元）作抵押。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

35. RETIREMENT BENEFIT SCHEMES

Retirement benefit scheme contributions

35. 退休福利計劃

退休福利計劃供款

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Contributions to the defined contribution scheme	界定供款計劃供款	-	-
Contributions to mandatory provident fund scheme ("MPF Scheme")	強制性公積金計劃 (「強積金計劃」) 供款	404	292
Contributions to PRC state-managed pension schemes	國家管理退休金計劃 供款	804	726
Amounts charged to income statement	從收益表扣除之款額	1,208	1,018

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

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

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

35. RETIREMENT BENEFIT SCHEMES (CONTINUED)

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

36. OPERATING LEASE ARRANGEMENTS

The Group as lessee

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

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

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

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

35. 退休福利計劃(續)

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

36. 經營租約安排

本集團作為承租人

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

THE GROUP

本集團

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
7,938	2,200
110	1,212
8,048	3,412

磋商之租約年期介乎兩至三年。

本公司於結算日並無任何重大經營租約承擔。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

37. CAPITAL COMMITMENTS

37. 資本承擔

		THE GROUP	
		本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Capital expenditure contracted for but not provided in the financial statements in respect of acquisition of property, plant and equipment	已訂約但未於財務報告中作出購入物業、機器及設備撥備之資本開支	57	85

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

本公司於結算日並無任何重大資本承擔。

38. CONTINGENT LIABILITIES

THE GROUP

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

38. 或然負債

本集團

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

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

38. CONTINGENT LIABILITIES (CONTINUED)

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

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

THE COMPANY

At 31st March, 2006, the Company has provided a guarantee to banks in respect of credit facilities of finance leases granted to a subsidiary amounting to approximately HK\$664,000 (2005: HK\$664,000). The amount of the credit facilities utilised as at 31st March, 2006 amounting to HK\$195,000 (2005: HK\$340,000).

In addition, at 31st March, 2006, the Company provided several unlimited guarantees, a HK\$60,000,000 (2005: HK\$60,000,000) guarantee and a HK\$65,000,000 (2005: HK\$65,000,000) guarantee to certain banks in respect of credit facilities granted to certain subsidiaries. The aggregate amounts utilised by the subsidiaries at 31st March, 2006 were HK\$235,521,000 (2005: HK\$108,556,000).

39. RELATED PARTY TRANSACTIONS

Save as disclosed in notes 14, 21, 25 and 26 above, during the year ended 31st March, 2006, the Group paid rental charges of HK\$259,000 (2005: HK\$444,000) to Matsunichi Properties Holdings (HK) Limited, a company in which Mr. Pan has a beneficial interest. In addition, the Group sold goods amounting to HK\$3,740,000 (2005: HK\$ nil) to 松日信息上海分公司, a company in which Mr. Pan has a beneficial interest.

38. 或然負債 (續)

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

本集團於結算日並無其他重大或然負債。

本公司

於二零零六年三月三十一日，本公司就給予一間附屬公司之信貸融資租約而向銀行作出擔保，總額約為664,000港元（二零零五年：664,000港元）。於二零零六年三月三十一日，該附屬公司已動用之信貸融資共195,000港元（二零零五年：340,000港元）。

此外，於二零零六年三月三十一日，本公司就若干附屬公司之信貸融資而向若干銀行作出多項無限擔保，一項60,000,000港元（二零零五年：60,000,000港元）之擔保及一項65,000,000港元（二零零五年：65,000,000港元）之擔保。於二零零六年三月三十一日，該等附屬公司已動用之有關總額共235,521,000港元（二零零五年：108,556,000港元）。

39. 關連人士交易

除上文附註14、21、25及26所披露者外，於截至二零零六年三月三十一日止年度內，本集團向松日置業（香港）有限公司（由潘先生擁有實益權益之公司）支付租金開支259,000港元（二零零五年：444,000港元）。此外，本集團出售為數3,740,000港元（二零零五年：零港元）之貨品予松日信息上海分公司（為潘先生擁有實益權益之公司）。

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31st March, 2006 are as follows:

40. 主要附屬公司詳情

本公司之主要附屬公司於二零零六年三月三十一日之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊或成立/ 營運地點	Paid up issued/ registered ordinary share capital 繳足已發行/ 註冊普通股本	Proportion of equity interests held by the Company		Principal activities 主要業務
			本公司所持股權百分比		
			Directly 直接	Indirectly 間接	
Ample Field Investments Limited	British Virgins Islands/ Hong Kong and PRC 英屬處女群島/香港及中國	US\$10,000 10,000美元	100%	–	Investment holding and trading of digital consumer products 投資控股及買賣數碼消費產品
Best Concord Group Limited	British Virgins Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	100%	–	Investment holding 投資控股
Matsunichi Digital (Macao Commercial Offshore) Ltd.	Macau 澳門	MOP500,000 澳幣500,000	–	100%	Trading of digital consumer products 買賣數碼消費產品
Matsunichi Digital Technology (Shenzhen) Co., Ltd. 松日數碼深圳有限公司	PRC* 中國*	RMB99,216,000 人民幣99,216,000	100%	–	Manufacture and trading of digital consumer products 製造及買賣數碼消費產品
Matsunichi Digital Technology Limited	Taiwan 台灣	NT\$10,000,000 新台幣10,000,000	100%	–	Manufacture and trading of digital consumer products 製造及買賣數碼消費產品

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

40. 主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊或成立/ 營運地點	Paid up issued/ registered ordinary share capital 繳足已發行/ 註冊普通股本	Proportion of equity interests held by the Company 本公司所持股權百分比		Principal activities 主要業務
			Directly	Indirectly	
			直接	間接	
Matsunichi Hi-Tech Germany GmbH	Germany 德國	Eur300,000 300,000歐羅	100%	–	Trading of digital consumer products 買賣數碼消費產品
Matsunichi Hi-Tech Limited 松日高科有限公司	Hong Kong 香港	HK\$100 100港元	100%	–	Trading of digital consumer products 買賣數碼消費產品
Matsunichi Information Technology (Shenzhen) Co., Ltd. 松日信息科技(深圳)有限公司	PRC* 中國*	RMB144,522,088 人民幣144,522,088	–	100%	Manufacture and trading of digital consumer products 製造及買賣數碼消費產品
Matsunichi Technology (Dalian) Co., Ltd. 松日科技(大連)有限公司	PRC* 中國*	RMB59,945,220 人民幣59,945,220	100%	–	Manufacture and trading of digital consumer products 製造及買賣數碼消費產品
Matsunichi Media Agency Limited 松日傳訊有限公司	Hong Kong 香港	HK\$100 100港元	100%	–	Provision of agency service 提供代理服務
Matsunichi (Shenzhen) R&D Centre Co., Ltd. 松日通訊控股研發(深圳)有限公司	PRC* 中國*	RMB9,551,700 人民幣9,551,700	100%	–	Manufacture and trading of digital consumer products 製造及買賣數碼消費產品

Notes to the Financial Statements

財務報告附註

For the year ended 31st March, 2006 截至二零零六年三月三十一日止年度

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

* These companies were established in the PRC in the form of wholly foreign-owned enterprise.

(a) None of the subsidiaries had any debt securities subsisting at 31st March, 2006 or at any time during the year.

(b) The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results of the year or formed a substantial portion of the assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

40. 主要附屬公司詳情(續)

* 該等公司以外商獨資企業形式在中國成立。

(a) 於二零零六年三月三十一日或年內任何時間，各附屬公司並無任何債務證券。

(b) 依本公司董事之意見，上表列舉本公司之附屬公司為主要影響本集團本年度業績或合佔本集團資產相當比重之公司。董事認為列出其他附屬公司之詳情會令篇幅過於冗長。