



年報

2007

ANNUAL REPORT



冠亞商業集團有限公司

ASIA COMMERCIAL HOLDINGS LIMITED

Incorporated in Bermuda with limited liability

(於百慕達註冊成立之有限公司)

Stock code: 104

股份代號: 104

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Eav Yin (alias Duong Khai Nhon) (Chairman)
Eav Ming Keong, Kinson
Au Shiu Leung, Alex

Independent Non-executive Directors

Lai Si Ming
Wong Wing Yue, Rosaline
Lee Tat Cheung, Vincent

AUDIT COMMITTEE

Lai Si Ming (Committee Chairman)
Wong Wing Yue, Rosaline
Lee Tat Cheung, Vincent

REMUNERATION COMMITTEE

Eav Yin (alias Duong Khai Nhon) (Committee Chairman)
Lai Si Ming
Wong Wing Yue, Rosaline
Lee Tat Cheung, Vincent

QUALIFIED ACCOUNTANT

Au Shiu Leung, Alex

AUTHORISED REPRESENTATIVES

Eav Ming Keong, Kinson
Au Shiu Leung, Alex

COMPANY SECRETARY

Au Shiu Leung, Alex

AUDITORS

CCIF CPA Limited
Certified Public Accountants
20th Floor, Sunning Plaza
10 Hysan Avenue
Causeway Bay
Hong Kong

REGISTRAR

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

董事會

執行董事

楊仁(別名楊啟仁) (主席)
楊明強
區肇良

獨立非執行董事

賴思明
王穎妤
李達祥

審核委員會

賴思明 (委員會主席)
王穎妤
李達祥

薪酬委員會

楊仁(別名楊啟仁) (委員會主席)
賴思明
王穎妤
李達祥

合資格會計師

區肇良

授權代表

楊明強
區肇良

公司秘書

區肇良

核數師

陳葉馮會計師事務所有限公司
執業會計師
香港
銅鑼灣
希慎道10號
新寧大廈20樓

股份過戶及登記處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

BRANCH REGISTRAR

Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East, Wanchai
Hong Kong

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

19th Floor
9 Des Voeux Road West
Hong Kong

BANKERS

Bank of America, N.A.
Wing Lung Bank Limited
Hang Seng Bank Limited

COMPANY'S WEBSITE

www.asiacommercialholdings.com

STOCK CODE

Stock Exchange of Hong Kong: 104

股份過戶及登記分處

秘書商業服務有限公司
香港
灣仔皇后大道東28號
金鐘匯中心26樓

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

香港主要營業地點

香港
德輔道西9號
19樓

銀行

美國銀行
永隆銀行
恒生銀行

公司網址

www.asiacommercialholdings.com

股份代號

香港聯合交易所：104



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員簡介

BOARD OF DIRECTORS

Executive Directors

Mr. Eav Yin (alias Duong Khai Nhon), aged 67, is the founder of the Group and a member of Chaozhou Committee of Guangdong Province of the Chinese People's Political Consultative Conference (廣東省潮州市政協委員). Mr. Eav is a Cambodian Chinese and prior to his establishing of a Hong Kong company in 1968 as an importing agent for watch distribution business in Cambodia, had extensive experience of distributing watches in Cambodia and Vietnam.

Mr. Eav Ming Keong, Kinson, aged 32, holds a Bachelor of Arts degree in Interior Design and Technology and a Master of Arts degree in Art, Design and Visual Culture from the London Guildhall University. After graduation, Mr. Kinson Eav has practiced in an architecture firm in London for 2 years. Mr. Kinson Eav is a son of Mr. Eav Yin.

Mr. Au Shiu Leung, Alex, aged 42, has held positions as chief financial officer and financial controller of certain Hong Kong listed companies. He was previously employed by the Company from 1995 to 1997 and was the company secretary from 1996 to 1997. Mr. Au is a member of The Institute of Chartered Accountants in England and Wales and an associate of The Hong Kong Institute of Certified Public Accountants. He holds a Bachelor of Commerce (Accounting) degree with honours from the University of Birmingham.

Independent Non-executive Directors

Mr. Lai Si Ming, aged 49, is a fellow member of the Hong Kong Institute of Surveyors and an associate member of the Royal Institution of Chartered Surveyors. Mr. Lai was elected as the Vice Chairman, General Practice Division of the Hong Kong Institute of Surveyors during the years from 2001 to 2003. Mr. Lai has been practicing as a professional surveyor since 1983 and has considerable experience in the property field. Mr. Lai holds a Master Degree of Business Administration from Chinese University of Hong Kong.

Ms. Wong Wing Yue, Rosaline, aged 37, graduated with LLB (Hons) at King's College, London University, UK in 1992, and was admitted to both the UK Bar (Middle Temple, UK) and the Hong Kong Bar in 1993. Ms. Wong is a practicing barrister in Hong Kong.

Mr. Lee Tat Cheung, Vincent, aged 37, has over 16 years experience in accounting and auditing and is the sole proprietor of a firm of Certified Public Accountants practicing in Hong Kong. Mr. Lee is an associate member of The Institute of Chartered Accountants in England and Wales, a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. He holds a Master Degree in Corporate Finance from the Hong Kong Polytechnic University.

董事會

執行董事

楊仁先生(別名楊啟仁)，現年六十七歲，為本集團創辦人，並為廣東省潮州市政協委員。楊仁先生為柬埔寨華僑，於一九六八年成立一家香港公司作為柬埔寨鐘錶分銷業務之進口代理前，具有在柬埔寨及越南分銷鐘錶的豐富經驗。

楊明強先生，現年三十二歲，持有英國倫敦市政大學頒發之室內設計及技術文學士學位及藝術、設計及視覺文化碩士學位。於畢業後，楊明強先生於倫敦一間建築師樓工作兩年。楊明強先生為楊仁先生之兒子。

區肇良先生，現年四十二歲，於香港若干上市公司擔任財務總監及財務主管職務。彼過往於一九九五年至一九九七年間受聘於本公司，並於一九九六年至一九九七年擔任其公司秘書。區先生為英格蘭及威爾斯特許會計師公會會員，以及香港會計師公會會員。彼持有伯明翰大學頒發的商業(會計)榮譽學士學位。

獨立非執行董事

賴思明先生，現年四十九歲，為香港測量師學會資深會員及英國皇家特許測量師學會之會員，賴先生於二零零一年至二零零三年期間被選為香港測量師學會之產業測量組之副主席。賴先生自一九八三年起開始以專業測量師之身份執業，並在地產界具豐富經驗。賴先生持有香港中文大學之工商管理碩士學位。

王穎好小姐，現年三十七歲，一九九二年畢業於英國倫敦大學 King's College，取得榮譽法律學士學位，並於一九九三年獲認許為英國(英國 Middle Temple)及香港大律師。王小姐為香港執業大律師。

李達祥先生，現年三十七歲，於會計及審計方面擁有逾十六年經驗，並為香港一間執業會計師行的獨資經營者。李先生為英格蘭及威爾斯特許會計師公會特許會計師，並為香港會計師公會及英國特許公認會計師公會資深會計師。彼持有香港理工大學企業金融碩士學位。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員簡介

SENIOR MANAGEMENT

Mr. Leung Shing Yiu, David, aged 43, joined the Group in 1988. Mr. Leung holds a B.Sc. degree. He has considerable experience in watch retailing, wholesale, brand management and MIS applications. Mr. Leung is the general manager of our Group's watch retailing business. He is currently in charge of the overall watch retailing business.

Mr. Poon Kwok Sing, Sammy, aged 49, joined the Group in 1989. Mr. Poon has considerable experience in watch retailing, wholesale and brand management. During the period from April 1992 to March 1993, he was elected as the Director of the Federation of Hong Kong Watch Trades & Industries Limited which is an official association representing the watch industry in Hong Kong. Mr. Poon is a deputy general manager of our Group's watch retailing business. He is currently in charge of the retailing markets in Beijing, Chengdu and Chongqing.

Ms. Chan Yim Fong, Shirley, aged 30, joined the Group in 1994. Ms. Chan has sound experience in watch retailing, wholesale and merchandising. Ms. Chan is a deputy general manager of our Group's watch retailing business. She is currently in charge of the retailing market in Shenyang.

Mdm. Wu Yuheng, Helen, aged 46, holds an EMBA degree from the University of Southern Queensland, Australia. She joined the Group in March 2007 as Chief Operating Officer in charge of the Group overall watch retailing business' daily operation in China. She has over 10 years' retail sales management experience and 5 years' new luxury brand business management experience.

Mr. Jonathan Darracott, aged 41, holds a BA Hons degree in jewellery and silversmithing design and is a graduate member of the British Horological Institute, the Antiquarian Horological Society and a Freeman of the Worshipful Company of Clockmakers. He joined the Group in March 2007 as general manager responsible for the Group's Juvenia operations and business development. Prior to joining the Group, Mr. Darracott has worked for a major watch company in London and for twelve years Sotheby's international auction house where he became the head of the European Watch department. He was involved in selling two world records: the most expensive watch and the most expensive horological collection ever sold at auction.

高層管理人員

梁承耀先生，現年四十三歲，於一九八八年加入本集團。梁先生持有理學士學位。彼於鐘錶零售、批發、品牌管理及資訊系統管理應用擁有相當的經驗。梁先生為本集團鐘錶零售業務總經理。彼現時負責整體手錶零售業務。

潘國成先生，現年四十九歲，於一九八九年加入本集團。潘先生於鐘錶零售、批發及品牌管理擁有豐富經驗。於一九九二年四月至一九九三年三月止期間，彼獲得代表香港鐘錶業之正式協會—香港鐘錶業總會推選為會董。潘先生為本集團鐘錶零售業務副總經理。現時負責北京、成都及重慶的零售市場。

陳艷芳小姐，現年三十歲，於一九九四年加入本集團。陳小姐於鐘錶零售、批發及新產品計劃開發方面擁有豐富的經驗。陳小姐為本集團鐘錶零售業務副總經理。彼現時負責於瀋陽的零售市場。

吳渝姮女士，現年四十六歲，吳女士持有澳洲南昆士蘭大學之工商管理碩士學位。彼於二零零七年三月加入本集團任首席營運官，負責本集團鐘錶於中國之整體日常零售業務。彼擁有逾十年之零售管理經驗及五年新高級品牌業務管理經驗。

Jonathan Darracott 先生，現年四十一歲，持有珠寶及銀器設計榮譽文學士學位，為英國鐘表技術學院、古文物鐘表技術學會 (the Antiquarian Horological Society) 之畢業會員，及鐘表商名家公會會員 (Freeman of the Worshipful Company of Clockmakers)。彼於二零零七年三月加入本集團任總經理，負責本集團之「尊皇」業務及業務拓展。加入本集團前，Darracott 先生曾任職於倫敦一間大型鐘錶公司，並於蘇富比國際拍賣行任職 12 年，其間擔任歐洲鐘表部門主管。他曾參與兩項世界紀錄拍賣：最貴手表及最貴的鐘表收藏。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Turnover for the watch trading and retailing segment increased 12% from HK\$330 million to HK\$369 million. The introduction of the 20% consumption tax on luxury watches did not have significant effect on this part of the watch market in Mainland China as the sale of luxurious watches continue to increase with the growth of Mainland China's GDP and rising living standards. During the year new shops were opened in Beijing, Shanghai and Chengdu to expand the Time City retail network in Mainland China including new boutique shops for Blancpain.

The management are reviewing the operations in order to improve efficiency which will translate to cost savings and pass to the customers. Staff number for the watch trading and retail operations was reduced and efficiency improvement measures were adopted for the benefit of the Group in the long term.

The Group's own brands Accord and Juvenia incurred losses due to heavy advertising and promotion expenditure incurred.

The Group continues to work with the major European brands which are popular amongst the Mainland China customers as well as introduction of new brands to the Mainland China market where they see the development for the years to come. It is the Group's intention to work closely with them to expand into the Mainland China market.

Overseas Operation

Following the change in management, the Group has undertaken a review of the business of the overseas operation. The Taiwan regional office of Juvenia was closed during year to allow the Group to focus on the Mainland China market. The Mainland China operations of Juvenia was substantially scaled down during the year. Significant write-down was therefore made against obsolete and slow-moving inventories during the year.

Programming Service Provider

In December, the Group disposed of its programming services so that the Group can concentrate its resources on the development of the core business of watch trading and retailing. The disposal resulted in a profit of approximately HK\$0.4 million.

鐘錶貿易及零售分類之營業額由 330,000,000 港元增長 12% 至 369,000,000 港元。由於高檔鐘錶與中國內地生產總值及生活水平提高保持同步增長，故對高檔鐘錶開徵 20% 之消費稅，並未對中國內地該類鐘錶市場造成重大影響。年內於北京、上海及成都新開若干「名表城」以拓展於中國內地之「名表城」零售網絡，包括「寶珀」之新設專賣店。

管理層現正檢討營運，以期提升效率並藉此節省成本以惠及顧客。本公司已削減鐘錶貿易及零售業務之僱員人數及採取改善效率措施，以期長遠有利於本集團。

由於廣告及促銷產生繁重支出，致使本集團之自有品牌「艾卓」及「尊皇」產生虧損。

本集團繼續與受到中國內地顧客歡迎之主要歐洲品牌合作，並將新品牌引入中國內地市場以期數年取得發展。本集團有意與彼等密切合作，以拓展至中國內地市場。

海外業務

管理層轉換後，本集團已檢討海外營運之業務。年內已關閉「尊皇」之台灣區機構，以便本集團能夠專注中國內地市場。年內「尊皇」於中國內地的經營收縮。故此年內已對陳舊及滯銷存貨作出大額撇減。

程式設計服務

本集團已於十二月出售其程式設計服務，以便本集團能集中資源拓展其鐘錶貿易及零售之核心業務。該項出售產生約 400,000 港元之溢利。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

For the year ended 31st March 2007, the Group recorded turnover of HK\$369 million representing an increase of 12% compared with the previous year. This was mainly attributable to the increased turnover from the Group's Time City shops in Mainland China which benefited from the strong growth in Mainland China's economy.

Following the change of controlling shareholder, the new management took a comprehensive and detailed review of the inventory. Slow-moving items and obsolete stock are identified including those from the closed operations and write-down totaling approximately HK\$63 million was made during the year.

Total distribution costs for the year was HK\$108 million representing an increase of 3%. The increase was mainly caused by increased advertising and promotion expenditure. Total administrative costs increased significantly because of staff redundancy costs incurred as the Group streamlined its operations.

Total cash on hand and bank deposits as at 31st March 2007 was HK\$118 million compared with HK\$117 million as at the previous year end. Most of these are placed on short term deposits with banks.

The Group has no outstanding bank borrowing except for the loan notes with outstanding principal of CHF11.8 million ("Notes"). Under the terms of the notes agreement, the holders of the Notes have the option to request the Company to redeem the Notes in US dollars at a fixed exchange rate of one Swiss Franc into 0.67933 US dollar at a redemption price of 117.375% of its principal amount together with accrued interest up to 23rd February 2008. As the holders of the Notes have the right to exercise the option and request the Company to redeem all the Notes on 23rd February 2008, the Notes have been re-classified from non-current to current liabilities at 31st March 2007. The estimated aggregate amount required for the redemption is approximately HK\$73 million.

The main currencies for the Group are Hong Kong Dollars, Swiss Francs and Renminbi as the Group's operations are based at these locations. Each location is self financing so the overall exchange risks to the Group is minimal.

PROSPECTS

In the past few years there was increasing demand for high end imported watches in Mainland China which is expected to continue. The Group will take advantage of the strong demand to expand its network in Mainland China notwithstanding intense competition in this business.

財務回顧

截至二零零七年三月三十一日止年度，本集團錄得營業額 369,000,000 港元，較去年上升 12%。該增長主要因本集團於中國內地開設之「名表城」因受惠於中國內地經濟蓬勃增長而錄得營業額增長。

控股股東轉換後，新任管理層已對存貨作全面及詳細清點。對於滯銷及過時（包括已終止業務）之存貨，已於年內作出總額約 63,000,000 港元之撇減。

年內總分銷成本為 108,000,000 港元，增加 3%。該項增加主要由廣告及促銷開支增加引起。因本集團精簡業務產生裁員成本，故導致總行政成本顯著增加。

於二零零七年三月三十一日之手頭現金及銀行存款總額為 118,000,000 港元，上年年末則為 117,000,000 港元。該等資金絕大多數以短期存款存放於銀行。

除未償還本金額為 11,800,000 瑞士法郎之貸款票據（「票據」）外，本集團概無未償還之銀行借款。根據票據合約條款，票據持有人有選擇權要求本公司於二零零八年二月二十三日按票據本金額 117.375% 之贖回價連同計至贖回當日之利息，以按 1.00 瑞士法郎兌 0.67933 美元之固定匯率計算之美元贖回票據。由於票據持有人有權行使選擇權，要求本公司於二零零八年二月二十三日贖回全部票據，於二零零七年三月三十一日，票據已自非流動負債重新歸類為流動負債。估計贖回所需總金額約為 73,000,000 港元。

由於本集團業務位於香港、瑞士及中國內地，因此主要貨幣為港元、瑞士法郎及人民幣。每地之營運均自行融資，故本集團整體外匯風險極微。

展望

過往數年中國內地對高檔進口鐘錶之上升需求有望持續。雖然本行業競爭激烈，本集團仍將把握強勁需求，拓展其於中國內地之網絡。



DIRECTORS' REPORT

董事會報告

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31st March 2007.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company's subsidiaries are set out in Note 20 to the financial statements.

SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March 2007 are set out in Note 20 to the financial statements.

RESULTS

The results of the Group for the year ended 31st March 2007 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 23 to 82.

DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31st March 2007 (2006: Nil).

RESERVES

Details of the movements in the reserves of the Group and the Company and details of the distributable reserves during the year are set out in Note 31 to the financial statements.

FINANCIAL SUMMARY

A financial summary of the Group for the past five financial years is set out on page 83.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment are set out in Note 15 to the financial statements.

INVESTMENT PROPERTIES

Details of the movements in the investment properties during the year are set out in Note 17 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the share capital and share options of the Company during the year are set out in Notes 29 and 30 to the financial statements respectively.

董事會同寅欣然提呈截至二零零七年三月三十一日止年度之報告及經審核財務報表。

主要業務

本公司為一間投資控股公司。本公司附屬公司之主要業務列載於財務報表附註20。

附屬公司

本公司各主要附屬公司於二零零七年三月三十一日之詳情列載於財務報表附註20。

業績

本集團截至二零零七年三月三十一日止年度之業績及本公司及本集團於該日之財務狀況詳列於第23頁至第82頁之財務報表。

股息

董事會不建議派付截至二零零七年三月三十一日止年度之股息(二零零六年：無)。

儲備

本集團及本公司年內儲備之變動詳情及可供分派儲備詳情列載於財務報表附註31。

財務摘要

本集團在過去五個財政年度之財務摘要載於第83頁。

物業、機器及設備

本年內物業、機器及設備變動詳情列載於財務報表附註15。

投資物業

本年內投資物業變動詳情列載於財務報表附註17。

股本及購股權

本公司之股本及購股權於年內之變動詳情分別列載於財務報表附註29及30。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were:

Executive Directors:

Eav Yin (<i>Chairman</i>)	(appointed 22nd November 2006)
Eav Ming Keong, Kinson	(appointed 22nd November 2006)
Au Shiu Leung, Alex	(appointed 11th January 2007)
Leung Chung Ping, Owen	(resigned 16th December 2006)
Sum Pui Ying, Adrian (<i>Managing Director</i>)	(resigned 16th December 2006)

Non-executive Director:

Leung Miu King, Marina	(resigned 16th December 2006)
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Independent Non-executive Directors:

Lai Si Ming	
Wong Wing Yue, Rosaline	(appointed 16th December 2006)
Lee Tat Cheung, Vincent	(appointed 16th December 2006)
Sit Kien Ping, Peter	(resigned 16th December 2006)
Frank H. Miu	(resigned 16th December 2006)

Mr. Lai Si Ming shall retire at the forthcoming annual general meeting in accordance with Bye-Law 99 of the Company's Bye-Laws and, being eligible, offers himself for re-election.

In addition, Mr. Eav Yin, Mr. Eav Ming Keong, Kinson, Mr. Au Shiu Leung, Alex, Ms. Wong Wing Yue, Rosaline and Mr. Lee Tat Cheung, Vincent shall retire at the forthcoming annual general meeting in accordance with Bye-Law 102(B) of the Company's Bye-Laws and, being eligible, offer themselves for re-election.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company considers all the independent non-executive directors are independent to the Company.

The independent non-executive directors are subject to retirement by rotation in accordance with the above Bye-Laws.

None of the directors proposed for re-election has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

董事及董事之服務合約

年內及截至本報告日止，本公司董事為：

執行董事：

楊仁 (<i>主席</i>)	(於二零零六年十一月二十二日獲委任)
楊明強	(於二零零六年十一月二十二日獲委任)
區肇良	(於二零零七年一月十一日獲委任)
梁仲平	(於二零零六年十二月十六日辭任)
沈培英 (<i>董事總經理</i>)	(於二零零六年十二月十六日辭任)

非執行董事：

梁妙琮	(於二零零六年十二月十六日辭任)
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獨立非執行董事：

賴思明	
王穎好	(於二零零六年十二月十六日獲委任)
李達祥	(於二零零六年十二月十六日獲委任)
薛建平	(於二零零六年十二月十六日辭任)
繆希	(於二零零六年十二月十六日辭任)

賴思明先生將根據本公司之公司細則第99條於應屆股東週年大會退任，惟合資格並願膺選連任。

此外，楊仁先生、楊明強先生、區肇良先生、王穎好小姐及李達祥先生將根據本公司之公司細則第102(B)條於應屆股東週年大會退任，惟合資格並願膺選連任。

本公司已接獲每名獨立非執行董事根據香港聯合交易所有限公司證券上市規則第3.13條就其獨立身份而發出之年度確認聲明。本公司認為所有獨立非執行董事確屬獨立於本公司之人士。

根據上述公司細則，獨立非執行董事須輪值退任。

各位獲提名膺選連任之董事與本公司或其附屬公司均無訂立任何本集團若於一年內將之終止即須作出賠償(法定賠償除外)之服務合約。



DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31st March 2007, the interests of the directors and their associates in the shares, underlying shares and debentures of the Company, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, are as follows:

董事所持之股份、相關股份及債券中之權益

於二零零七年三月三十一日，董事及彼等之聯繫人士於本公司之股份、相關股份及債券中擁有按照本公司根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊所記錄；或已根據上市公司董事進行證券交易的標準守則知會本公司及香港聯合交易所有限公司之權益如下：

Name of director 董事姓名	Number of shares held 持有股份數目				Total 總計	Approximately percentage of aggregate interests to total issued share capital 總權益佔已 發行股本總額 概約百分比 %
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益		
Mr. Eav Yin 楊仁先生	10,851,000	447,000 (Note 2) (附註 2)	147,682,107 (Note 3) (附註 3)	32,876,000 (Note 4) (附註 4)	191,856,107	57.49
Mr. Eav Ming Keong, Kinson 楊明強先生	393,000	-	-	-	393,000	0.12

Note:

附註：

- All the interests disclosed above represent long positions in the shares of the Company.
- These shares are held by Mdm. Lam Kim Phung, the spouse of Mr. Eav Yin.
- These shares are held as to 140,907,607 shares by Century Hero International Limited, 518,000 shares by Debonair Company Limited, 5,547,980 shares by Goodideal Industrial Limited and 708,520 shares by Hexham International Limited. All these companies are wholly owned (excepted Goodideal Industrial Limited which is 87% owned) by Mr. Eav Yin. Accordingly, Mr. Eav Yin is deemed under the SFO to be interested in these shares.
- These shares are held by the Eav An Unit Trust, a discretionary trust of which Mr. Eav Yin is the founder, the beneficiaries of which include Mr. Eav Yin, his wife and their children.

- 以上所披露之所有權益，均屬本公司股份的好倉。
- 該等股份由林金鳳女士持有，彼為楊仁先生之配偶。
- 該等股份中，140,907,607股由世雄國際有限公司持有，518,000股由Debonair Company Limited持有，5,547,980股由Goodideal Industrial Limited持有及708,520股由Hexham International Limited持有。該等公司（擁有87%之Goodideal Industrial Limited除外）均由楊仁先生全資擁有。因此，根據證券及期貨條例楊先生被視為於該等股份中擁有權益。
- 該等股份由全權信託Eav An Unit Trust持有，楊仁先生為該信託之創立人，受益人包括楊仁先生、其妻子及子女。

Saved as disclosed above and certain nominee shares in subsidiaries held by certain directors in trust for the Group, none of the directors nor their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO as at 31st March 2007.

除上文披露者及若干董事以信託形式為本集團持有附屬公司若干代名股份外，於二零零七年三月三十一日，各董事或彼等之聯繫人士概無在本公司或其任何相聯法團（定義見證券及期貨條例）之任何股份，相關股份或債券中擁有根據證券及期貨條例第352條規定本公司須予存置之登記冊內記載之任何權益或淡倉。

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SHARE OPTION SCHEMES

The Company's 1997 share option scheme was adopted pursuant to a resolution passed on 15th September 1997 and expired on 15th September 2000. On 20th September 2002, the shareholders of the Company approved the adoption of a new share option scheme. Details of these share option schemes and movement during the year ended 31st March 2007 are set out in Note 30 to the financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at 31st March 2007 there was no outstanding options granted by the Company under the share option schemes to the directors to subscribe for shares of the Company, as recorded in the register required to be kept by the Company under Section 352 of the SFO.

Apart from the aforesaid, at no time during the year ended 31st March 2007 was the Company or any of its associated corporations a party to any arrangement to enable the directors or chief executives to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors or chief executives or their spouses or children under 18 years of age was granted any right to subscribe for any shares in, or debentures of, the Company or any of its associated corporations.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, no director is considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

Other than the share option schemes as explained in Note 30 to the financial statements, the Company had no outstanding convertible securities, options, warrants or similar rights at 31st March 2007 and there was no issue or exercise of any convertible securities, options, warrants or similar rights during the year.

董事於合約之權益

本公司各董事概無於本公司或其任何附屬公司參與訂立於本年度終結時或本年度內任何時間仍然有效之重要合約中直接或間接擁有重大權益。

購股權計劃

本公司之一九九七年購股權計劃乃根據一九九七年九月十五日通過之決議而採納，並於二零零零年九月十五日屆滿。於二零零二年九月二十日，本公司之股東批准採納一項新購股權計劃。該等購股權計劃及其於截至二零零七年三月三十一日止年度之變動詳情列載於財務報表附註30。

董事購買股份或債券之權利

於二零零七年三月三十一日，根據證券及期貨條例第352條規定本公司須予存置之登記冊內記載，概無本公司根據購股權計劃授予董事認購本公司股份之尚未行使之購股權。

除上文所述者外，本公司或其任何相聯法團於二零零七年三月三十一日止年度內概無訂立任何安排，致使董事或主要行政人員可藉著購買本公司或任何其他法人團體之股份或債券而獲取利益，且並無任何董事或主要行政人員或其配偶或其年齡在十八歲以下之子女獲授予任何權利以認購本公司或其任何相聯法團之任何股份或債券。

董事於競爭的業務之權益

於本年度內及至本報告日止，並無董事被認為根據香港聯合交易所有限公司證券上市規則（「上市規則」）與本集團之業務競爭或有機會構成競爭之業務擁有權益。

可換股證券、購股權、認股權證或類似權利

除財務報表附註30說明購股權計劃外，本公司於二零零七年三月三十一日概無任何未行使之可換股證券、購股權、認股權證或類似權利，於年內亦概無發行或行使任何可換股證券、購股權、認股權證或類似權利。



DIRECTORS' REPORT

董事會報告

SUBSTANTIAL INTERESTS IN SHARE CAPITAL

As at 31st March 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that, other than the interests disclosed under the section headed "Directors' interests in Shares, Underlying Shares and Debentures of the Company" in respect of certain directors, the following shareholders had notified the Company of relevant interests in the share capital of the Company:

股本中之重大權益

於二零零七年三月三十一日，按本公司根據證券及期貨條例第336條規定存置之主要股東登記冊所示，除「董事所持本公司之股份、相關股份及債券中之權益」一節所披露有關若干董事之權益外，下列股東已知會本公司其於本公司股本中之有關權益：

Name of shareholder 股東名稱		Note 附註	Number of ordinary shares in the Company 本公司普通股 股份數目	Approximately percentage of issued share capital 佔已發行股份 之概約百分比 %
Mdm. Lam Kim Phung	林金鳳女士	1	191,640,001	51.43
Century Hero International Limited	世雄國際有限公司	2	140,691,501	42.16
Mr. Leong Lou Teck	梁留德先生	3	37,550,540#	11.25
Mr. Yap Han Hoe	葉漢河先生	3	37,508,000#	11.24
Galmare Investment Limited ("Galmare")	Galmare Investment Limited (「Galmare」)	3	37,500,000#	11.24
Mr. Li Ka-Shing	李嘉誠先生	4	17,767,259	5.32
Li Ka-Shing Unity Trustcorp Limited	Li Ka-Shing Unity Trustcorp Limited	4	17,767,259	5.32
Li Ka-Shing Unity Trustee Corporation Limited	Li Ka-Shing Unity Trustee Corporation Limited	4	17,767,259	5.32
Li Ka-Shing Unity Trustee Company Limited	Li Ka-Shing Unity Trustee Company Limited	4	17,767,259	5.32
Cheung Kong (Holdings) Limited ("CKH")	長江實業(集團)有限公司(「長實」)	4	17,767,259	5.32
Ivory Limited	Ivory Limited	4	17,767,259	5.32
Ebony Limited	Ebony Limited	4	17,767,259	5.32
Borneo Limited ("Borneo")	Borneo Limited (「Borneo」)	4	17,767,259	5.32

SUBSTANTIAL INTERESTS IN SHARE CAPITAL (CONTINUED)

Note:

- These shares include 447,000 shares held by Mdm. Lam Kim Phung and the remaining 191,193,001 shares represent the interest held by Mr. Eav Yin, chairman of the Company and spouse of Mdm. Lam Kim Phung whose interests are disclosed in the above section headed "Directors' interests in Shares, Underlying Shares and Debentures of the Company".
- Century Hero International Limited is wholly owned by Mr. Eav Yin.
- These shares include 37,500,000 shares held through Galmare. Galmare is equally owned by Mr. Leong Lou Teck and Mr. Yap Han Hoe.
- These shares refer to the same holding of 17,767,259 shares held by Borneo. The entire issued share capital of Borneo is held by Ebony Limited, a wholly-owned subsidiary of Ivory Limited, which in turn is a wholly-owned subsidiary of CKH.

Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of The Li Ka-Shing Unity Trust, together with certain companies which TUT1 as trustee of The Li Ka-Shing Unity Trust was entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, held more than one-third of the issued share capital of CKH.

Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2") both held units in The Li Ka-Shing Unity Trust.

Mr. Li Ka-Shing is the settlor of each of DT1 and DT2 and may be regarded as a founder of each of them for the purpose of the SFO. The entire issued share capital of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-Shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the issued share capital.

CKH, TUT1, TDT1, TDT2 and Mr. Li Ka-Shing were all deemed to be interested in these 17,767,259 shares which were taken to be interested in by Borneo under the SFO.

The capacity of the persons in which ordinary shares were held are set out as below:

- Borneo holds the interests as beneficial owner;
- Ebony Limited, Ivory Limited and CKH hold the interests through interest of controlled corporation(s);
- TUT1 holds the interests as trustee;
- TDT1 and TDT2 hold the interests as trustee and beneficiary of trust; and
- Mr. Li Ka-Shing holds the interests through interest of controlled corporations and as founder of discretionary trusts.

- All the interests disclosed above represent long positions in the shares of the Company.
- These notifications were filed under the repealed Securities (Disclosure of Interests) Ordinance.

股本中之重大權益 (續)

附註：

- 此等股份中，447,000股由林金鳳女士持有，餘下191,193,001股為楊仁先生(本公司主席及其配偶林金鳳女士)持有之權益，其權益披露於上文本公司「董事所持之股份、相關股份及債券中之權益」。
- 世雄國際有限公司由楊仁先生全資擁有。
- 此等股份包括透過Galmare持有之37,500,000股股份。Galmare由梁留德先生及葉漢河先生各擁有一半權益。
- 此等股份指Borneo持有之同一批17,767,259股股份。Borneo的全部已發行股本由Ebony Limited持有，Ebony Limited為Ivory Limited之全資附屬公司，而後者為長實之全資附屬公司。

Li Ka-Shing Unity Trustee Company Limited(「TUT1」)作為The Li Ka-Shing Unity Trust之受託人，連同若干公司(TUT1作為The Li Ka-Shing Unity Trust之受託人，可在該等公司之股東大會上行使或控制行使三分之一以上之投票權)持有長實三分之一以上之已發行股本。

Li Ka-Shing Unity Trustee Corporation Limited(「TDT1」)作為The Li Ka-Shing Unity Discretionary Trust(「DT1」)之受託人與Li Ka-Shing Unity Trustcorp Limited(「TDT2」)作為另一項全權信託(「DT2」)之受託人，在The Li Ka-Shing Unity Trust均持有單位。

李嘉誠先生為DT1及DT2之財產授予人，故就證券及期貨條例而言可被視為該兩項信託之成立人。TUT1、TDT1及TDT2之全部已發行股本均由Li Ka-Shing Unity Holdings Limited擁有，而李嘉誠先生、李澤鉅先生及李澤楷先生各擁有後者三分之一已發行股本權益。

長實、TUT1、TDT1、TDT2及李嘉誠先生根據證券及期貨條例均被視作擁有該17,767,259股股份權益(該等股份根據證券及期貨條例被視作由Borneo擁有權益。)

持有普通股股份之該等人士之身份如下：

- Borneo以實益擁有人身份持有有關權益；
- Ebony Limited、Ivory Limited及長實透過於受控法團之權益持有有關權益；
- TUT1以受託人身份持有有關權益；
- TDT1及TDT2以受託人及信託受益人身份持有有關權益；及
- 李嘉誠先生透過於受控法團之權益及以全權信託成立人身份持有有關權益。

- 上述所披露之所有權益，均屬本公司股份的好倉。
- 此等通知乃根據已廢除之證券(披露權益)條例存檔。



DIRECTORS' REPORT

董事會報告

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-Laws although there is no restriction against such rights under Bermuda law.

MAJOR SUPPLIERS AND CUSTOMERS

The Group's largest supplier contributed approximately 25% to the total purchases for the year and the aggregate amount of purchases attributable to the Group's top five suppliers represented approximately 66% of the Group's total purchases.

Since the customer base of the Group is very wide, the aggregate sales attributable to the Group's five largest customers are less than 30% of the total sales during the year.

None of the directors, their associates or any shareholders (which to the knowledge of the directors owning more than 5% of the Company's issued share capital) had any interest in the Group's five largest suppliers.

STAFF AND EMOLUMENT POLICY

As at 31st March 2007, the Group employed 485 staff at market remunerations with staff benefits such as insurance, MPF fund, discretionary bonus and share option scheme.

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at the date of this report, there is sufficient public float, as not less than 25% of the issued share capital of the Company, are held by the public.

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

優先購買權

本公司之公司細則並無有關優先購買權之規定，而百慕達法例亦無對該項權利施加限制。

主要供應商及客戶

本年度本集團之最大供應商佔本集團購貨總額約25%；而本集團最大五位供應商應佔之購貨總額佔本集團購貨總額約66%。

由於本集團客戶基礎龐大，年內本集團最大五位客戶應佔之銷售總額少於本集團銷售總額之30%。

各董事、其聯繫人士等或就董事深知擁有本公司5%以上之已發行股本之股東概無在本集團五大供應商中擁有任何權益。

僱員及薪酬政策

於二零零七年三月三十一日，本集團依據市場薪酬水平聘用485名僱員，並提供保險、強制性公積金、酌情花紅及購股權計劃等僱員福利。

本集團僱員之薪酬政策乃由薪酬委員會設立，根據僱員之能力、資格及專長釐定薪酬。

本公司董事之酬金由薪酬委員會經考慮本公司經營業績、個人表現及可比較市場統計數據釐定。

公眾持股量

根據本公司可從公開途徑取得的資料及就董事所知，於本報告日期，公眾股東持有足夠公眾持股量即佔本公司已發行股本不少於25%。

AUDITORS

The financial statements for the year ended 31st March 2007 were audited by CCIF CPA Limited. A resolution will be submitted at the Annual General Meeting of the Company to re-appoint CCIF CPA Limited as the auditors of the Company.

EXPRESSION OF GRATITUDE

The Board would like to take this opportunity to express its profound gratitude to all staff members, shareholders, bankers, customers, suppliers and professional bodies for the sincere support they have rendered the Group to date.

By Order of the Board

Eav Yin
Chairman

Hong Kong, 12th July 2007

核數師

截至二零零七年三月三十一日止之財務報表，乃由陳葉馮會計師事務所有限公司審核。於本公司股東週年大會上將提呈決議案，續聘陳葉馮會計師事務所有限公司為本公司核數師。

致謝

董事會謹借此機會就所有職員、股東、往來銀行、客戶、供應商及專業顧問一直以來對本集團之親切支持致以深切之感謝。

承董事會命

楊仁
主席

香港，二零零七年七月十二日



CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Company (the "Board") is committed to maintaining high standards of corporate governance. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, maintain high standards of accountability and protect shareholders' interest in general.

The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31st March 2007, save for the deviation discussed below.

To ensure compliance with the Code, the Board has undertaken to review and propose the necessary amendments to the Bye-Laws of the Company to bring the constitution of the Company in alignment with certain provisions of the Code. The Company was incorporated in Bermuda and enacted by private act, the Asia Commercial Holdings Limited Company Act, 1989 of Bermuda (the "1989 Act"). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the Bye-Laws.

As the Company is bound by the provisions of the 1989 Act, at this time, the Bye-Laws cannot be amended to fully reflect the requirements of the Code. As such, a special resolution was passed at the special general meeting held on 28th March 2007 to amend the Bye-Laws of the Company so that, inter alia, (i) every director (save for a director holding office as Chairman or Managing Director) of the Company shall be subject to retirement by rotation at least once every three years; (ii) a director may be removed by an ordinary resolution in general meeting instead of a special resolution; (iii) any director appointed by the Board to fill a casual vacancy or as an additional director shall hold office until the next following general meeting, instead of the next annual general meeting.

To enhance good corporate governance practices, Mr. Eav Yin, the Chairman of the Board has confirmed to the Board on 12th July 2007 that he will voluntarily retire from his directorship at annual general meeting of the Company at least once every three years in future in order for the Company to comply with the Code, provided that being eligible for re-election, he may offer himself for re-election at the annual general meeting.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Having made specific enquiry, all directors have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

企業管治常規

本公司董事會(「董事會」)致力維持高水平企業管治標準。董事會相信，高水平的公司管治能夠提供一個鞏固的架構和基礎，使本集團更有效地管理集團的業務風險，增加透明度，維持高水準的問責性及全面保護股東利益。

除於以下所討論之偏離外，於二零零七年三月三十一日止年內，本公司已應用及遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之企業管治常規守則(「守則」)內之適用守則條文。

為確保符合守則，董事會已承諾審閱本公司之公司細則並建議作出必要的修改，以使本公司之公司細則符合守則之若干條文。本公司於百慕達註冊成立及實施冠亞商業集團有限公司之私人法案，百慕達1989年公司法案(「1989年法案」)。根據1989年法案第3(e)條，擔任執行主席或董事總經理的董事毋須根據公司細則在每次股東週年大會上輪值退任。

由於本公司受1989年法案之條文約束，現時無法修訂公司細則，以完全反映守則之規定。故此，本公司二零零七年三月二十八日舉行之股東特別大會上通過一項特別決議案修訂本公司之公司細則，從而令(其中包括)：(i) 每名本公司董事(不包括擔任主席或董事總經理之董事)最少每三年輪值退任一次；(ii) 可於股東大會上藉普通決議案而非特別決議案罷免董事；(iii) 獲委任填補臨時空缺或作為董事會新增成員的董事，須於獲委任後首屆股東大會而非獲委任後的下一屆股東週年大會上經股東重選。

為提升良好企業管治常規，董事會主席楊仁先生已於二零零七年七月十二日向董事會確認彼將自願最少每三年一次於本公司日後之股東週年大會上按照守則之規定退任董事職務，惟倘符合資格，彼可於股東週年大會上膺選連任。

董事會將不斷檢討及改善本公司之企業管治常規及標準，以確保業務活動及決策過程受到適當及審慎的規管。

董事之證券交易

本公司一直採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)。經向全體董事作出具體查詢後，全體董事確認於年內一直遵守標準守則所載之標準。

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group's business, strategic decisions and financial performance. The management of the Group is responsible for the day-to-day management and operation of the respective individual business unit.

The Board comprises three executive directors and three independent non-executive directors. The biographical details of the directors are set out on page 4 to this Annual Report.

The Board possesses a balance of skill and experience which are appropriate for the requirements of the business of the Company. The opinions raised by the independent non-executive directors of the Company in the Board meetings facilitate the maintenance of good corporate governance practices. One of the independent non-executive directors has the appropriate professional accounting experience and expertise as required by Rule 3.10(2) of the Listing Rules. A balanced composition of executive and non-executive directors also generates a strong independent element on the Board, which allows independent and objective decision making process for the best interests of the Company.

The Company has received from each independent non-executive director an annual confirmation of his / her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of them to be independent.

The Board meets regularly to review the financial and operating performance of the Group. During the year, four board meetings, two Audit Committee meetings and one Remuneration Committee meeting were held and the individual attendance of directors are set out below:

Name of Director 董事姓名	Board meetings 董事會會議	Audit Committee meetings 審核委員會會議	Remuneration Committee meeting 薪酬委員會會議
Executive Directors 執行董事			
Eav Yin (appointed on 22nd November 2006) 楊仁(於二零零六年十一月二十二日獲委任)	4/4	N/A 不適用	0/0
Leung Chung Ping (resigned on 16th December 2006) 梁仲平(於二零零六年十二月十六日辭任)	4/4	N/A 不適用	1/1
Eav Ming Keong, Kinson (appointed on 22nd November 2006) 楊明強(於二零零六年十一月二十二日獲委任)	4/4	N/A 不適用	N/A 不適用
Sum Pui Ying, Adrian (resigned on 16th December 2006) 沈培英(於二零零六年十二月十六日辭任)	4/4	N/A 不適用	N/A 不適用
Au Shiu Leung, Alex (appointed 11th January 2007) 區肇良(於二零零七年一月十一日獲委任)	3/4	N/A 不適用	N/A 不適用
Non-executive Director 非執行董事			
Leung Miu King, Marina (resigned on 16th December 2006) 梁妙琼(於二零零六年十二月十六日辭任)	4/4	N/A 不適用	1/1
Independent Non-executive Directors 獨立非執行董事			
Lai Si Ming 賴思明	4/4	2/2	1/1
Lee Tat Cheung, Vincent (appointed on 16th December 2006) 李達祥(於二零零六年十二月十六日獲委任)	1/1	0/0	0/0
Wong Wing Yue, Rosaline (appointed on 16th December 2006) 王穎妤(於二零零六年十二月十六日獲委任)	1/1	0/0	0/0
Sit Kien Ping, Peter (resigned on 16th December 2006) 薛建平(於二零零六年十二月十六日辭任)	4/4	1/2	1/1
Frank H. Miu (resigned on 16th December 2006) 繆希((於二零零六年十二月十六日辭任)	4/4	2/2	1/1

董事會

董事會負責領導及控制本公司以及監察本集團業務、策略性決策及財務表現。本集團管理層負責各業務部門日常管理及營運。

董事會由三名執行董事及三名獨立非執行董事所組成。董事履歷載於本年報第4頁。

董事會成員具備經營本公司業務所需之各種技能及經驗。本公司之獨立非執行董事於董事會會議上提出之意見有助維持良好之企業管治常規。其中一名獨立非執行董事擁有上市規則第3.10(2)條訂明之適當專業會計經驗及相關專業知識。執行董事及非執行董事之均衡組成比例亦大大提升董事會之獨立性，可有效發揮獨立判斷及客觀地為本公司之最佳利益制訂決策。

本公司已接獲每名獨立非執行董事根據上市規則第3.13條就其獨立身份而發出之年度確認聲明，而本公司認為所有獨立非執行董事均屬獨立人士。

董事會定期開會，以檢討本集團之財務及業務表現。本年度曾舉行四次董事會會議、兩次審核委員會會議及一次薪酬委員會會議，各董事出席次數載列如下：



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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman is Mr. Eav Yin while the function of the chief executive officer is divided between the remaining executive directors.

NON-EXECUTIVE DIRECTORS

During the year, the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at annual general meeting in accordance with the Company's Bye-Laws. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

NOMINATION OF DIRECTORS

The Board has not set up a nomination committee. Pursuant to the Company's Bye-Laws, the Board is empowered to appoint any person as a director either to fill a casual vacancy or as an additional member of the Board. The selection criteria are mainly based on the professional qualification and experience of the candidate. Newly appointed directors will be given an induction and a manual on the duties and responsibilities as a director of a listed company both under the Listing Rules and applicable laws. A newly appointed director must retire and be re-elected at the first annual general meeting after his first appointment. At each annual general meeting, one-third of the directors, save for a director holding office as chairman or managing director, (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation. A retiring director shall be eligible for re-election.

A special resolution was passed at the special general meeting held on 28th March 2007 to amend the Bye-Laws to provide that every director (including those appointed for a specific term but excluding the chairman of the board and the managing director) shall be subject to retirement by rotation at least once every three years.

Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting. As the Company is bound by the provisions of such Act, at this time, the Bye-Laws cannot be amended to fully reflect the requirements of the Code. Therefore, in spirit of good corporate governance practices, the Chairman of the Board of the Company has confirmed to the Board on 12th July 2007 that he will voluntarily retire from his directorship at forthcoming annual general meeting of the Company at least once every three years in order for the Company to comply with the Code, provided that being eligible for re-election, he may offer himself for re-election at the annual general meeting.

主席及行政總裁

主席為楊仁先生，而行政總裁之功能由餘下之執行董事分擔。

非執行董事

於本年度，本公司之非執行董事並無指定任期，但須根據本公司之公司細則最少每三年輪值退任一次及須於股東週年大會上重選。因此，本公司認為已採取充足措施以確保本公司之企業管治常規並不比守則所定者寬鬆。

董事提名

董事會並無成立提名委員會。董事會根據本公司之公司細則獲授權委任任何人士擔任董事，以填補董事會之空缺或作為新增之董事會成員。甄選準則主要視乎候選人之專業資格及經驗而定。新委任之董事將接受入職培訓並獲發一份刊載上市規則及適用法律規定上市公司董事之職責及責任之手冊。新委任之董事必須於獲委任後之首次股東週年大會上退任及重選連任。於每屆股東週年大會上，三分之一的董事（不包括擔任主席或董事總經理之董事）（或倘人數並非三之倍數，則為最接近但不多於三分之一之數）須輪值退任。退任董事符合資格重選連任。

本公司已於二零零七年三月二十八日舉行之股東特別大會上提出一項有關修訂公司細則之特別決議案，以規定每名董事（包括按特定任期獲委任之董事，但不包括董事會主席及董事總經理）須最少每三年輪值退任一次。

根據1989年法案第3(e)條，擔任執行主席或董事總經理之董事無須於每屆股東週年大會上輪值退任。由於本公司受到該法案之條文約束，現時無法修訂公司細則，以完全反映守則之規定。因此，為符合良好企業管治常規，本公司之董事會主席已於二零零七年七月十二日向董事會確認彼將自願於本公司應屆股東週年大會上按照守則之規定最少每三年退任董事職務，惟彼符合資格於股東週年大會上膺選連任。

NOMINATION OF DIRECTORS (Continued)

On the same date, an amendment to Bye-Law 102 will also be proposed to provide that any director appointed by the Board to fill a casual vacancy or as an additional director shall hold office until the next following general meeting instead of annual general meeting.

Change of directors during the year are set out in the section headed "Directors and Directors' Service Contracts" set out on page 9 of this annual report.

REMUNERATION OF DIRECTORS

The Board set up the Remuneration Committee on 15th July 2005 with specific written terms of reference which clearly deal with its authority and duties. The Remuneration Committee's role is to make recommendation to the Board on the remuneration policy and structure for directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance, having regard to the interests of shareholders. The principal duties of the Remuneration Committee include determining the specific remuneration packages of all directors and senior management as well as reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

The Remuneration Committee comprises one executive director, namely Mr. Eav Yin and three independent non-executive directors, namely Mr. Lai Si Ming, Ms. Wong Wing Yue, Rosaline and Mr. Lee Tat Cheung, Vincent. The Remuneration Committee is chaired by Mr. Eav Yin.

During the year, a Remuneration Committee meeting was held on 27th April 2006, advising the Board on the Group's overall policy and structure of the remuneration of the directors and senior management. No director or any of his / her associates may be involved in any decisions as to his / her own remuneration. Based on the review and discussion at the Meeting, the Remuneration Committee recommended to the Board to approve the Group's overall policy and structure of the remuneration of the directors and senior management.

AUDITORS' REMUNERATION

For the year ended 31st March 2007, the total remuneration of the Company's auditors for statutory audit services and other services is HK\$590,000 and HK\$185,000 respectively.

AUDIT COMMITTEE

The Board set up the Audit Committee on 1st January 1999 with specific written terms of reference which clearly deal with its authority and duties. The Audit Committee's role is to review the Group's financial reporting, internal controls and corporate governance issues and to make relevant recommendations to the Board.

The Audit Committee currently comprises three independent non-executive directors namely Mr. Lai Si Ming, Ms. Wong Wing Yue, Rosaline and Mr. Lee Tat Cheung, Vincent. The Audit Committee is chaired by Mr. Lai Si Ming.

董事提名(續)

於同日，將提呈修訂公司細則第102條之建議，以訂明董事會所委任填補臨時空缺之任何董事或作為董事會新增成員之任何董事任期直至下屆股東大會而非下屆股東週年大會。

年內董事之變動載於本年報第9頁之「董事及董事之服務合約」一節。

董事薪酬

董事會於二零零五年七月十五日成立薪酬委員會，書面職權範圍已闡明其授權與職責。薪酬委員會之角色為就董事及高層管理人員之酬金政策及架構向董事會提出建議，以及已考慮到股東利益之情況下，確保彼等已按各自對本集團之整體貢獻得到公平回報。薪酬委員會之主要職責包括釐定全體執行董事及高層管理人員之酬金待遇，以及參考董事會不時議決之企業目標及宗旨，審閱及批准按表現訂定之酬金。

薪酬委員會由一位執行董事楊仁先生及三位獨立非執行董事賴思明先生、王穎好小姐及李達祥先生組成。楊仁先生為薪酬委員會之主席。

於年內薪酬委員會於二零零六年四月二十七日召開了一次會議，就集團董事及高層管理人員之整體薪酬政策及結構作出建議。並無董事或其任何聯繫人士涉及其個人薪酬之任何決定。薪酬委員會根據會議所檢討及商議，向董事會提出建議通過本集團董事及高層管理人員之整體薪酬政策及架構。

核數師酬金

截至二零零七年三月三十一日止年度，本公司核數師的法定審核服務及其他服務的酬金總額分別為590,000港元及185,000港元。

審核委員會

董事會於一九九九年一月一日成立審核委員會，書面職權範圍已闡明其授權與職責。審核委員會負責審閱本集團之財務報告、內部監控及企業管治事宜，並向董事會提出相關建議。

審核委員會現時由三名獨立非執行董事賴思明先生、王穎好小姐及李達祥先生組成。賴思明先生為審核委員會之主席。



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AUDIT COMMITTEE (Continued)

Under its terms of reference, which were prepared and adopted with reference to the Code and "A Guide for the Formation of an Audit Committee" published by the Hong Kong Institute of Certified Public Accountants, the Audit Committee is required, among other things, to oversee the relationship with the external auditors, to review the Group's interim and annual results, to review the scope, extent and effectiveness of internal control of the Group, to review accounting policies and practices adopted by the Group, to engage independent legal or other advisers as it determines is necessary and to perform investigations.

The Audit Committee held two meetings during the year to review, among other things, the interim and annual financial statements. Based on the review and discussion at the meetings, the Audit Committee recommended to the Board, among other things, to approve the interim and annual results of the Group.

FINANCIAL REPORTING

The Board acknowledges its responsibilities for preparing the financial statements which were prepared in accordance with statutory requirements and applicable accounting standards. A statement by the auditors about their reporting responsibilities is set out on pages 21 to 22 of this Annual Report. As far as the Board is aware, there are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROL

The Board has set up an internal audit department to review the effectiveness of the system of internal control of the Group including material controls over financial, operational and compliance controls and risk management functions.

SHAREHOLDER COMMUNICATION

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner.

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include general meetings, interim and annual reports, announcements and circulars. Procedure for voting by poll has been included in the circular of the Company accompanying notice convening special and annual general meeting and has been read out by the Chairman at the general meetings.

At the 2006 annual general meeting, a separate resolution was proposed by the Chairman in respect of each separate issue, including re-election of directors. Similarly, at the special general meeting held in March 2007, separate resolutions were proposed for each separate issue. The respective chairman of the Board and Audit Committee and Remuneration Committee attended the 2006 annual general meeting to answer any questions may be raised by shareholders.

審核委員會(續)

根據參考守則及香港會計師公會發出之「成立審核委員會之指引」而編製和採納的職權範圍，審核委員會的職責包括監察與外聘核數師的關係、審閱集團的中期業績與年度業績、檢討集團內部控制的範疇、規限與有效性，審閱集團所採用的會計政策及常規，在認為有需要時委聘獨立的法律或其他顧問，以及進行調查。

審核委員會於年內曾舉行兩次會議，以檢討(其中包括)中期及年度財務報表。根據於會上所進行之審閱及討論，審核委員會建議(其中包括)董事會批准本集團之中期及全年業績。

財務報告

董事會明白其編製本公司財務報表之責任，此財務報表乃根據法定要求及適用之會計準則編製。核數師就其報告責任作出之聲明載於本年報第21至22頁。就董事會所知，並無任何涉及可能會對本公司持續經營的能力構成疑問之事件或狀況之重大不明朗因素。

內部監控

董事會已設立一個內部審核部門，對本集團之內部監控系統(包括對財務、營運及合規控制及風險管理職能)的成效作出檢討。

與股東聯繫

與股東聯繫之目標乃為本公司股東提供有關本公司之詳細資料，讓股東可於知情之情況下行使其股東權利。

本公司採用多種溝通途徑，確保其股東知悉重要業務發展，該等途徑包括股東大會、中期報告及年報、公佈及通函。投票表決之程序已載於隨附召開股東特別大會及股東週年大會通告之本公司通函，並已由主席於舉行之股東大會上宣讀。

於二零零六年股東週年大會上，主席就每項獨立事項提呈獨立決議案，包括重選董事。同樣，於二零零七年三月舉行之股東特別大會上已就每項獨立事項提呈獨立決議案。董事會及審核委員會各自之主席均有出席二零零六年股東週年大會以回答股東提出之任何問題。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



CCIF

CCIF CPA LIMITED
陳葉馮會計師事務所有限公司
20/F, Sunning Plaza
10 Hysan Avenue
Causeway Bay, Hong Kong
香港 銅鑼灣 希慎道10號
新寧大廈20樓

TO THE SHAREHOLDERS OF ASIA COMMERCIAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Asia Commercial Holdings Limited (the "Company") set out on pages 23 to 82, which comprise the consolidated and Company balance sheets as at 31st March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

致冠亞商業集團有限公司股東

(於百慕達註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第23頁至82頁冠亞商業集團有限公司(「貴公司」)的綜合財務報表,其中包括於二零零七年三月三十一日的綜合及公司資產負債表、截止該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表以及主要會計政策概要和其他附註解釋。

董事就財務報表須承擔的責任

公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例披露規定,編製及真實公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實公平地列報財務報表相關的內部控制,以確保財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇並應用適當的會計政策;及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等財務報表發表意見。本報告乃按照百慕達一九八一年公司法第90條規定編製,僅向全體股東作出報告,除此之外,本報告別無其他目的。本核數師不會就本報告內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範,並規劃及執行審核,以合理確定此等財務報表是否不存有任何重大錯誤陳述。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of the affairs of the Company and of the Group as at 31st March 2007 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CCIF CPA Limited

Certified Public Accountants

Hong Kong, 12th July 2007

Delores Teh

Practising Certificate Number P03207

審核涉及執行情序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編制及真實公平地列報財務報表相關的內部控制，以設計適當的審核程式，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零七年三月三十一日之財政狀況及 貴集團截至該日止年度之虧損和現金流量，並已按照香港公司條例之披露規定妥善編製。

陳葉馮會計師事務所有限公司

執業會計師

香港，二零零七年七月十二日

鄭蕙華

執業證書編號 P03207

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

		Note	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		附註		
Turnover	營業額	6	369,376	330,233
Cost of sales	銷售成本		(233,521)	(200,614)
Gross profit	毛利		135,855	129,619
Other revenue	其他收益	6	15,001	12,801
Distribution costs	分銷成本		(107,933)	(104,992)
Administrative expenses	行政費用		(24,350)	(10,811)
Other operating expenses, net	其他經營費用，淨額		(54,574)	(16,640)
(Loss) / profit from operations	經營(虧損)/溢利		(36,001)	9,977
Finance costs	財務成本	9	(1,347)	(1,348)
Other expenses, net	其他費用，淨額		(9,933)	(1,094)
Share of results of an associate	應佔一間聯營公司業績		(2)	(100)
(Loss) / profit before taxation	除稅前(虧損)/溢利	8	(47,283)	7,435
Income tax	所得稅	11	(2,511)	(2,249)
(Loss) / profit for the year	本年度(虧損)/溢利		(49,794)	5,186
Attributable to:	歸於：			
Equity holders of the Company	本公司股份持有人		(49,543)	5,414
Minority interests	少數股東權益		(251)	(228)
			(49,794)	5,186
Basic (loss) / earnings per share	每股基本(虧損)/盈利	14	(14.85¢)	1.62¢



CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31st March 2007 於二零零七年三月三十一日

	Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Non-current assets			
非流動資產			
Property, plant and equipment	15	23,035	24,391
Prepaid lease payments	16	8,728	8,839
Investment properties	17	14,005	13,133
Goodwill	18	–	2,081
Intangible assets	19	–	–
Interest in an associate	22	–	1,123
Available-for-sale investments	23	430	430
		46,198	49,997
Current assets			
流動資產			
Inventories – goods for resale		70,081	106,295
Prepaid lease payments	16	110	110
Trade and other receivables, deposits and prepayments	24	37,393	34,983
Cash and cash equivalents	25	118,202	117,242
		225,786	258,630
Current liabilities			
流動負債			
Trade and other payables and accrued charges	26	75,430	63,572
Income tax payable	27	1,078	946
Loan notes	28	73,025	–
		149,533	64,518
Net current assets		76,253	194,112
Total assets less current liabilities		122,451	244,109
Non-current Liabilities			
非流動負債			
Rental received in advance		2,568	2,643
Loan notes	28	–	71,496
		2,568	74,139
NET ASSETS		119,883	169,970
CAPITAL AND RESERVES			
股本及儲備			
Share capital	29	33,372	333,719
Reserves	31	86,511	(164,070)
Equity attributable to equity holders of the Company		119,883	169,649
Minority interests		–	321
TOTAL EQUITY		119,883	169,970

Approved and authorised for issue by the Board of Directors on 12th July 2007 and are signed on its behalf by:
於二零零七年七月十二日獲董事會通過及授權刊發，並由下列董事代表簽署：

Au Shiu Leung, Alex 區肇良
Director 董事

Eav Ming Keong, Kinson 楊明強
Director 董事

The notes on pages 28 to 82 form an integral part of these financial statements.

第 28 頁至第 82 頁之附註構成此財務報表之整體部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

Attributable to equity holders of the Company

歸屬於本公司股份持有人

		Land and buildings revaluation						Total	Minority interests	Total	
		Share capital	Share premium	reserve	Exchange reserve	Capital reserve	Contributed surplus				Accumulated losses
		股本	股份溢價	土地及樓宇重估儲備	匯兌儲備	資本儲備	繳入盈餘	累積虧損	總額	少數股東權益	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1st April 2005	於二零零五年四月一日結餘	333,719	84	255	5,462	252,381	-	(422,772)	169,129	531	169,660
Excess depreciation on revalued properties	物業重估產生之超額折舊	-	-	(13)	-	-	-	13	-	-	-
Exchange differences on translation of financial statements of overseas subsidiaries	海外附屬公司財務報表換算之匯兌差額	-	-	-	(4,894)	-	-	-	(4,894)	-	(4,894)
Exchange adjustment	匯兌調整	-	-	-	-	-	-	-	-	18	18
Profit for the year	本年度溢利	-	-	-	-	-	-	5,414	5,414	(228)	5,186
Balance at 31st March 2006	於二零零六年三月三十一日結餘	333,719	84	242	568	252,381	-	(417,345)	169,649	321	169,970
Capital reduction (Note 29(a))	削減股本(附註29(a))	(300,347)	-	-	-	-	300,347	-	-	-	-
Transfer to set-off accumulated losses (Note 29(a))	轉撥以抵銷累計虧損(附註29(a))	-	-	-	-	-	(282,823)	282,823	-	-	-
Exchange differences on translation of financial statements of overseas subsidiaries	海外附屬公司財務報表換算之匯兌差額	-	-	-	94	-	-	-	94	-	94
Exchange adjustment	匯兌調整	-	-	-	-	-	-	-	-	(70)	(70)
Disposal of subsidiaries	出售附屬公司	-	-	-	(317)	-	-	-	(317)	-	(317)
Loss for the year	本年度虧損	-	-	-	-	-	-	(49,543)	(49,543)	(251)	(49,794)
Balance at 31st March 2007	於二零零七年三月三十一日結餘	33,372	84	242	345	252,381	17,524	(184,065)	119,883	-	119,883



BALANCE SHEET

資產負債表

As at 31st March 2007 於二零零七年三月三十一日

		Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Non-current assets	非流動資產			
Interest in subsidiaries	於附屬公司之權益	20	-	-
Current assets	流動資產			
Other receivables, deposits and prepayments	其他應收賬款、訂金及預付款項	24	148	400
Amounts due from subsidiaries	應收附屬公司款項	21	139,836	298,080
Cash and cash equivalents	現金及現金等值物	25	2,221	71,851
			142,205	370,331
Current liabilities	流動負債			
Other payables and accrued charges	其他應付賬款及應計費用	26	3,150	3,046
Amounts due to subsidiaries	應付附屬公司款項	21	15,050	71,993
Loan notes	貸款票據	28	73,025	-
			91,225	75,039
Net current assets	流動資產淨額		50,980	295,292
Total assets less current liabilities	總資產減流動負債		50,980	295,292
Non-current liabilities	非流動負債			
Loan notes	貸款票據	28	-	71,496
NET ASSETS	資產淨額		50,980	223,796
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	29	33,372	333,719
Reserves	儲備	31	17,608	(109,923)
TOTAL EQUITY	總權益		50,980	223,796

Approved and authorised for issue by the Board of Directors on 12th July 2007 and are signed on its behalf by:

於二零零七年七月十二日獲董事會通過及授權刊發，並由下列董事代表簽署：

Au Shiu Leung, Alex 區肇良
Director 董事

Eav Ming Keong, Kinson 楊明強
Director 董事

The notes on pages 28 to 82 form an integral part of these financial statements.

第28頁至第82頁之附註構成此財務報表之整體部份。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31st March 2007 截至二零零七年三月三十一日

		Note	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		附註		
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	產生/(動用)於經營業務之 現金淨額	32	659	(1,242)
INVESTING ACTIVITIES	投資業務			
Purchase of property, plant and equipment	添置物業、機器及設備		(7,491)	(4,464)
Interest received from other interest income	已收其他利息收入利息		906	301
Interest received from short-term bank deposits	已收短期銀行 存款利息		2,851	2,439
Disposal of interest in subsidiaries	出售附屬公司權益	34	(181)	-
NET CASH USED IN INVESTING ACTIVITIES	已動用於投資業務 之現金淨額		(3,915)	(1,724)
FINANCING ACTIVITIES	融資活動			
Interest paid on the loan notes	已付貸款票據利息		(542)	(542)
NET CASH USED IN FINANCING ACTIVITIES	已動用於融資 活動現金淨額		(542)	(542)
DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物 減少		(3,798)	(3,508)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及 現金等值物		117,242	120,465
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS	現金及現金等值 物匯兌差額		4,758	285
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	年終現金及 現金等值物		118,202	117,242
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物 結餘分析			
Short-term bank deposits	短期銀行存款		62,304	95,109
Cash at bank and on hand	銀行存款及手頭現金		55,898	22,133
			118,202	117,242

The notes on pages 28 to 82 form an integral part of these financial statements.

第28頁至第82頁之附註構成此財務報表之整體部份。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

1. GENERAL

The Company is an investment holding company. Its subsidiaries are principally engaged in trading and retailing of watches and property leasing.

The Company is a limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

The financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 12th July 2007.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The accounting policies of the Group and Company after the adoption of these new and revised HKFRSs have been summarised in Note 3.

Application of new and revised Hong Kong Financial Reporting Standards

The Group has not early applied the following new standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impacts on the financial statements of the Group.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKAS 23 (Revised)	Borrowing Costs ⁷
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating Segments ⁷
HK (IFRIC) – INT 8	Scope of HKFRS 2 ²
HK (IFRIC) – INT 9	Reassessment of Embedded Derivatives ³
HK (IFRIC) – INT 10	Interim Financial Reporting and Impairment ⁴
HK (IFRIC) – INT 11	HKFRS 2-Group and Treasury Share Transactions ⁵
HK (IFRIC) – INT 12	Service Concession Arrangements ⁶

1. Effective for annual periods beginning on or after 1st January 2007.
2. Effective for annual periods beginning on or after 1st May 2006.
3. Effective for annual periods beginning on or after 1st June 2006.
4. Effective for annual periods beginning on or after 1st November 2006.
5. Effective for annual periods beginning on or after 1st March 2007.
6. Effective for annual periods beginning on or after 1st January 2008.
7. Effective for annual periods beginning on or after 1st January 2009.

1. 一般事項

本公司為一間投資控股公司。本公司之主要附屬公司主要從事鐘錶貿易及零售以及物業租賃。

本公司為一間在百慕達註冊成立之股份有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處為 Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda。

除非另外說明，否則本財務報表乃以千港元（「千港元」）呈列。本財務報表已於二零零七年七月十二日由董事會批准發佈。

2. 合規聲明

本財務報表乃根據所有適用香港財務報告準則（「香港財務報告準則」），包括香港會計師公會（「香港會計師公會」）頒佈之所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋，香港普遍接納之會計原則、香港公司條例規定之披露要求，以及香港聯合交易所有限公司證券上市規則之適用披露規定而妥為編製。

香港會計師公會已頒佈若干於本集團及本公司之本會計期間首次生效或可供採納之新訂及經修訂香港財務報告準則。經採納該等新訂及經修訂之香港財務報告準則後之本集團及公司之會計政策概述於附註3。

採用新訂及經修訂香港財務報告準則

本集團並無提早採用下列已頒佈但未生效之準則或詮釋。本公司董事預期，採用該等準則或詮釋將不會對本集團的財務報表構成重大影響。

香港會計準則第1號（經修訂）	股本披露 ¹
香港會計準則第23號（經修訂）	借貸成本 ⁷
香港財務報告準則第7號	金融工具：披露 ¹
香港財務報告準則第8號	經營分類 ⁷
香港（國際財務匯報準則） — 詮釋第8號	香港財務報告準則第2號 — 號之範疇 ²
香港（國際財務匯報準則） — 詮釋第9號	內含衍生工具之重新估價 ³
香港（國際財務匯報準則） — 詮釋第10號	中期財務報告及減值 ⁴
香港（國際財務匯報準則） — 詮釋第11號	香港財務報告準則第2號 — 集團及庫存股票交易 ⁵
香港（國際財務匯報準則） — 詮釋第12號	服務特許安排 ⁶

1. 於二零零七年一月一日或之後開始之年度期間生效。
2. 於二零零六年五月一日或之後開始之年度期間生效。
3. 於二零零六年六月一日或之後開始之年度期間生效。
4. 於二零零六年十一月一日或之後開始之年度期間生效。
5. 於二零零七年三月一日或之後開始之年度期間生效。
6. 於二零零八年一月一日或之後開始之年度期間生效。
7. 於二零零九年一月一日或之後開始之年度期間生效。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

2. STATEMENT OF COMPLIANCE (Continued)

Application of new and revised Hong Kong Financial Reporting Standards (Continued)

HKAS 39 and HKFRS 4 (Amendments) "Financial Guarantee Contracts" is effective for annual periods beginning on or after 1st January 2006.

Financial guarantee contracts were previously only disclosed as contingent liabilities as they did not fall within the scope of HKAS 39. Following the introduction of HKAS 39 and HKFRS 4 (Amendments), financial guarantee contracts should be treated as financial liabilities. Financial guarantee contracts should be measured initially at fair value and subsequently at the higher of (i) the amount determined in accordance with HKAS 37 – Provisions, Contingent Liabilities and Contingent Assets and (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised over the life of the guarantee on a straight-line basis.

The adoption of HKAS 39 and HKFRS 4 (Amendments) has no impact on the consolidated and Company balance sheet.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis except for investment properties and financial instruments, which are measured at revalued amounts or fair values, as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

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.

2. 合規聲明(續)

採用新訂及經修訂香港財務報告準則(續)

香港會計準則第39號及香港財務報告準則第4號(經修訂)「財務擔保合約」於二零零六年一月一日或之後開始之年度期間生效。

財務擔保合約過往僅作為或然負債披露(因其未符合香港會計準則第39號範疇)。於香港會計準則第39號及香港財務報告準則第4號(經修訂)推出後,財務擔保合約須作為金融負債處理。財務擔保合約須首先以公允值計量,隨後以(i)根據香港會計準則第37號「撥備、或有負債及或有資產」及(ii)初步確認之金額減去(倘適合)擔保期間內以直線基準確認的累計攤銷中之較高者釐定。

採納香港會計準則第39號及香港財務報告準則第4號(經修訂)對綜合及公司資產負債表並無影響。

3. 主要會計政策

誠如下列會計政策所述,除投資物業及金融工具以重估價值或公允值計量外,本財務報表乃按歷史成本法編製。

在按照香港財務報告準則編製財務報表時,管理人員就會計政策的採用需作出判斷、估計及假設。因此,本財務報表中所列之資產、負債、收入及開支數額或會被受影響。該等估計與相關假設乃基於過往經驗和其它被認為合理之各種因素作出,從而作為計算某些難以確認的資產及負債之賬面價值的基準。實際結果或與該等估計不盡相同。

該等估計及相關假設將會被不時檢討。因應該等估計需作出的修訂將在該等估計之修訂期間(若該等修訂僅影響該期間)或者修訂期間及未來期間(若該等修訂影響現時及未來期間)予以確認。

(a) 綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。

年內收購或出售之附屬公司之業績由收購生效當日起或至出售生效當日為止計入綜合收益表。



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財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

(b) Subsidiaries and minority interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

3. 主要會計政策 (續)

(a) 綜合基準 (續)

如有需要，附屬公司之財務報表將作出調整，使其會計政策與本集團其他成員公司所採用者一致。

所有集團內公司間的交易、結餘、收入及支出已於綜合賬目時予以對銷。

合併附屬公司淨資產內之少數股東權益與本集團之權益分開呈列。淨資產內之少數股東權益包括於原業務合併日之該等權益及少數股東應佔該合併日以後之權益變動。少數股東應佔虧損超出少數股東於附屬公司應佔權益的部份在本集團的權益中扣除，除非少數股東有具約束力的責任及有能力增加投資彌補虧損則作別論。

(b) 附屬公司及少數股東權益

附屬公司乃本集團所控制之公司。倘本公司有權管理公司之財務及經營政策，從其業務中獲益，則該附屬公司被視為受本集團控制。在評估該附屬公司是否受控制時，計及現時可予行使之潛在投票權。

於受控制附屬公司的投資由控制開始當日至控制終止當日在綜合財務報表中綜合計算。集團內部往來的結餘和交易，以及集團內部交易所產生的任何未變現溢利，會在編製綜合財務報表時全數抵銷。集團內部交易所引致未變現虧損的抵銷方法與未變現收益相同，但抵銷額只限於沒有證據顯示已出現減值的部份。

少數股東權益是指，無論是直接或間接透過附屬公司，非由公司擁有的應佔附屬公司淨資產的權益部分，而集團未與該權益持有者達成任何附加協議，致令集團整體上對該等權益產生符合金融負債定義的法定義務。少數股東權益在綜合資產負債表內的股東權益列示，但與公司股東應佔權益分開。少數股東權益佔集團年度內總盈利或虧損在綜合收益表賬面以分配為少數股東權益及公司股東應佔權益形式呈報。

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For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Subsidiaries and minority interests (Continued)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale.

(c) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill relating to the investment in associates recognise for the year.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in income statement.

3. 主要會計政策(續)

(b) 附屬公司及少數股東權益(續)

倘少數股東應佔虧損超出少數股東於附屬公司應佔權益，超出的部份及該等少數股東權益應佔的任何進一步虧損將在本集團的權益中扣除，除非少數股東有具約束力的責任及有能力增加投資彌補虧損則作別論。倘該附屬公司之後錄得溢利，全部此等溢利均撥歸本集團，直至本集團之前承擔之少數股東權益虧損已悉數收回為止。

於本公司之資產負債表，於附屬公司之投資以成本扣除減值損失入賬，惟投資歸類為持作出售之情況例外。

(c) 聯營公司

聯營公司乃本集團或本公司對其有重大影響之公司，但並未控制或共同控制其管理，包括參與其財務或經營政策決策。

於聯營公司之投資乃按權益法於綜合財務報表內初步按成本入賬，之後按於收購後本集團應佔該聯營公司淨資產之變化而作調整，除非該項投資被歸類為持作出售(或被計入被歸類為持作出售之出售組別)。綜合收益表包括本集團收購聯營公司後應佔其年內之除稅後業績，包括於年內就該等投資確認之任何商譽減值損失。

倘本集團應佔之虧損超過其於該聯營公司之權益，則本集團之權益將扣減至零並停止再確認進一步虧損，除非本集團有法律或推定責任，或須代表該聯營公司付款才須確認該等進一步之虧損。

就此而言，本集團於聯營公司之權益乃按權益法就該等投資釐定之賬面值，並實際計入構成本集團於該等聯營公司之淨投資中之長期權益。

本集團與其聯營公司之間之交易產生之未實現利潤或虧損，以本集團於該等聯營公司之權益為限作對銷，除非未實現虧損提供有關被轉讓資產減值之證據，在此情況下，未實現盈虧即時於收益表內確認。



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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see Note 3(i)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associate or jointly controlled entity.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognised immediately in income statement.

On disposal of a cash generating unit, an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(e) Property, plant and equipment

The following properties held for own use are stated in the balance sheet at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation:

- freehold land and buildings; and
- land held under operating leases and buildings thereon, where the fair values of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease.

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

3. 主要會計政策 (續)

(d) 商譽

商譽指業務合併成本或於聯營公司投資高於本集團所佔被收購公司可識別資產、負債及或然負債公允淨值之差額。商譽以成本減累積減值損失入賬。並分配至現金產生單位及每年接受減值測試(見附註3(i))。至於聯營公司，商譽之賬面值乃列入聯營公司或共同控制企業之權益之賬面值內。

本集團於被收購公司可識別資產、負債及或然負債公允淨值之權益，超過業務合併或於聯營公司投資之成本之任何部份，乃即時於收益表內確認。

年內出售現金產生單位、聯營公司時，已購入商譽應佔之數額均計入出售溢利或虧損之計算。

(e) 物業、機器及設備

下列持作自用物業於結算日按重估金額(即有關物業於重估日之公允值)減任何其後累計折舊列賬：

- 永久業權土地及樓宇；及
- 根據經營租約持有之土地及建於其上的樓宇，而土地及樓宇之租賃權益的公允值無法於租約開始時分開計量及樓宇並無明顯地根據經營租約持有。

本集團會定期進行重估，確保該等資產之賬面值與使用結算日公允值釐定之數並無重大出入。

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For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

The following items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses:

- buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease; and
- other items of plant and equipment.

Changes arising on the revaluation of properties held for own use are generally dealt with in reserves. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to income statement to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to income statement to the extent that a deficit on revaluation in respect of that same asset had previously been charged to income statement.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net proceeds on disposal and the carrying amount of the item and are recognised in income statement on the date of retirement or disposal.

(f) Investment properties

Investment properties are land and buildings which are owned or held under a leasehold interest to earn rental income and / or for capital appreciation.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in income statement. Rental income from investment properties is accounted for as described in Note 3(l).

When the Group holds a property interest under an operating lease to earn rental income or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease, and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases.

3. 主要會計政策(續)

(e) 物業、機器及設備(續)

下列物業、機器及設備之項目乃按成本值減累計折舊及減值損失於資產負債表中呈列：

- 位於租賃土地之持有作自用之樓宇，於建立租賃時，樓宇之公允值可與租賃土地之公允值分開計算；及
- 其他機器及設備項目。

因重估持作自用物業產生之變動一般在儲備內處理。僅有例外情況如下：

- 倘產生重估虧絀，變動將在收益表內扣除，直至超出於緊接重估前就同一項資產於儲備內持有之金額為止；及
- 倘產生重估盈餘，變動將計入損益賬，並以就同一項資產先前已於收益表內支銷之重估虧絀為限計算。

報廢或出售物業、機器及設備項目所產生之盈虧釐定為出售所得款項淨額與項目賬面值間之差額，並於報廢或出售當日於收益表內確認。

(f) 投資物業

投資物業乃擁有或以租賃權益持有作為賺取租金收入及／或資本增值之土地及樓宇。

投資物業按公允值於資產負債表內入賬。任何因公允值變動或因廢棄或出售某項投資物業所產生之收益或虧損均於收益表內確認。投資物業的租金收入按附註3(l)所述入賬。

倘本集團以經營租賃持有物業權益以賺取租金收入或為資本增值，有關權益會按每項物業基準劃歸為投資物業。劃歸為投資物業之任何物業權益之入賬方式與以融資租賃持有之權益相同，且其適用之會計政策也與以融資租賃出租之其他投資物業相同。



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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Intangible assets

Intangible assets that are acquired by the Group are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is other than indefinite) and impairment losses (see Note 3(i)). Intangible assets with indefinite useful lives that are acquired by the Group are stated in the balance sheet at cost less impairment losses (see Note 3(i)).

Both the period and method of amortisation and any conclusion that the useful life of an intangible asset is indefinite are reviewed annually.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(i) Impairment of assets

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

- property, plant and equipment;
- pre-paid interests in leasehold land classified as being held under an operating lease;
- intangible assets;
- investment in associates (except for those classified as held for sale or included in a disposal group that is classified as held for sale); and
- goodwill.

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

3. 主要會計政策 (續)

(g) 無形資產

本集團收購之無形資產以成本減累積攤銷(倘估計適用年期並非無限期)及減值損失後在資產負債表內列賬(見附註3(i))。本集團所收購之具有無限期使用年期之無形資產乃按成本減減值損失後在資產負債表內列賬(見附註3(i))。

攤銷期間及方法，以及無形資產使用年期屬於無限期之結論均須每年均予以檢討。

(h) 存貨

存貨以成本及可變現淨值之較低者計量。成本以先進先出法計算。

可變現淨值指正常業務過程中估計售價減估計完成成本及估計銷售成本。

於出售存貨時，此等存貨之賬面值即於相關收入確認之期間確認為開支。任何存貨撇減至可變現淨值及所有存貨虧損均將於撇減或虧損產生期間確認為開支。由於可變現淨值增加導致存貨撇減之任何撥回之金額乃於撥回產生期間在存貨確認之開支金額內確認為一項扣減。

(i) 資產減值

本集團於每個結算日均對內部及外部資訊進行檢討，以決定是否有任何跡象顯示下列資產可能出現減值損失，或有任何跡象顯示過往已確認之減值損失不再存在或已經減少(商譽除外)：

- 物業、機器及設備；
- 歸類為按經營租賃持有之租賃土地之預付權益；
- 無形資產；
- 於聯營公司之投資(歸類為持作出售或列入被歸類為持作出售之出售組別者除外)；
- 及
- 商譽。

若存在任何此等跡象，即該資產之可收回金額須予以評估。此外，對於商譽、尚未可使用之無形資產以及具有無確定可使用年期間之無形資產，每年均會評估可收回金額以釐定是否存在任何減值跡象。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

Calculation of recoverable amount

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

Recognition of impairment losses

An impairment loss is recognised in income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

Reversals of impairment losses

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

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

(j) Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. 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 income statement.

3. 主要會計政策(續)

(i) 資產減值(續)

計算可收回金額

資產的可收回金額為其銷售淨價及其使用價值兩者中之較高者。評估使用價值時是以除稅前之折扣率計算預計未來之現金流量的現值，而該折扣率反映當時市場對金錢價值之評估及該項資產的特有風險。如某類資產產生之現金流入不能獨立於其他資產所產生之現金流量，可收回金額按最細資產組合(即現金產生單位)所產生之獨立現金流量計算。

確認減值損失

倘某項資產或其所屬之現金產生單位之賬面值超過其可收回金額，便於收益表內確認減值損失。可收回金額指淨售價及使用價值中之較高者。評估使用價值時，估計未來現金流量經使用除稅前折現率折讓，以反映現時市場對貨幣時間值及資產的特定風險。

撥回減值損失

對於除商譽以外之資產，若用以釐定可收回金額之評估因素產生有利變動，減值損失將予撥回。針對商譽之減值損失不予撥回。

撥回之減值損失以假設並無於過往年度確認減值損失而應已釐定之資產賬面值為限。撥回之減值損失於確認撥回之年度內計入收益表。

(j) 金融工具

當集團公司成為工具合約條文之訂約方時，則於資產負債表內確認金融資產及金融負債。金融資產及金融負債最初以公允值入賬。收購或發行金融資產及金融負債(透過損益賬按公允值處理之金融資產及金融負債除外)直接應佔之交易成本，將於初步確認時自金融資產及金融負債之公允值內扣減。

透過損益按公允值處理之金融資產及金融負債直接應佔之交易成本乃即時於收益表內確認。



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財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

Financial assets

The Group's financial assets are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. The accounting policies adopted in respect of each category of financial assets are set out below.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, loan receivables and bank deposits) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in income statement. All impairment losses on available-for-sale financial assets are recognised in income statement. Impairment losses on available-for-sale equity investments will not reverse through profit or loss in subsequent periods.

3. 主要會計政策 (續)

(j) 金融工具 (續)

金融資產

本集團之金融資產歸類為透過損益賬按公允值處理之金融資產、貸款及應收賬款以及可出售之金融資產。所有以正常購買方式購入之金融資產均按交易日基準確認或終止確認。正常購買或銷售乃指須按市場規定或慣例設定之時間段內交付之金融資產買賣。就每類金融資產所採用之會計政策刊載如下。

透過損益賬按公允值處理之金融資產

透過損益賬按公允值處理之金融資產包括持作交易用途之金融資產。於首次確認後每個結算日，透過損益賬按公允值處理之金融資產乃以公允值計量，而公允值之變化則在其發生期間之收益表中直接予以確認。

貸款及應收賬款

貸款及應收賬款為並無於活躍市場報價的固定或可釐定付款之非衍生金融資產。於首次確認後每個結算日，貸款及應收賬款(包括貿易及其他應收賬款、應收貸款及銀行存款)採用實際利率法按攤銷成本呈列，並扣減任何已辨認減值損失。當有客觀證據顯示資產已減值時，於收益表內確認減值損失，並且按照資產之賬面金額與按原有實際利率折現之估計未來現金流量之現值之差額計算減值損失。

當資產之可收回金額在客觀上與確認減值後所發生之事件有關，減值損失可於其後期間撥回，惟規定資產在撥回減值當日之賬面值不得超過未獲確認減值之攤銷成本。

可出售之金融資產

可出售之金融資產為指定為或並非歸類為任何其他類別之非衍生工具。於首次確認後每個結算日，可出售之金融資產按公允值計量。公允值之變動於權益內予以確認，直至該金融資產被出售或被釐定為減值，此時，先前於權益確認之累積收益或損失從權益內移除，並撥至收益表內確認。可出售之金融資產之所有減值損失均於收益表內確認。可出售之股本投資之減值損失將不會於其後期間透過損益賬撥回。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

Available-for-sale financial assets (Continued)

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in income statement when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity 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 in respect of the Group's other financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities including bank and other borrowings and trade and other payables 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.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in income statement.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in income statement.

3. 主要會計政策(續)

(j) 金融工具(續)

可出售之金融資產(續)

對於並無在活躍市場中作出市場報價的可出售之股本投資，其公允值未能可靠地計量，於首次確認後每個結算日，按成本減任何已辨認減值損失計算。當有客觀證據證明該資產出現減值，則減值損失在收益表內確認。減值損失以資產賬面值與按同類金融資產之現行市場回報率折現之估計未來現金流量現值之間的差額計算。該等減值損失不會於其後期間撥回。

金融負債及股本

集團公司所發行之金融負債及股本工具根據所定立合約安排之實際內容及金融負債與股本工具之定義分類。

股本工具為任何可證明在扣減所有負債後於本集團資產擁有剩餘權益的合約。就本集團其他金融負債及股本工具所採納之會計政策載列如下。

其他金融負債

其他金融負債包括銀行及其他借貸，以及貿易及其他應付賬款，乃其後採用實際利率法按攤銷成本計算。

股本工具

本公司所發行之股本工具乃按已收取之所得款項扣除直接發行成本入賬。

終止確認

倘自資產收取現金流量之權利屆滿，或該金融資產已轉讓且本集團已實際轉讓該金融資產所有權之全部風險及回報，即終止確認金融資產。於終止確認金融資產時，資產之賬面值與已收代價及已直接於權益內確認之累積收益或虧損總和之間之差額乃於收益表內確認。

當有關合約所訂明的責任已被履行、取消或屆滿時，金融負債將被終止確認。終止確認之金融負債之賬面值與已付代價間之差額於收益表中確認。



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For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

3. 主要會計政策(續)

(k) 稅項

本年度所得稅包括本期稅項及遞延所得稅資產和負債的變動。本期稅項及遞延所得稅資產和負債的變動均在收益表內確認，但與直接確認為股東權益項目相關的，則確認為股東權益。本期稅項是按本年度應課稅收入根據已執行或在結算日實質上已執行的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延所得稅資產和負債分別由可抵扣和應課稅暫時差異產生。暫時差異是指資產和負債在財務報表上的賬面值與這些資產和負債的計稅基礎的差異。遞延所得稅資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

除了某些例外情況外，所有遞延所得稅負債和遞延所得稅資產(只限於很可能獲得能利用該遞延所得稅資產來抵扣的未來應課稅溢利)都會確認。支持確認由可抵扣暫時差異所產生遞延所得稅資產的未來應課稅溢利包括因轉回目前存在的應課稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年或遞延所得稅資產所產生可抵扣虧損可轉回或結轉的期間內轉回。在決定目前存在的應課稅暫時差異是否足以支持確認由未可抵扣虧損和未利用稅款抵減所產生的遞延所得稅資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應課稅實體有關，並是否預期在能使用可抵扣虧損和未利用稅款抵減撥回的同一年或轉回。

不確認為遞延所得稅資產和負債的暫時差異產生自以下例外情況：不可在稅務方面獲得扣減的商譽；不影響會計或應課稅利潤的資產或負債的初始確認(如屬業務合併的一部分則除外)；以及投資附屬公司有關的暫時差異有關的暫時差異(如屬應課稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回的暫時差異；或如屬可抵扣差異，則只限於很可能在將來轉回的差異)。

遞延所得稅額是按照資產和負債賬面值的預期實現或清償方式，根據已執行或在結算日實質上已執行的稅率計量。遞延所得稅資產和負債均不貼現計算。

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財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Income tax (Continued)

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(l) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in income statement as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered to customer which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Provision of services

Revenue from provision of services is recognised when services are provided.

3. 主要會計政策(續)

(k) 稅項(續)

本集團會在每個結算日評估遞延所得稅資產的賬面值。如預期不再可能獲得足夠的應課稅利潤以利用相關的稅務利益，該遞延所得稅資產的賬面值便會調低；但倘若日後又可能獲得足夠的應課稅利潤，有關減額便會轉回。

本期所得稅結餘及遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。本期和遞延所得稅資產在本公司或本集團有法定行使權以本期所得稅資產抵銷本期所得稅負債，並且符合以下附帶條件的情況下，才可以分別抵銷本期和遞延所得稅負債：

- 本期所得稅資產和負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 遞延所得稅資產和負債：該等資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體。該等實體計劃在預期有大額遞延所得稅負債需要清償或遞延所得稅資產可以收回的每個未來期間，按淨額基準變現本期所得稅資產和清償本期所得稅負債，或同時變現該資產和清償該負債。

(l) 收入確認

收入是在經濟效益可能會流入本集團，以及能夠可靠地計算收入和成本(如適用)時，根據下列方法在收益表內確認：

(i) 銷售貨品

收入在貨品送達客戶，而且客戶接納貨品及其所有權相關的風險及回報時確認。收入不包括增值稅或其他銷售稅，並已扣除任何營業折扣。

(ii) 提供服務

提供服務之收入乃於提供服務時確認。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Revenue recognition (Continued)

(iii) Interest income

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.

(iv) Rental income

Rental income, including rental invoiced in advance from letting of properties under operating leases, is recognised on a straight-line basis over the period of the respective leases.

(m) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with rules of the central pension scheme.

(ii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

3. 主要會計政策 (續)

(l) 收入確認 (續)

(iii) 利息收入

金融資產之利息收入乃按時間基準，參考未償還本金及適用之實際利率計算，該利率為確實地將金融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折現率。

(iv) 租金收入

租金收入(包括根據經營租約項下之物業預先開出發票之租金)，按有關租約期間以直線基準確認。

(m) 僱員福利

(i) 僱員短期福利及對定額供款退休計劃之供款

薪金、年終花紅、有薪年假、對定額供款退休計劃之供款及本集團的非金錢福利費用於本集團僱員提供相關服務的年度計提。倘遞延付款或結算，且影響重大，則按現值將該等款項入賬。

本集團在中國內地營運之附屬公司之僱員須參加當地市政府管理之中央退休計劃。該等附屬公司須向中央退休計劃支付其薪金之某百分比作為供款。該等供款在其根據中央退休計劃規則應付時自收益表中扣除。

(ii) 離職福利

倘本集團明確就終止僱用作出承擔或因在一項實際上不可能退出之詳細正式計劃下僱員自願離職而提供利益(及僅在上述情況下)，則離職福利可確認入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in income statement, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised directly in equity.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1st January 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which related to that foreign operation is included in the calculation of the profit or loss on disposal.

(o) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exception:

Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later.

3. 主要會計政策(續)

(n) 外幣換算

年內之外幣交易均按交易日之適用匯率換算。於結算日，以外幣為單位之貨幣資產及負債均按結算日之適用匯率換算。匯兌盈虧均於收益表確認，惟藉以對沖海外業務之淨投資之外幣借貸所產生之匯兌盈虧除外；此等匯兌盈虧直接於權益內確認。

按歷史成本計值之外幣非貨幣資產及負債乃以交易日適用之匯率換算。按公允值計值之外幣非貨幣資產及負債乃以公允值釐定日之適用匯率換算。

海外業務之業績乃按接近交易日外幣匯率之兌換率換算為港元。資產負債表項目，包括綜合自二零零五年一月一日或以後收購之海外業務時所產生之商譽，均以結算日之適用匯率換算為港元。產生之匯兌差額直接於權益內獨立確認。

出售海外業務時，已在權益中確認並與該海外業務有關之累計匯兌差額會包括在計算出售項目之損益內。

(o) 租賃資產

倘本集團決定於協定期內將特定資產使用權出讓以換取一筆或一連串款項之安排，包括一項交易或一連串交易之該項安排屬於或包括一項租賃。該項決定乃基於安排內容之實質評估而作出，而不論該項安排是否採取租賃之法律形式。

(i) 本集團租賃資產之分類

對於本集團以租賃方式持有之資產，如租賃使擁有權之絕大部分風險及回報已轉移至本集團，有關之資產便會分類為以融資租賃持有；如租賃不會使擁有權之絕大部分風險和回報轉移至本集團，則分類為營運租賃，惟例外情況如下：

以經營租賃持作自用，但無法在租賃開始時將其公允價值與建於其上的建築物的公允價值分開計量的土地是按以融資租賃持有方式入賬；但清楚地以經營租賃持有的建築物除外。就此而言，租賃的開始時間是指本集團首次訂立租賃時，或自前承租人接收建築物時，或有關建築物的建造日（如為較遲的時間）。



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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Leased assets (Continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Company or Group will obtain ownership of the asset, the life of the asset, as set out in Note 3(e). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 3(i). Finance charges implicit in the lease payments are charged to income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(iii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in income statement as an integral part of the aggregate net lease payments made. Contingent rentals are written off as an expense of the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property.

(p) Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

3. 主要會計政策 (續)

(o) 租賃資產 (續)

(ii) 以融資租賃收購之資產

若本集團以融資租賃收購資產使用權，租賃資產之公允值數額或最低租賃金額之現值之較低者，將列入固定資產及相關負債(扣除融資費用)並列作融資租賃責任。折舊為於相關租賃有效期間或資產可用期限之期間(若本公司或本集團將取得資產所有權)，按撇銷資產成本或估值之比率計算(見附註3(e))。減值損失按附註3(i)所載之會計政策計算。租賃金額所包含之融資費用將於租賃期間計入收益表，使各會計期間對責任結餘以相若之固定期間比率扣減。

(iii) 經營租賃費

倘本集團根據經營租賃使用資產，則根據租賃作出的付款將於租賃期所涵蓋的會計期間內以等額分期於收益表中支銷；除非有其他基準能更反映租賃資產所產生之收益模式則除外。已收租賃下的獎賞在收益表中確認為租賃淨付款總額的組成部份。或有租金在其產生的會計期間內撇銷為開支。

以經營租賃持有土地的收購成本是按直線法在租賃期內攤銷，但劃歸為投資物業的物業除外。

(p) 關連人士

就此財務資料而言，與本集團連繫之人士指：

- (i) 該人士有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響集團的財務及經營決策，或共同控制本集團；
- (ii) 集團及該人士均受共同控制；
- (iii) 該人士屬集團的聯營公司或本集團作為合營方之合營企業；
- (iv) 該人士屬集團或其母公司之主要管理人員的成員、或屬個人的近親家庭成員、受該等個人人士控制、或共同控制或重大影響的實體；

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Related parties (Continued)

- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(q) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in income statement on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortisation in income statement over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised and when (1) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (2) the amount of that claims on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

3. 主要會計政策(續)

(p) 關連人士(續)

- (v) 該人士如屬(i)所指的近親家庭成員或受該等個人人士控制、或共同控制或重大影響的實體；或
- (vi) 屬提供福利予集團或與集團關聯的實體的僱員離職後福利計劃。

一名人士之近親乃預期在處理有關公司時可影響該人士或受該人士影響之家庭成員。

(q) 發出財務擔保，準備和或有負債

(i) 所發出的財務擔保

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債務工具之條款於到期時付款而蒙受之損失，而向持有人支付特定款項之合約。

當本集團發出財務擔保，該擔保之公允值(即交易價格，除非該公允值能確實估計)最初確認為應付貿易及其它賬項內之遞延收入。倘在發行該擔保時收取或可收取代價，該代價則根據適用於該類資產之本集團政策而予確認。倘並無有已收取或應予收取之代價，則於最初確認任何遞延收入時，即時於收益表內確認開支。

最初確認為遞延收入之擔保款額按擔保年期於收益表內攤銷為所發出之財務擔保收入。此外，倘(1)擔保持有人有可能根據擔保向集團追索；及(2)該集團之申索款額預期超過現時列於應付貿易及其它賬款內之擔保金額(即最初確認的金額減累計攤銷)，則確認為有關準備。



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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial guarantees issued, provisions and contingent liabilities (Continued)

(ii) Other provisions and contingent liabilities

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Segment information

A segment is a distinguishable component of the group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of the financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

3. 主要會計政策 (續)

(q) 發出財務擔保、準備和或有負債 (續)

(ii) 其它準備和或有負債

倘本集團或本公司須就已發生事件承擔法律或推定責任，因而預期會導致含有經濟效益之資源外流，於可作出可靠估計時，本集團或本公司便會就該時間或數額不定之其它負債計提準備。倘貨幣時間值重大，則按預計所需支出之現值計提準備。

倘含有經濟效益之資源外流之可能性較低，或無法對有關數額作出可靠估計，便則將該責任披露為或有負債，但資源外流可能性極低者則除外。倘本集團之責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或有負債，但資源外流可能性極低者則除外。

(r) 分類資料

分類指本集團內從事於供應產品或提供服務(業務分類)，或者在一特定的經濟環境內供應產品或提供服務(地區分部)的可分辨部份，而各分類所承受的風險及獲得的回報並不相同。

按照本集團的內部財務報告制度，就此財務報表而言，本集團已選定將業務分部資料作為主要報告形式，而地區分類資料則以次要報告形式呈列。

分類收益、支出、業績、資產及負債包括能直接歸類於某一分部及那些能夠按合理標準分配到各分類的項目。例如，分類資產可包括存貨、貿易應收賬款及物業、機器及設備。分類收益、支出、資產及負債均在綜合賬項須予抵銷之結餘及交易之前列示，除非該等結餘及交易之抵銷乃在集團實體中之單一分類。分類間之定價是以供予其他外部人士之類似條款定價。

分類資本開支是指在期內購入預計可於超過一個會計期間使用的分類資產(包括有形和無形資產)所產生的成本總額。

未分攤項目主要包括金融及公司資產、計息貸款、借貸稅項結餘、公司及融資支出。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, management is required to exercise significant judgments in the selection and application of accounting principles, including making estimates and assumptions. The following is a review of the more significant accounting policies that are impacted by judgments and uncertainties and for which different amounts may be reported under a different set of conditions or using different assumptions.

(i) Estimated impairment test of goodwill

The Group conducts tests for impairment of goodwill annually in accordance with the relevant accounting standards. Determining whether the goodwill is impaired requires an estimation of the value in use on basis of data available to the Group. Where the future cash flows are less than expected, an impairment loss may arise.

(ii) Write-downs of inventories

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

(iii) Property, plant and equipment

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

(iv) Impairment loss on trade and other receivables

The policy for impairment losses is based on an assessment of the recoverability of trade receivables and other receivables and interest in subsidiaries. Impairments are applied to trade receivables and other receivables and interest in subsidiaries where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment loss requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables and impairment loss expenses in the period in which such estimate has been changed.

4. 關鍵會計判斷及主要估計不確定性原因

於編製此等財務報表時，管理層須於選擇及實施會計原則時須作出重要判斷，包括作出估計及假設。以下檢討將受判斷及不確定性影響之較重要會計政策，且該等政策可於不同條件或者採用不同假設時錄入不同數額。

(i) 商譽之估計減值測試

本集團每年均按有關會計準則對商譽進行減值測試。釐定商譽是否減值時，須依據本集團現有之數據估計使用值。若未來現金流量低於預期值即可能產生減值損失。

(ii) 撇減存貨

存貨根據可變現性之評估撇減至可變現淨值。一旦事件發生或情況改變顯示存貨結餘可能未能變現時將被記錄為存貨撇減。識別撇減需要作出判斷及估計。當預期與原定估計有差異時，則該差異將會於估計已改變之期間內，影響存貨之賬面值及存貨之撇減。

(iii) 物業、機器及設備

本集團每年均評估物業、機器及設備有否出現減值跡象。物業、機器及設備之可收回金額按照使用價值釐定。計算過程中須作出判斷及估計。

(iv) 貿易及其他應收賬款減值損失

減值損失之政策乃基於對貿易應收賬款及其他應收賬款以及於附屬公司之權益之評估之可收回性。一旦事件發生或情況改變顯示該餘額有可能不能收回時，則會就貿易應收賬款及其他應收賬款及於附屬公司之權益作出減值。識別減值損失需要作出判斷和估計。倘預期之金額與原定估計有差異時，則該差異將會於估計改變之期間內，分別影響應收賬款之賬面值及期間的減值損失開支。



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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include equity and debt investments, borrowings, trade receivables, trade payables, loan receivables and bank balances and cash. Details of these financial instruments are disclosed in 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.

(i) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31st March 2007 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 has implemented internal control procedures 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 the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

(ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining the flexibility in funding by arranging banking facilities and other external financing. Therefore, the risk is considered minimal.

(iii) Currency risk

The Group mainly operates in the mainland China and Hong Kong and the exposure in exchange rate risks mainly arises from fluctuations in the United States dollar, Hong Kong dollar and Renminbi exchange rates, though certain subsidiaries have foreign currency transactions, mainly in United States dollar and Swiss Francs. Exchange rate fluctuations and market trends have always been the concern of the Group. As Hong Kong dollar and Renminbi are both under managed floating system, after reviewing the Group's exposure for the time being, the Group did not enter into any derivative contracts aimed at minimising exchange rate risks during the year. However, the Company will monitor foreign exchange exposure closely and consider the usage of hedging instruments when the need arises.

5. 財務風險管理目標及政策

本集團之主要金融工具包括股本及債券投資、貸款、貿易應收賬款、貿易應付賬款、應收貸款以及銀行結餘及現金。該等金融工具之詳情已於各自附註中披露。該等金融工具相關之風險及減低風險之政策刊載如下。管理層對該等風險進行管理及監察，以確保及時有效採取適當之措施。

(i) 信貸風險

對方於二零零七年三月三十一日不履行其有關各類已確認金融資產之責任令本集團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，管理層已就信貸額之釐定及信貸批核制訂內部監控程序與其他監察程序，以確保採取跟進措施收回逾期之賬款。此外，本集團於各結算日個別檢討各項貿易應收賬之可收回數額，以確保就無法收回之數額作出足夠之減值虧損撥備。有鑑於此，本公司董事認為本集團之信貸風險已顯著地減低。

因為對方均為信譽良好之銀行，故流動資金之信貸風險有限。

(ii) 流動資金風險

審慎之流動資金風險管理指維持足夠現金及透過安排足夠已承諾信貸額度維持充足之資金。本集團透過安排銀行信貸及其他外部融資，旨在維持資金周轉之靈活性，故風險甚低。

(iii) 貨幣風險

本集團主要在中國內地和香港經營業務，所面對的外匯風險主要源自美元、港元和人民幣的匯率波動。此外，若干附屬公司有外匯交易（以美元及瑞士法郎為主）。本集團一直關注貨幣匯率波動及市場趨勢。由於港元和人民幣均實行有管理的浮動匯率制度，故於檢討本集團現時面對之風險後，年內本集團並無訂立任何旨在減低外匯風險的衍生工具合約。然而，本公司將密切監察外匯風險並於需要時考慮採用對沖工具。

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(iv) Cash flow interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate loan notes which details have been disclosed in Note 28 to the financial statements. The Group will continue to review the market trend, as well as its business operation needs and its financial position in order to identify the most effective tools for interest rate risk management.

(v) Fair value

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

6. TURNOVER AND OTHER REVENUE

Turnover represents the gross proceeds received and receivable derived from the sales of watches, property leasing and provision of programming service and is summarised as follows:

5. 財務風險管理目標及政策 (續)

(iv) 現金流利率風險

本集團之公允價值利率風險主要涉及定息貸款票據，其詳細資料已於財務報表附註28中披露。本集團將繼續檢討市場趨勢、集團經營業務的需要及財務狀況，安排最有效的利率風險管理工具。

(v) 公允值

貿易應收賬款及應付賬款賬面值扣除減值撥備，為其公允值之合理概約數額。作披露用途的金融負債公允值，乃以本集團所得類似金融工具當時市場利率折現未來合約現金流量估計得出。

6. 營業額及其他收益

營業額即鐘錶銷售、物業出租及提供程式設計服務之已收及應收之總款項，摘要如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Turnover	營業額		
Sales of watches	鐘錶銷售	367,708	327,125
Gross rental income from investment properties	來自投資物業之租金毛收入	687	964
Provision of programming service	提供程式設計服務	981	2,144
		369,376	330,233
Other revenue	其他收益		
Interest income from short-term bank deposits	短期銀行存款利息收入	2,639	2,633
Other interest income	其他利息收入	906	301
Customer services income and others	客戶服務收入及其他	11,456	9,867
		15,001	12,801
		384,377	343,034



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7. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting, the Group has determined that business segments are its primary reporting format and geographical segments are its secondary reporting format.

For management purposes, the Group major operating business organised and managed is sales of watches.

(i) Business segment

Details of the segment information by business segments are as follows:

7. 分類資料

根據本集團之內部財務報告，本集團決定報告形式以業務分類為主而地區分類為次。

為配合管理需要，本集團經營及管理之主要經營業務為鐘錶銷售。

(i) 業務分類

按業務分類之分類資料詳情如下：

		2007 二零零七年			
		Sales of watches 鐘錶銷售 HK\$'000 千港元	Others* 其他* HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Turnover	營業額				
External sales	對外銷售	367,708	1,668	-	369,376
Inter-segment sales	內部銷售	-	631	(631)	-
		367,708	2,299	(631)	369,376
Segment results	分類業績	(27,034)	(1,897)	-	(28,931)
Unallocated operating expenses	未經分攤經營費用				(10,615)
Operating loss	經營虧損				(39,546)
Interest income	利息收入				3,545
Finance costs	財務成本				(1,347)
Other expenses, net – allocated	其他費用，淨額—已分攤	(2,369)	(5,483)		(7,852)
– unallocated	– 未經分攤				(2,081)
					(9,933)
Share of results of an associate	應佔一間聯營公司業績	-	(2)		(2)
Loss before taxation	除稅前虧損				(47,283)
Income tax	所得稅				(2,511)
Loss for the year	本年度虧損				(49,794)
Segment assets	分類資產	184,082	22,519		206,601
Unallocated corporate assets	未經分攤公司資產				65,383
Consolidated total assets	綜合總資產				271,984
Segment liabilities	分類負債	70,006	4,012		74,018
Unallocated corporate liabilities	未經分攤公司負債				78,083
Consolidated total liabilities	綜合總負債				152,101
Other information	其他資料				
Capital expenditure – allocated	資本開支—已分攤	7,073	371		7,444
Capital expenditure – unallocated	資本開支—未經分攤				47
					7,491
Depreciation – allocated	折舊—已分攤	5,613	871		6,484
Depreciation – unallocated	折舊—未經分攤				59
					6,543
Amortisation of prepaid lease payments	租賃預付款項攤銷	-	111		111
Non-cash expenses other than depreciation and amortisation	折舊及攤銷以外之非現金開支				
Impairment loss	減值損失				
Trade and other receivables – allocated	貿易及其他應收賬款—已分攤	889	1,833		2,722
Trade and other receivables – unallocated	貿易及其他應收賬款—未經分攤				1,571
					4,293
Property, plant and equipment	物業、機器及設備	1,497	1,000		2,497
Goodwill	商譽	-	2,081		2,081
Interest in an associate	於一間聯營公司之權益	-	1,144		1,144
Bad debt written off	撇銷壞帳	12	36		48
Write-down slow-moving inventories	滯銷存貨撇減	63,302	-		63,302
Write off of property, plant and equipment	物業、機器及設備撇銷	325	-		325

* Others included property leasing and programming service income.

* 其他包括物業租賃及提供程式設計服務收入。

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7. SEGMENT INFORMATION (Continued)

7. 分類資料(續)

(i) Business segment (Continued)

(i) 業務分類(續)

Details of the segment information by business segments are as follows:

按業務分類之分類資料詳情如下：

		2006 二零零六年			
		Sales of watches 鐘錶銷售 HK\$'000 千港元	Others* 其他* HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Turnover	營業額				
External sales	對外銷售	327,125	3,108	-	330,233
Inter-segment sales	內部銷售	-	1,553	(1,553)	-
		<u>327,125</u>	<u>4,661</u>	<u>(1,553)</u>	<u>330,233</u>
Segment results	分類業績	<u>18,395</u>	<u>(1,927)</u>	<u>-</u>	<u>16,468</u>
Unallocated operating expense	未經分攤經營費用				(9,425)
Operating profit	經營溢利				7,043
Interest income	利息收入				2,934
Finance costs	財務成本				(1,348)
Other expenses, net – allocated – unallocated	其他費用，淨額 – 已分攤 – 未經分攤	(88)	723		635 (1,729)
Share of results of an associate	應佔一間聯營公司業績	-	(100)		(1,094) (100)
Profit before taxation	除稅前溢利				7,435
Income tax	所得稅				(2,249)
Profit for the year	本年度溢利				<u>5,186</u>
Segment assets	分類資產	203,490	27,363		230,853
Interest in an associate	於一間聯營公司權益	-	1,123		1,123
Unallocated corporate assets	未經分攤公司資產				76,651
Consolidated total assets	綜合總資產				<u>308,627</u>
Segment liabilities	分類負債	57,140	5,675		62,815
Unallocated corporate liabilities	未經分攤公司負債				75,842
Consolidated total liabilities	綜合總負債				<u>138,657</u>
Other information	其他資料				
Capital expenditure – allocated	資本開支 – 已分攤	3,537	791		4,328
Capital expenditure – unallocated	資本開支 – 未經分攤				136
					<u>4,464</u>
Depreciation – allocated	折舊 – 已分攤	6,125	755		6,880
Depreciation – unallocated	折舊 – 未經分攤				132
					<u>7,012</u>
Amortisation of prepaid lease payments	租賃預付款項攤銷	-	157		157
Non-cash expenses other than depreciation and amortisation	折舊及攤銷以外之 非現金開支				
Impairment loss	減值損失				
Goodwill	商譽	-	1,180		1,180
Available-for-sale investments – unallocated	可供出售投資 – 未經分攤				554
Bad debt written off	撇銷壞帳	19	-		19
Write-back slow-moving inventories	撥回滯銷存貨	(414)	-		(414)
Write off of property, plant and equipment	撇銷物業、機器及 設備	88	5		93

* Others included property leasing and programming service income.

* 其他包括物業租賃及提供程式設計服務收入。



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7. SEGMENT INFORMATION (Continued)

(ii) Geographical segment

The Group's business operates in three main geographical areas. The Group has properties invested in all these geographical areas. Mainland China, excluding Hong Kong is a major market for the segment of sales of watches.

Details of the segment information by geographical segments are as follows:

		2007 二零零七年 Segment revenue 分類收益 HK\$'000 千港元	2006 二零零六年 Segment revenue 分類收益 HK\$'000 千港元
Mainland China, excluding Hong Kong	中國內地，不包括 香港	364,143	318,729
Hong Kong	香港	4,041	7,499
Switzerland	瑞士	617	663
Others*	其他*	575	3,342
		369,376	330,233

An analysis of the carrying amount of segment assets and capital expenditure by the geographical area in which the assets are located is as follows:

		2007 二零零七年		2006 二零零六年	
		Carrying amount of segment assets 分類資產的 賬面值 HK\$'000 千港元	Capital expenditure 資本開支 HK\$'000 千港元	Carrying amount of segment assets 分類資產的 賬面值 HK\$'000 千港元	Capital expenditure 資本開支 HK\$'000 千港元
Mainland China, excluding Hong Kong	中國大陸，不包括 香港	150,221	6,209	134,168	2,882
Hong Kong	香港	90,035	1,258	128,538	1,512
Switzerland	瑞士	31,477	24	41,986	45
Others*	其他*	251	-	3,935	25
		271,984	7,491	308,627	4,464

* Others included U.S.A. and Taiwan.

* 其他包括美國及台灣。

7. 分類資料(續)

(ii) 地區分類

本集團之業務主要於三個地區經營。本集團於該等地區均有投資物業。中國內地(不包括香港)乃鐘錶銷售分類之主要市場。

按地區分類之分類資料詳情如下：

分類資產的賬面值及資本開支所在地區分析如下：

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8. (LOSS) / PROFIT BEFORE TAXATION

(Loss) / profit before taxation has been arrived after crediting & charging the following:

8. 除稅前(虧損)/溢利

除稅前(虧損)/溢利已計入及扣除以下各項：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Crediting:	計入：		
Reversal of impairment on properties held for resale	撥回持作轉售物業減值	-	294
Surplus arising from valuation of investment properties	投資物業估值產生之盈餘	-	728
Profit on liquidation of a subsidiary	一間附屬公司清盤溢利	-	5
Rental receivable from investment properties less direct outgoings of HK\$9,000 (2006: HK\$28,000)	投資物業應收租金，已扣除直接支出9,000港元 (二零零六年：28,000港元)	678	936
Profit on disposal of subsidiaries	出售附屬公司溢利	407	-
Net exchange gain	匯兌收益淨額	5,275	2,609
Charging:	扣除：		
Impairment loss	減值損失		
Trade and other receivables	貿易及其他應收賬款	4,293	-
Property, plant and equipment	物業、機器及設備	2,497	-
Goodwill	商譽	2,081	1,180
Available-for-sale investments	可出售投資	-	554
Interest in an associate	於一間聯營公司之權益	1,144	-
Auditors' remuneration	核數師酬金		
Audit services	核數服務	827	480
Other services	其他服務	275	105
Depreciation	折舊	6,543	7,012
Amortisation for the prepaid lease payments	租賃預付款項攤銷	111	157
Bad debt written off	撇銷壞賬	48	19
Write-down / (write-back) of slow-moving inventories*	滯銷存貨撇減/(撥回)*	63,302	(414)
Write off of property, plant and equipment	物業、機器及設備撇銷	325	93
Operating lease rentals in respect of rented premises:	租賃物業之經營租約租金：		
Minimum lease payments	最低租賃款項	25,161	23,942
Staff costs including directors' fees and emoluments (Note 10)	職員成本(包括董事袍金及酬金)(附註10)	51,176	42,244
Retirement benefits scheme contributions, net of forfeited contributions of HK\$ Nil (2006: HK\$ Nil)	退休福利計劃供款已扣除零港元(二零零六年：零港元)之沒收供款	669	677
Cost of inventories recognised as expenses	確認為費用之存貨成本	218,394	200,240

* The Group re-assessed its inventory carrying amount as at 31st March 2007 based on historical sales experience of recent years. Due to the poor performance, several subsidiaries were streamlined and the Group charged HK\$63,302,000 (2006: write-back HK\$414,000) as write-down of slow-moving inventories to the consolidated income statement.

* 本集團根據近年之過往銷售經驗已對截至二零零七年三月三十一日存貨之賬面值作重新評估。數間附屬公司因業績欠佳已予精簡且本集團已於綜合收益表內扣除63,302,000港元(二零零六年：撥回414,000港元)之滯銷存貨撇減。

9. FINANCE COSTS

9. 財務成本

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Loan notes:	貸款票據：		
Interest payable	應付利息	375	376
Amortisation of premium	攤銷贖回溢價	972	972
Total finance costs	財務成本總額	1,347	1,348

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10. DIRECTORS' REMUNERATION AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

(i) Directors' remuneration

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

10. 董事酬金及最高酬金人士

(i) 董事酬金

根據香港公司條例第 161 節所披露之董事酬金如下：

		2007 二零零七年				
		Directors' fees	Basic salaries	Allowances and other benefits	Employer's contribution to pension scheme	Total
		董事袍金	基本薪金	津貼及其他福利	退休計劃之僱主供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(Note) (附註)				
Executive Directors	執行董事					
Leung Chung Ping, Owen ¹	梁仲平 ¹	158	90	—	5	253
Sum Pui Ying, Adrian ¹	沈培英 ¹	158	1,135	364	28	1,685
Eav Yin ²	楊仁 ²	74	537	542	—	1,153
Eav Ming Keong, Kinson ²	楊明強 ²	74	279	288	6	647
Au Shiu Leung, Alex ³	區肇良 ³	45	400	5	3	453
Non-Executive Director	非執行董事					
Leung Miu King, Marina ⁴	梁妙琼 ⁴	158	—	—	—	158
Independent Non-Executive Directors	獨立非執行董事					
Sit Kien Ping, Peter ⁵	薛建平 ⁵	158	—	—	—	158
Lai Si Ming	賴思明	210	—	—	—	210
Frank H. Miu ⁵	繆希 ⁵	158	—	—	—	158
Wong Wing Yue, Rosaline ⁶	王穎好 ⁶	61	—	—	—	61
Lee Tat Cheung, Vincent ⁶	李達祥 ⁶	61	—	—	—	61
		1,315	2,441	1,199	42	4,997

- Mr. Leung Chung Ping, Owen and Mr. Sum Pui Ying, Adrian resigned as executive directors on 16th December 2006.
- Mr. Eav Yin, and Mr. Eav Ming Keong, Kinson were appointed as executive directors on 22nd November 2006.
- Mr. Au Shiu Leung, Alex was appointed as executive director on 11th January 2007.
- Ms. Leung Miu King, Marina resigned as non-executive director on 16th December 2006.
- Mr. Sit Kien Ping, Peter and Mr. Frank H. Miu resigned as independent non-executive directors on 16th December 2006.
- Ms. Wong Wing Yue, Rosaline and Mr. Lee Tat Cheung, Vincent were appointed as independent non-executive directors on 16th December 2006.

- 梁仲平先生及沈培英先生於二零零六年十二月十六日辭任執行董事。
- 楊仁先生及楊明強先生於二零零六年十一月二十二日獲委任為執行董事。
- 區肇良先生於二零零七年一月十一日獲委任為執行董事。
- 梁妙琼小姐於二零零六年十二月十六日辭任非執行董事。
- 薛建平先生及繆希先生於二零零六年十二月十六日辭任獨立非執行董事。
- 王穎好小姐及李達祥先生於二零零六年十二月十六日獲委任為獨立非執行董事。

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10. DIRECTORS' REMUNERATION AND INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

10. 董事酬金及最高酬金人士(續)

(i) Directors' remuneration (Continued)

(i) 董事酬金(續)

		2006 二零零六年				
		Directors' fees 董事袍金 HK\$'000 千港元	Basic salaries 基本薪金 HK\$'000 千港元	Allowances and other benefits 津貼及 其他福利 HK\$'000 千港元 (Note) (附註)	Employer's contribution to pension scheme 退休計劃之 僱主供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Executive Directors	執行董事					
Leung Chung Ping, Owen	梁仲平	210	126	—	7	343
Sum Pui Ying, Adrian	沈培英	210	784	332	52	1,378
Non-Executive Director	非執行董事					
Leung Miu King, Marina	梁妙琼	210	—	—	—	210
Independent Non-Executive Directors	獨立非執行董事					
Sit Kien Ping, Peter	薛建平	210	—	—	—	210
Lai Si Ming	賴思明	210	—	—	—	210
Frank H. Miu	繆希	210	—	—	—	210
		1,260	910	332	59	2,561

Note: During the year, the Company paid HK\$305,000 (2006: HK\$290,000) for director's accommodation which is included in allowances and other benefits.

附註：年內，津貼及其他福利包括為董事住所支付之305,000港元租金(二零零六年：290,000港元)。



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10. DIRECTORS' REMUNERATION AND INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

(ii) Individuals with highest emoluments

The five highest paid individuals for the year included one (2006: one) director, details of whose emoluments are set out above. The aggregate of the emoluments in respect of the remaining four (2006: four) individuals are as follows:

Salaries and benefits in kind	薪金及實物利益
Performance related incentive payments	表現獎勵款項
Retirement benefits contributions	退休福利供款
Compensation for loss of office	離職補償

The emoluments of the four (2006: four) individuals were within the following bands:

Up to HK\$1,000,000	不多於 1,000,000 港元
HK\$1,000,001 – HK\$1,500,000	1,000,001 港元 – 1,500,000 港元
HK\$1,500,001 – HK\$2,000,000	1,500,001 港元 – 2,000,000 港元
HK\$2,000,001 – HK\$2,500,000	2,000,001 港元 – 2,500,000 港元
HK\$2,500,001 – HK\$3,000,000	2,500,001 港元 – 3,000,000 港元

10. 董事酬金及最高酬金人士(續)

(ii) 最高酬金人士

本年度五位最高薪人士包括一位(二零零六年: 一位)董事, 其酬金詳情載於上文。其餘四位(二零零六年: 四位)人士年內之酬金總額如下:

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries and benefits in kind	4,116	3,657
Performance related incentive payments	3,961	3,535
Retirement benefits contributions	33	90
Compensation for loss of office	721	—
	8,831	7,282

該四位(二零零六年: 四位)人士之酬金介乎下列範圍:

	Number of individuals 人數	
	2007 二零零七年	2006 二零零六年
Up to HK\$1,000,000	—	1
HK\$1,000,001 – HK\$1,500,000	1	—
HK\$1,500,001 – HK\$2,000,000	—	1
HK\$2,000,001 – HK\$2,500,000	1	1
HK\$2,500,001 – HK\$3,000,000	2	1
	4	4

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For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

11. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

11. 綜合收益表內之所得稅

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current:	即期：		
Hong Kong	香港	-	-
Outside Hong Kong	香港以外地區	2,511	2,249
		2,511	2,249

Hong Kong profits tax is calculated at a rate of 17.5% (2006: 17.5%) of the estimated assessable profits for the year. No Hong Kong profits tax is provided because the assessable profits generated during the year are set off by the accumulated losses brought forward from previous years.

香港利得稅乃按本年度之估計應課稅溢利按 17.5% (二零零六年：17.5%) 計算。由於本年度的應課稅溢利與以往年度累計虧損抵銷，故並無為香港利得稅作出撥備。

Taxation for overseas subsidiaries is provided at the appropriate current rates of taxation ruling in the relevant countries.

海外附屬公司之稅項以有關國家現時通用之稅率撥備。

The charge for the year can be reconciled to the (loss) / profit in the consolidated income statement as follows:

本年度稅項支出與列賬於綜合收益表的(虧損)/溢利對賬如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
(Loss) / profit before taxation	除稅前(虧損)/溢利	(47,283)	7,435
Notional tax on (loss) / profit before taxation, calculated at the tax rates applicable to profits in the countries concerned	按所在國家的有關溢利的適用稅率計算的除稅前(虧損)/溢利之稅項	(13,376)	2,603
Tax effect of non-deductible expenses	在稅務上不能扣減之支出之稅務影響	21,581	2,505
Tax effect of non-taxable income	在稅務上不需課稅之收入之稅務影響	(10,346)	(4,464)
Tax effect of unused tax losses not recognised	未被確認之未使用稅項虧損之稅務影響	5,001	3,293
Tax effect of utilisation of previously unrecognised tax losses	運用先前未確認的稅項虧損之稅務影響	(1,221)	(1,784)
Others	其他	872	96
Actual tax expenses	實際稅項支出	2,511	2,249



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12. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated loss attributable to equity holders of the Company includes a loss of HK\$172,816,000 (2006: loss of HK\$3,352,000) which has been dealt with in the financial statements of the Company.

13. DIVIDEND

The directors do not recommend payment of any dividend for the year ended 31st March 2007 (2006: Nil).

14. (LOSS) / EARNINGS PER SHARE

(a) Basic (loss) / earnings per share

The calculation of the basic (loss) / earnings per share attributable to the equity holders of the Company is based on the following data:

(Loss) / profit for the year attributable to equity holders of the Company 年內歸屬於本公司股份持有之(虧損)/盈利

Weighted average number of ordinary shares 普通股加權平均數

(b) Diluted (loss)/earnings per share

No disclosure of the diluted loss per share for the year under review as there is no dilutive potential ordinary shares. No disclosure of the diluted earnings per share for the corresponding previous year is shown as the issue of potential ordinary shares during the year from the exercise of the outstanding share options will be anti-dilutive.

12. 歸屬於本公司股份持有之虧損

歸屬於本公司股份持有之綜合虧損中包括一項已撥入本公司財務報表之172,816,000港元之虧損(二零零六年: 虧損3,352,000港元)。

13. 股息

董事會不建議派付截至二零零七年三月三十一日止年度之股息(二零零六年: 無)。

14. 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

歸屬於本公司股份持有之每股基本(虧損)/盈利乃根據以下數據計算:

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
(Loss) / profit for the year attributable to equity holders of the Company	(49,543)	5,414
Number of shares 股數	333,719,516	333,719,516

(b) 每股攤薄(虧損)/盈利

由於並無攤薄潛在普通股，故於回顧年度內並無披露每股攤薄虧損。由於尚未行使之購股權於上一年度內予以行使而發行之潛在普通股具反攤薄影響，因此，並無披露對應上一年度之每股攤薄盈利。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、機器及設備

(a) The Group

(a) 本集團

		Land and buildings 土地及 樓宇 HK\$'000 千港元	Furniture, fixtures and fittings 傢具、設備 及裝置 HK\$'000 千港元	Leasehold improve- ments 租賃物業 裝修 HK\$'000 千港元	Machinery and equipment 機器及 設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st April 2005	於二零零五年四月一日						
Cost or valuation	成本值或估值	14,750	1,006	14,005	8,422	308	38,491
Accumulated depreciation	累計折舊	(4,986)	(465)	(7,928)	(5,216)	(52)	(18,647)
Net book value	賬面淨值	9,764	541	6,077	3,206	256	19,844
Year ended 31st March 2006	截至二零零六年 三月三十一日止年度						
Opening net book value	期初賬面淨值	9,764	541	6,077	3,206	256	19,844
Translation differences	折算差額	(394)	–	103	(41)	–	(332)
Additions	添置	–	287	2,750	1,427	–	4,464
Write-off	撇銷	–	–	(78)	(15)	–	(93)
Reclassification from investment properties (Note 17)	分類自投資 物業 (附註 17)	4,440	–	–	–	–	4,440
Reclassification from properties held for resale (Note 15(d))	分類自持作 重售物業 (附註 15(d))	3,080	–	–	–	–	3,080
Depreciation charge	折舊支出	(360)	(180)	(4,532)	(1,879)	(61)	(7,012)
Closing net book value	期末賬面淨值	16,530	648	4,320	2,698	195	24,391
At 31st March 2006	於二零零六年三月三十一日						
Cost or valuation	成本值或估值	21,864	1,190	15,758	9,608	308	48,728
Accumulated depreciation	累計折舊	(5,334)	(542)	(11,438)	(6,910)	(113)	(24,337)
Net book value	賬面淨值	16,530	648	4,320	2,698	195	24,391
Year ended 31st March 2007	截至二零零七年 三月三十一日止年度						
Opening net book value	期初賬面淨值	16,530	648	4,320	2,698	195	24,391
Translation differences	折算差額	348	(11)	162	113	–	612
Additions	添置	–	160	5,482	1,849	–	7,491
Disposal of subsidiaries	出售附屬公司	–	(33)	–	(61)	–	(94)
Write-off	撇銷	–	–	(310)	(15)	–	(325)
Impairment loss (Note 15(e))	減值損失 (附註 15(e))	–	(542)	(799)	(992)	(164)	(2,497)
Depreciation charge	折舊支出	(589)	(123)	(4,167)	(1,633)	(31)	(6,543)
Closing net book value	期末賬面淨值	16,289	99	4,688	1,959	–	23,035
At 31st March 2007	於二零零七年三月三十一日						
Cost or valuation	成本值或估值	22,231	1,148	18,667	10,974	308	53,328
Accumulated depreciation	累計折舊	(5,942)	(1,049)	(13,979)	(9,015)	(308)	(30,293)
Net book value	賬面淨值	16,289	99	4,688	1,959	–	23,035



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For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

15. 物業、機器及設備(續)

(a) The Group (Continued)

(a) 本集團(續)

		Land and buildings 土地及 樓宇 HK\$'000 千港元	Furniture, fixtures and fittings 傢具、設備 及裝置 HK\$'000 千港元	Leasehold improve- ments 租賃物業 裝修 HK\$'000 千港元	Machinery and equipment 機器及 設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31st March 2007	於二零零七年三月三十一日						
At cost	成本值	11,746	1,148	18,667	10,974	308	42,843
At valuation	估值	10,485	-	-	-	-	10,485
		22,231	1,148	18,667	10,974	308	53,328
As at 31st March 2006	於二零零六年三月三十一日						
At cost	成本值	11,379	1,190	15,758	9,608	308	38,243
At valuation	估值	10,485	-	-	-	-	10,485
		21,864	1,190	15,758	9,608	308	48,728

(b) Property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

(b) 物業、機器及設備以直線法按下列年率計算折舊：

Leasehold land	2% or over the remaining terms of the leases, if shorter	租賃土地	2% 或按租約餘下年期 (以較短者為準)
Buildings	2-4%	樓宇	2-4%
Furniture, fixtures and fittings	15-20%	傢具、設備及裝置	15-20%
Leasehold improvements	5-50%	租賃物業裝修	5-50%
Machinery and equipment	20-50%	機器及設備	20-50%
Motor vehicles	20%	汽車	20%

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財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

- (c) The Group's properties outside Hong Kong with carrying value of HK\$92,000 (2006: HK\$94,000) are registered under the name of other persons in trust for the Group.

Had the leasehold properties which were revalued been carried at cost less accumulated depreciation and accumulated impairment losses, the carrying value at 31st March 2007 would have been approximately HK\$7,049,000 (2006: HK\$7,279,000).

The carrying amount of land amounting to HK\$833,000 (2006: HK\$772,000) held by the Group as at 31st March 2007 represented freehold land outside Hong Kong.

- (d) During the year ended 31st March 2006, certain properties held for resale had been reclassified as land and buildings. The reclassification was a result of the commencement of owner-occupation of the properties.
- (e) During the year, the Group had streamlined those unsatisfactory operations. As a result, the Group assessed the recoverable amount of those assets. Based on this assessment, the carrying amount of the assets was written down by HK\$2,497,000 and included under "Other expenses, net" in the consolidation income statement. The estimates of recoverable amount was based on the assets fair values less cost to sell, determined by reference to the recent observable market prices for similar assets within the same industry.

15. 物業、機器及設備(續)

- (c) 本集團位於香港以外地區賬面值92,000港元(二零零六年：94,000港元)之物業乃由出任本集團信託人之其他人士名下登記。

倘該等先前重估之租賃物業以成本減累計折舊及累計減值損失入賬，則於二零零七年三月三十一日之賬面值為約7,049,000港元(二零零六年：7,279,000港元)。

本集團於二零零七年三月三十一日持有之土地賬面值833,000港元(二零零六年：772,000港元)代表本集團於香港以外地區擁有永久業權之土地。

- (d) 於二零零六年三月三十一日止年度內，若干持作重售物業已重新分類為土地及樓宇。重新分類乃因物業自用開始而導致。
- (e) 年內，本集團已精簡該等虧損業務。因此，本公司評估該等資產之可收回款項。根據此等評估，資產之賬面值已撇減2,497,000港元及包括在綜合收益表之「其他費用，淨額」內。可收回款項之估計乃根據資產公允值減出售成本作出，並經參考同行業類似資產之近期可觀察市價而釐定。



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財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The analysis of the net book value of properties is as follows:

15. 物業、機器及設備(續)

物業之賬面淨值分析如下:

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
In Hong Kong	於香港		
Long-term leases	長期租賃	14,956	15,535
Outside Hong Kong	香港以外		
Medium-term leases	中期租賃	730	730
Long-term leases	長期租賃	6,730	6,852
Freehold	永久業權	16,716	15,495
		39,132	38,612

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Representing:	佔:		
Land and buildings carried at fair value	按公允值列值之土地及樓宇	16,289	16,530
Investment properties carried at fair value	按公允值列值之投資物業	14,005	13,133
		30,294	29,663
Interest in leasehold land held for own use under operating leases	根據經營租賃持作自用之 租賃權益	8,838	8,949
		39,132	38,612

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財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

16. PREPAID LEASE PAYMENTS

16. 租賃預付款項

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1st April	於四月一日	8,949	3,302
Reclassification from properties held for resale	分類自持作重售物業	-	3,444
Reclassification from investment properties (Note 17)	分類自投資物業 (附註17)	-	2,360
Amortisation	攤銷	(111)	(157)
At 31st March	於三月三十一日	8,838	8,949

The Group's prepaid lease payments comprise:

本集團之租賃預付款項包括：

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Long-term leases in Hong Kong	於香港之長期租賃	5,223	5,269
Long-term land use rights in the PRC	於中國之長期土地使用權	3,615	3,680
		8,838	8,949
Analysed for reporting purpose as:	出於報告目的之分析：		
Current portion	流動部份	110	110
Non-current portion	非流動部份	8,728	8,839
		8,838	8,949

During the year ended 31st March 2006, an investment property had been reclassified as prepaid lease payments amount of HK\$2,360,000. The reclassification was a result of the commencement of owner-occupation of the property.

於二零零六年三月三十一日止年度內，一項投資物業已重新分類為租賃預付款項2,360,000港元。重新分類乃因物業自用開始而導致。



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財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

17. INVESTMENT PROPERTIES

17. 投資物業

		The Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
Valuation	估值		
At 1st April	於四月一日	13,133	20,146
Translation differences	折算差額	872	(941)
Reclassification to property, plant and equipment (Note 15)	分類至物業、機器及設備 (附註 15)	—	(4,440)
Reclassification to prepaid lease payments (Note 16)	分類至租賃預付款項 (附註 16)	—	(2,360)
Increase in fair value during the year (Note 17(b))	於年內增加之公允值 (附註 17(b))	—	728
At 31st March	於三月三十一日	14,005	13,133

The carrying amount of investment properties held by the Group at 31st March 2007 and 2006 comprises:

本集團於二零零七年及二零零六年三月三十一日之投資物業之賬面值包括：

		The Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
In Hong Kong under long-term leases	在香港按長期租賃	1,335	1,335
Outside Hong Kong:	在香港以外：		
Medium-term leases	中期租賃	730	730
Freehold	永久業權	11,940	11,068
		14,005	13,133

Note:

附註：

(a) During the year ended 31st March 2006, an investment property had been reclassified as land and building and prepaid lease payments. The reclassification was a result of the commencement of owner-occupation of the property.

(a) 於二零零六年三月三十一日止年度內，一項投資物業已重新分類為土地及樓宇及租賃預付款項。重新分類乃因物業自用開始而導致。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

17. INVESTMENT PROPERTIES (Continued)

(b) The Group's investment properties are held for rental purposes under operating leases and were revalued by DTZ Debenham Tie Leung Limited and Pierre Berset s.a., firms of independent professional valuers who had experienced in the location and category of property being revalued at 31st March 2007 on an open market basis calculated by reference to net rental income allowing for reversionary income potential.

As at 31st March 2007, the carrying amount of investment properties approximated the fair value, no revaluation surplus is credited to the income statement. The surplus arising on revaluation of investment properties amounted to HK\$728,000 and is credited to the consolidated income statement in the year ended 31st March 2006.

17. 投資物業(續)

(b) 本集團之投資物業乃持作經營租賃之出租用途，並由擁有物業地點及類別經驗之獨立專業估值行DTZ戴德梁行有限公司及Pierre Berset s.a.於二零零七年三月三十一日依據淨租金收入及收入潛力之公開市價計算並按公開市場基準重估。

於二零零七年三月三十一日，投資物業之賬面值與公允值相若，並無重估盈餘計入收益表。重估投資物業產生之盈餘達728,000港元及已計入截至二零零六年三月三十一日止年度之綜合收益表。

18. GOODWILL

18. 商譽

		The Group 本集團 HK\$'000 千港元
Cost	成本	
At 1st April 2005 and 31st March 2006	二零零五年四月一日及二零零六年三月三十一日	31,687
Eliminated on disposal of subsidiaries	出售附屬公司時對銷	(31,687)
At 31st March 2007	二零零七年三月三十一日	-
Accumulated impairment	累計減值	
At 1st April 2005	二零零五年四月一日	28,426
Impairment loss recognised for the year	於本年度確認之減值損失	1,180
At 31st March 2006	二零零六年三月三十一日	29,606
At 1st April 2006	二零零六年四月一日	29,606
Impairment loss recognised for the year	於本年度確認之減值損失	2,081
Eliminated on disposal of subsidiaries	出售附屬公司時對銷	(31,687)
At 31st March 2007	二零零七年三月三十一日	-
Carrying amount	賬面值	
At 31st March 2007	二零零七年三月三十一日	-
At 31st March 2006	二零零六年三月三十一日	2,081

During the year ended 31st March 2007, HK\$2,081,000 (2006: HK\$1,180,000) impairment loss on goodwill was recognised and included under "Other expenses, net" in the consolidated income statement. In December 2006, the subsidiaries, which the goodwill arisen from its acquisition, was disposed to the independent third party.

於截至二零零七年三月三十一日止年度，已確認商譽減值損失2,081,000港元(二零零六年：1,180,000港元)並計入綜合收益表「其他費用，淨額」項下。於二零零六年十二月，有關附屬公司(商譽乃因收購該附屬公司而產生)已出售予獨立第三方。



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19. INTANGIBLE ASSETS

19. 無形資產

Computer software
電腦軟件
HK\$'000
千港元

The Group Cost	本集團 成本	
At 1st April 2005 and 31st March 2006 Eliminated on disposal of a subsidiary	於二零零五年四月一日及二零零六年三月三十一日 出售一間附屬公司時對銷	281 (281)
At 31st March 2007	於二零零七年三月三十一日	-
Accumulated amortisation	累計攤銷	
At 1st April 2005 and 31st March 2006 Eliminated on disposal of a subsidiary	於二零零五年四月一日及二零零六年三月三十一日 出售一間附屬公司時對銷	281 (281)
At 31st March 2007	於二零零七年三月三十一日	-
Net book value	賬面淨值	
At 31st March 2007	於二零零七年三月三十一日	-
At 31st March 2006	於二零零六年三月三十一日	-

The amortisation period for computer software is one year. In December 2006, the subsidiary was disposed of, to an independent third party.

電腦軟件之攤銷期為一年。於二零零六年十二月，該附屬公司被出售予一名獨立第三方。

20. INTEREST IN SUBSIDIARIES

20. 於附屬公司之權益

		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	320,837	320,837
Impairment loss recognised	已確認減值損失	(320,837)	(320,837)
		-	-

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For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

20. INTEREST IN SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries as at 31st March 2007 are as follows:

20. 於附屬公司之權益(續)

本公司於二零零七年三月三十一日之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or establishment or registration / operation 註冊或成立地點/ 經營地點	Paid up issued ordinary share capital / registered capital 實繳已發行普通股本/ 註冊資本	Proportion of nominal value of issued share capital / registered capital held by the Company 本公司所持已發行股本/註冊資本面值之百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
AC (Overseas) Limited 英屬處女群島	British Virgin Islands 英屬處女群島	HK\$10,000 10,000 港元	100%	—	Investment holding 投資控股
Asia Commercial Company, Limited 冠亞商業有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	—	100%	Investment holding & watch trading 投資控股及鐘錶貿易
Juvenia Montres S.A.	Switzerland 瑞士	SFr.1,875,000 1,875,000 瑞士法郎	—	100%	Assembling and marketing of gold and jewellery watches 裝配及經銷金錶及寶石錶
Asia Commercial Trading Limited 冠亞商業貿易有限公司	Hong Kong 香港	HK\$100 100 港元	100%	—	Securities investment holding 持有證券投資
Time City (Hong Kong) Limited 名表城(香港)有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000 港元	—	100%	Watch trading 鐘錶貿易
Juvenia (Hong Kong) Company Limited 尊皇(香港)有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000 港元	—	100%	Brand development & watch trading 品牌發展及鐘錶貿易
Accord Watch & Jewellery (International) Limited 艾卓鐘錶珠寶(國際)有限公司	Hong Kong 香港	HK\$3,500,100 3,500,100 港元	—	100%	Brand development & watch trading 品牌發展及鐘錶貿易
Asia Commercial Property Holdings Limited	British Virgin Islands / Hong Kong 英屬處女群島/ 香港	US\$1 1 美元	100%	—	Property holding and investment 物業持有及投資
上海冠亞鐘表有限公司	People's Republic of China* 中國*	RMB600,000 人民幣 600,000 元	—	100%	Watch retailing and trading 鐘錶零售及貿易
Ming Biao Cheng Corporation	British Virgin Islands 英屬處女群島	US\$1 1 美元	—	100%	Watch retailing and trading 鐘錶零售及貿易

The above list includes the subsidiaries of the Company, which in the opinion of the directors, materially affected the results of the year or net assets of the Group. To give details of all the other subsidiaries would, in the opinion of the directors, result in providing particulars of excessive length.

None of the subsidiaries had any loan capital outstanding at the end of the year or at any time during the year.

* Registered under the laws of the People's Republic of China as a limited liability company.

董事認為，上列附屬公司乃主要影響本年度業績或本集團資產淨值，倘將所有其他附屬公司之詳情一併列出，則會流於冗長。

於年終或年內任何時間，各附屬公司概無任何尚未償還之借貸資本。

* 根據中國法律註冊為有限責任公司。



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21. AMOUNTS DUE FROM / (TO) SUBSIDIARIES

		The Company 本公司	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
Amounts due from subsidiaries	應收附屬公司款項	776,720	769,031
Impairment loss recognised	已確認之減值損失	(636,884)	(470,951)
		139,836	298,080

At 31st March 2007, the amounts due from subsidiaries were unsecured and repayable on demand. Except for an amount of approximately HK\$18,565,000 (2006: HK\$17,503,000) which interest at prevailing prime rate less 2%, the balances were non-interest bearing.

The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

During the year, the Group had streamlined those unsatisfactory operations. As a result, the directors of the Company estimated the recoverable amount of the amount due from subsidiaries, an impairment loss of HK\$165,933,000 is recognised in income statement.

The carrying amount of the amounts due from / (to) subsidiaries as at 31st March 2007 approximated the fair value.

22. INTEREST IN AN ASSOCIATE

Share of net assets	應佔資產淨額	-	1,123
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21. 應收／(應付)附屬公司款項

於二零零七年三月三十一日，應收附屬公司款項為無抵押並須於要求時償還。除為數約 18,565,000 港元 (二零零六年：17,503,000 港元) 按當時最優惠利率減 2% 計算利息外，其餘款項為免息。

應付附屬公司款項為無抵押、免息及須於要求時償還。

年內，本集團已精簡其虧損業務。因此，本公司董事估計應收附屬公司款項之可收回款項，減值損失 165,933,000 港元於收益表確認。

於二零零七年三月三十一日，應收／(應付)附屬公司款項之賬面值與公允值相若。

22. 於一間聯營公司之權益

		The Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
		-	1,123

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22. INTEREST IN AN ASSOCIATE (Continued)

22. 於一間聯營公司之權益(續)

Particular of the Group's associate as at 31st March 2006 is as follows:

於二零零六年三月三十一日，本集團聯營公司之資料如下：

Name of associate 聯營公司名稱	Place of registration and operation 註冊及經營地點	Registered capital 註冊資本	Percentage of equity interest attributable to the Group 本集團應佔股權百分比	Principal activity 主要業務
Shanghai Forward KBQuest Inc. 上海復華知識庫軟件有限公司	People's Republic of China 中國	US\$1,000,000 1,000,000 美元	21%	Sale and design of computing software and related consultancy services 銷售及設計電腦軟件及相關顧問服務

Financial information summary of the associate:

聯營公司財務概要：

		Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	Equity 權益 HK\$'000 千港元	Revenue 收益 HK\$'000 千港元	Loss 虧損 HK\$'000 千港元
2007 100 per cent.	二零零七年 百分之百	-	-	-	-	-
Group effective interest	集團實際權益	-	-	-	-	-
2006 100 per cent.	二零零六年 百分之百	2,314	(21)	2,293	-	(203)
Group effective interest	集團實際權益	1,133	(10)	1,123	-	(100)

In December 2006, the associate, Shanghai Forward KBQuest Inc., was disposed to an independent third party.

聯營公司上海復華知識庫軟件有限公司已於二零零六年十二月出售予一名獨立第三方。



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23. AVAILABLE-FOR-SALE INVESTMENTS

23. 可出售之投資

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Investments in	投資於		
Unlisted equity securities in Hong Kong	香港非上市股本證券	3,785	3,785
Club debentures	會所債券	984	984
Impairment loss recognised in prior years	以往年度已確認之減值損失	(4,339)	(3,785)
Impairment loss for the year	本年度減值損失	—	(554)
		430	430

The above investments in unlisted equity securities are measured at cost less impairment at each balance sheet. The aforesaid impairment losses were recognised before 1st April 2006.

於各結算日，上述非上市股本證券投資乃按成本減去減值計量。上述減值損失乃於二零零六年四月一日前確認。

The club debentures are measured at fair value. Fair value of the investment has been determined by reference to the bid price quoted in an active market.

會所債券乃按公允價值計量。此投資之公允價值乃參照市場上之報價而釐定。

24. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

24. 貿易及其他應收賬款、訂金及預付款項

The Group allows credit period of ranging from cash on delivery to 90 days to its trade debtors. The aging analysis of the trade receivables of HK\$24,564,000 (2006: HK\$23,065,000) which are included in the Group's trade receivables at the balance sheet date is as follows:

本集團給予貿易客戶由到貨收款至90天之信貸期。於結算日，包括在本集團貿易應收賬款內之貿易應收賬款24,564,000港元(二零零六年：23,065,000港元)之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Trade receivables	貿易應收賬款				
Up to 90 days	即期至90日	23,932	21,247	—	—
91 to 180 days	91至180日	565	1	—	—
Over 180 days	180日以上	67	1,817	—	—
		24,564	23,065	—	—
Other receivables, deposits and prepayments	其他應收賬款、 訂金及預付款項	12,829	11,918	148	400
		37,393	34,983	148	400

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24. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The fair value of the Group's trade and other receivables, deposits and prepayments at 31st March 2007 approximated to the corresponding carrying amount.

The carrying amounts of trade receivables of the Group are mainly denominated in Renminbi.

During the year, the Group has made an impairment loss on trade receivables of HK\$1,626,000 (2006: HK\$Nil). The impairment loss has been included in "Other expenses, net" in the consolidated income statement.

24. 貿易及其他應收賬款、訂金及預付款項(續)

於二零零七年三月三十一日，本集團之貿易及其他應收賬款、訂金及預付款項之公允值與相應賬面值相若。

本集團之貿易應收賬款之賬面值主要以人民幣計值。

年內本集團作出1,626,000港元之貿易應收賬款減值損失(二零零六年：零港元)。該項減值損失已計入綜合收益表之「其他費用，淨額」項下。

25. CASH AND CASH EQUIVALENTS

25. 現金及現金等值物

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cash at bank and on hand	銀行存款及手頭現金	55,898	22,133	2,221	105
Short-term bank deposits	短期銀行存款	62,304	95,109	—	71,746
Cash and cash equivalents in the consolidated balance sheet and the consolidated cashflow statement	於綜合資產負債表 及綜合現金流量表 之現金及現金 等值物	118,202	117,242	2,221	71,851

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Hong Kong dollars	港元	72,445	43,842	2,166	19,772
Renminbi	人民幣	44,897	20,587	12	—
Others	其他	860	52,813	43	52,079
		118,202	117,242	2,221	71,851

The effective interest rate on short-term bank deposits ranged from 3.2% to 5.2% (2006: 0.4% to 4.1%); these deposits have an average maturity from overnight up to one month (2006: overnight up to one month).

短期銀行存款之實際利率為介乎3.2%至5.2%(二零零六年：0.4%至4.1%)；該等存款之平均到期日為隔夜至一個月(二零零六年：為隔夜至一個月)。



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26. TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

Included in trade and other payables and accrued charges are trade payables of HK\$25,729,000 (2006:HK\$16,389,000), the aging analysis of which at the balance sheet date is as follows:

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Trade payables	貿易應付賬款				
Up to 90 days	即期至 90 日	25,393	15,651	-	-
91 to 180 days	91 至 180 日	336	3	-	-
Over 180 days	180 日以上	-	735	-	-
		25,729	16,389	-	-
Other payables and accrued charges	其他應付賬款及應計費用	49,701	47,183	3,150	3,046
		75,430	63,572	3,150	3,046

The fair value of the Group's trade and other payables, and accrued charges at 31st March 2007 approximated to the corresponding carrying amount.

The carrying amounts of trade payables of the Group are mainly denominated in Renminbi.

26. 貿易及其他應付賬款及應計費用

於結算日，計入貿易及其他應付賬款及應計費用內之貿易應付賬款 25,729,000 港元 (二零零六年：16,389,000 港元) 之賬齡分析如下：

於二零零七年三月三十一日，本集團之貿易及其他應付賬款及應計費用之公允值與相應賬面值相若。

本集團之貿易應付賬款之賬面值主要以人民幣計值。

27. INCOME TAX PAYABLE IN THE CONSOLIDATED BALANCE SHEET

(a) Income tax payable in the consolidated balance sheet represents:

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Provision for PRC Income Tax for the year	本年度中國所得稅撥備	2,554	2,283
PRC Income Tax paid	已付中國所得稅	(1,476)	(1,337)
		1,078	946

(b) Deferred tax assets not recognised

The Group has allowable tax losses arising in Hong Kong of approximately HK\$323,000,000, which are mainly arisen prior to the capital restructuring in 1997, (2006: HK\$306,000,000) that are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses due to the unpredictability of future profit streams.

27. 綜合資產負債表內之應繳所得稅

(a) 綜合資產負債表之應繳所得稅代表：

(b) 未確認之遞延稅項資產

本集團自香港產生之可獲寬免稅務虧損約為 323,000,000 港元，主要於一九九七年資本重組前產生 (二零零六年：306,000,000 港元)，可用於抵銷虧損產生的公司未來應課稅溢利。由於未來溢利不能作出預測，故並無就此等虧損確認遞延稅項資產。

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28. LOAN NOTES

28. 貸款票據

		The Group and the Company 本集團及本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Swiss Francs 11,800,000 7/8% Loan Notes (the "Notes") due 2010, at par	瑞士法郎 11,800,000 份二零一零年到期 年息 7/8% 貸款票據(「票據」), 按面值	61,912	61,912
Translation difference	匯兌差額	724	-
		62,636	61,912
Premium on redemption at 17.375% of principal amount	按 17.375% 贖回本金額 之溢價	9,881	8,909
Accrued interest	應計利息	1,050	1,217
Interest paid during the year	年內已附利息	(542)	(542)
		73,025	71,496

Pursuant to the original note agreement dated 31st January 1994, holders of the Notes had the right at any time on or before 8th February 2000 to convert all or some of the Notes into shares of the Company at the conversion price of HK\$8.6 per share, subject to adjustment. Interest on the Notes was waived for a period of five years with effect from 23rd February 1996 to and including 22nd February 2001. The rate at which interest is charged on the Notes is 0.875% per annum for a period of nine years with effect from 23rd February 2001. Interest is accrued over the revised duration of the Notes so as to produce a constant periodic rate of charge for each accounting period.

There is also an option granted to the holders of the Notes to cause the Company to redeem in US\$ at a fixed exchange rate of SFr.1.00 = US\$0.67933 any Note on 23rd February 2008 at a redemption price of 117.375% of its principal amount together with interest accrued up to the date of redemption. As the holders of the Notes have the right to exercise the option and request the Company to redeem all the Notes on 23rd February 2008, the Notes have been re-classified from non-current to current liabilities at 31st March 2007.

The Company has the right, having given not less than 30 days and not more than 60 days' notice to the financial adviser in respect of the Notes, to redeem all, but not some only, of the Notes at par, together with interest accrued up to the date of redemption if the closing price of the Company's shares listed on The Stock Exchange of Hong Kong Limited, converted into US\$ at the prevailing exchange rate, is at least 130% of the conversion price for 30 consecutive dealing days.

The directors considered that the carrying amount of the Notes at 31st March 2007 approximated their fair value.

根據一九九四年一月三十一日之原來之票據協議，票據持有人有權於二零零零年二月八日或之前隨時按每股 8.6 港元之換股價(可予調整)將全部或部份票據轉換為本公司股份。票據自一九九六年二月二十三日起至二零零一年二月二十二日(包括該日)之五年內免付利息。票據之利率自二零零一年二月二十三日起計九年內之年息為 0.875%。票據在修訂後之期間計提利息，以便在每個會計期間內，產生穩定之定期費用。

票據持有人亦獲授一項選擇權，使本公司於二零零八年二月二十三日本按票據本金額 117.375% 之贖回價連同計至贖回當日之利息，以按 1.00 瑞士法郎兌 0.67933 美元之固定匯率計算之美元贖回任何票據。由於票據之持有人可行使選擇權並要求本公司於二零零八年二月二十三日本悉數贖回票據，故此票據已於二零零七年三月三十一日由非流動負債重新歸類為流動負債。

倘本公司股份在香港聯合交易所有限公司之收市價(按當時兌換率換算為美元後)連續三十個交易日均為換股價之 130% 或以上，則本公司有權在向票據之財務顧問發出不少於三十日但不多於六十日之通知之情況下，按面值(連同計至贖回當日之利息)贖回所有(而非僅部份)票據。

董事認為，於二零零七年三月三十一日，票據之賬面值與相應公允值相若。



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29. SHARE CAPITAL

29. 股本

		The Group and the Company 本集團及本公司	
		Number of shares 股份數目	Value 價值
		'000 千股	HK\$'000 千港元
Ordinary shares of HK\$1.00 each and reduced to HK\$0.10 each on 28th March 2007	每股 1.00 港元之普通股及於 二零零七年三月二十八日削減 至每股 0.10 港元		
Authorised:	法定股本：		
At 1st April 2005 and 2006	於二零零五年及二零零六年四月一日	400,000	400,000
Capital reduction (Note 29(a))	削減股本(附註 29(a))	—	(360,000)
Increase in authorised share capital (Note 29(b))	增加法定股本 (附註 29(b))	600,000	60,000
At 31st March 2007	二零零七年三月三十一日	1,000,000	100,000
Issued and fully paid:	已發行及繳足股本：		
At 1st April 2005 and 2006	於二零零五年及二零零六年四月一日	333,719	333,719
Capital reduction (Note 29(a))	削減股本(附註 29(a))	—	(300,347)
At 31st March 2007	二零零七年三月三十一日	333,719	33,372

(a) Capital reduction

Pursuant to the resolutions passed at the Special General Meeting held on 28th March 2007, the issued share capital of the Company will be reduced by canceling the paid-up capital to the extent of HK\$1.00 to HK\$0.10 per share such that the authorised share capital of the Company is reduced from HK\$400,000,000 to HK\$40,000,000.

A credit of HK\$300,347,564 arose and was transferred to the contributed surplus account of which HK\$282,823,000 was applied to set off against the Company's accumulated losses. The remaining balance standing to the credit of the contributed surplus account may be utilised in the future in accordance with the Bye-Laws and the Companies Act, including distribution to the Shareholders subject to compliance with the relevant statutory requirements on making distributions in the Companies Act.

(b) Authorised share capital increase

Upon the capital reorganisation becoming effective and on the basis of the same number of shares in issue, the nominal value of the shares of the Company was adjusted from HK\$1.00 to HK\$0.10, and the authorised share capital of the Company was increased from the reduced amount of HK\$40,000,000 to HK\$100,000,000, by the creation of an additional 600,000,000 new shares to 1,000,000,000 shares, of which 333,719,516 shares were in issue then.

(a) 削減股本

根據於二零零七年三月二十八日舉行之股東特別大會上通過之決議案，本公司已發行股本將透過註銷繳足股本每股 1.00 港元至 0.10 港元予以削減，而本公司法定股本則由 400,000,000 港元削減至 40,000,000 港元。

所產生 300,347,564 港元之進賬額，並已轉撥至繳入盈餘賬，其 282,823,000 港元乃用以抵銷本公司之累計虧損。繳入盈餘賬之進賬額結餘可於日後根據公司細則及公司法動用，包括向股東作出分派，惟於任何情況下須遵守公司法有關分派的法定規定。

(b) 增加法定股本

於股本重組生效後，根據已發行股份之相同數目股份，本公司股份之面值已由 1.00 港元調整至 0.10 港元，透過增添 600,000,000 股新股份將股份數目增至 1,000,000,000 股份，本公司之法定股本已由已削減金額之 40,000,000 港元增至 100,000,000 港元，當中已包括已發行的 333,719,516 股。

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30. SHARE OPTION SCHEMES

1997 Share Option Scheme

The Company's 1997 Share Option Scheme was adopted pursuant to a resolution passed on 15th September 1997 and expired on 15th September 2000. The Company has, in accordance with Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), adopted a new share option scheme (the "2002 Share Option Scheme"), as approved by the shareholders of the Company at the special general meeting held on 20th September 2002. The details of the 2002 Share Option Scheme as pursuant to the Listing Rules, are set out in the Company's circular dated 30th July 2002.

During the year ended 31st March 2007, all the outstanding options under the Company's 1997 Share Option Scheme were lapsed or cancelled. No option was granted or exercised during the years ended 31st March 2007 and 2006. Details of the share options which were granted to the eligible employees under the 1997 Share Option Scheme are as follows:

		Date of grant	Exercise price	Exercise period	Number of Share Options		
					Outstanding as at 1st April 2006	Lapsed / cancelled during the year	Outstanding as at 31st March 2007
		授出日期	行使價	行使期	於二零零六年四月一日未行使	於二零零七年三月三十一日未行使	
Directors	董事	24/09/1997	HK\$1.00	24/09/1997 – 14/09/2007	6,000,000	(6,000,000)	-
Employees	僱員	24/09/1997	HK\$1.00	24/09/1999 - 14/09/2007	1,200,000	(1,200,000)	-
					7,200,000	(7,200,000)	-

2002 Share Option Scheme

The purpose of the 2002 Share Option Scheme is to encourage qualifying grantees to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. Qualifying grantees of the 2002 Share Option Scheme means (i) any employee including officer and director or any business-related consultant, agent, representative or adviser of the Company or any subsidiary or any affiliate; or (ii) any supplier, agent or consultant who provide goods or services to the Company or any subsidiary or any affiliate; or (iii) any customer of the Company or any subsidiary or any affiliate; or (iv) any business ally or joint venture partner of the Company or any subsidiary or any affiliate.

30. 購股權計劃

一九九七年購股權計劃

根據本公司一九九七年九月十五日通過之決議案而採納之一九九七年購股權計劃，已於二零零零年九月十五日屆滿。本公司根據聯交所證券上市規則（「上市規則」）第十七章，採納另一購股權計劃（「二零零二年購股權計劃」）。本公司之股東已於二零零二年九月二十日之股東特別大會通過上述計劃。二零零二年購股權計劃之詳情已根據上市規則，載列於二零零二年七月三十日本公司發出之通函內。

於截至二零零七年三月三十一日止年度，本公司一九九七年購股權計劃項下所有尚未行使購股權均已註銷或作廢。於截至二零零七年及二零零六年三月三十一日止年度，概無授出或行使任何購股權。根據一九九七年購股權計劃授予合資格僱員之購股權詳情載列如下：

			Number of Share Options		
			購股權數目		
			Outstanding as at 1st April 2006	Lapsed / cancelled during the year	Outstanding as at 31st March 2007
			於二零零六年四月一日未行使	於二零零七年三月三十一日未行使	於二零零七年三月三十一日未行使
			6,000,000	(6,000,000)	-
			1,200,000	(1,200,000)	-
			7,200,000	(7,200,000)	-

二零零二年購股權計劃

二零零二年購股權計劃之目的乃鼓勵合資格承授人致力為本公司及其股東整體之利益提升本公司及其股份之價值。二零零二年購股權計劃的合資格承授人指 (i) 本公司或任何附屬公司或任何聯屬公司的任何僱員，包括主管及董事或任何與業務有關之顧問、代理人、代表或顧問；或 (ii) 向本公司或任何附屬公司或任何聯屬公司提供貨物或服務之任何供應商、代理商或顧問；或 (iii) 本公司或任何附屬公司或任何聯屬公司之任何客戶；或 (iv) 本公司或任何附屬公司或任何聯屬公司之業務盟友或合資企業夥伴。



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30. SHARE OPTION SCHEMES (Continued)

2002 Share Option Scheme (Continued)

The maximum number of shares which may be issued upon exercise of all options to be granted under the 2002 Share Option Scheme (and under any other scheme of the Company) shall not in aggregate exceed 10 per cent. of the shares in issue as at the date of the adoption of the 2002 Share Option Scheme (the "Scheme Mandate Limit") provided that the Company may at any time as the Board of Directors of the Company may think fit seek approval from its shareholders to refresh the Scheme Mandate Limit, save that the maximum number of shares which may be issued upon exercise of all options to be granted under the 2002 Share Option Scheme (and under any other scheme of the Company) shall not be exceed 10 per cent. of the shares in issue as at the date of approval by the shareholders of the Company in general meeting where such limit is refreshed. Options previously granted under the 2002 Share Option Scheme and any other scheme of the Company (including those outstanding, cancelled, and lapsed in accordance with the terms of the 2002 Share Option Scheme or any other scheme of the Company or exercised options under the said scheme) shall not be counted for the purpose of calculating the limit as refreshed. Notwithstanding aforesaid in this paragraph, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Share Option Scheme (and under any other scheme of the Company) shall not exceed 30 per cent. of the Shares in issue from time to time. As at the date of the annual report, a total of 33,371,951 shares (representing approximately 10 per cent. of the existing issued share capital of the Company) are available for issue under the 2002 Share Option Scheme and the 1997 Share Option Scheme.

The total number of shares issued and to be issued upon exercise of the options granted to each individual under the 2002 Share Option Scheme and any other option scheme (including both exercised and outstanding options) in any 12-month period must not exceed 1 per cent. of the total number of shares in issue.

The period within which an option may be exercised will be determined by the Board of Directors of the Company in its absolute discretion, save that no option may be exercised later than 10 years from the date on which the option is granted. Subject to the provisions of the 2002 Share Option Scheme, the Board may in its absolute discretion when offering the grant of an option impose any conditions in relation thereto in addition to those set forth in the 2002 Share Option Scheme as it may think fit (to be stated in the letter containing the offer of the grant of the option) including (without prejudice to the generality of the foregoing) continuing eligibility criteria conditions and the satisfactory performance. However the 2002 Share Option Scheme itself does not specify any minimum holding period for which an option must be held before it can be exercised.

The offer of a grant of share options may be accepted within 14 days from the date of the offer, upon payment of a nominal value of HK\$1.00 in total by the grantee. The exercise period of the share options granted is determined by the Board of Directors, and shall not exceed a period of ten years after the date of grant.

30. 購股權計劃(續)

二零零二年購股權計劃(續)

因根據二零零二年購股權計劃(及本公司任何其他計劃)授出之所有購股權獲行使而可予發行之股份總數,最多不得超逾於二零零二年購股權計劃採納之日已發行股份之10%(「計劃授權上限」),惟本公司可於本公司董事會認為適當情況下尋求股東批准修訂計劃授權上限,因行使根據二零零二年購股權計劃(及本公司任何其他計劃)將予授出之所有購股權而可予發行之股份數目,最多不得超逾於本公司股東於股東大會上批准修訂該上限之日已發行股份之10%。之前根據二零零二年購股權計劃及本公司任何其他計劃授出之購股權(包括尚未行使、已作廢及根據二零零二年購股權計劃或本公司任何其他計劃之條款作註銷論或已根據上述計劃行使之購股權)將不會列入經修訂上限內。儘管本段前文所述者,根據二零零二年購股權計劃(及本公司任何其他計劃)而授出但尚未行使之購股權,因行使該批購股權後而發行之股份最高數目,不得超逾本公司在任何時候的已發行股本之30%。於年報日,根據二零零二年購股權計劃及一九九七年購股權計劃可予發行之股份為33,371,951股(佔本公司現有已發行股本約10%)。

根據二零零二年購股權計劃及任何其他購股權計劃,因獲授購股權者行使其購股權(包括已行使及未行使之購股權)所發行及將發行的股份總數於任何十二個月內,不得超逾本公司已發行股本之總數1%。

購股權之可行使期為本公司董事會按其絕對酌情權釐定,惟購股權不可於其授出日期起計十年後行使。在二零零二年購股權計劃之條文規限下,董事會可在其適當情況下在提出授予購股權建議時絕對酌情規定二零零二年購股權計劃所載以外之任何有關條件(將於載有授出購股權建議之函件內述明)包括(在不影響上述者之一般性情況下)持續符合資格之標準條件及達至滿意表現。然而,二零零二年購股權計劃本身並無設立購股權行使前必須持有的最低期限。

購股權可於授出日期起計十四日內被接納,獲授人於接納時須支付名義代價合共1.00港元。購股權之行使期乃由董事會釐定,惟不得超過授出日期起計十年。

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30. SHARE OPTION SCHEMES (Continued)

2002 Share Option Scheme (Continued)

The subscription price in respect of any particular option under the 2002 Share Option Scheme shall be such price as the Board may at its absolute discretion determine at the time of grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option) but the subscription price shall not be less than whichever is the highest of: (a) the nominal value of a share; (b) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the Board resolution approving the grant of options; and (c) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the Board resolution approving the grant of options.

The 2002 Share Option Scheme will expire on 19th September 2012.

As at the balance sheet date, no share option has been granted under the 2002 Share Option Scheme since its adoption.

31. RESERVES

The Group

		Share premium	Land and buildings revaluation reserve	Exchange reserve	Capital reserve	Contributed surplus	Accumulated losses	Total
		股份溢價	重估儲備	匯兌儲備	股本儲備	繳入盈餘	累計虧損	總額
		(Note (a))	(Note (b))	(Note (c))	(Note (d))	(Note (e))		
		(附註(a))	(附註(b))	(附註(c))	(附註(d))	(附註(e))		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1st April 2005	於二零零五年四月一日結餘	84	255	5,462	252,381	-	(422,772)	(164,590)
Excess depreciation on revalued properties	重估物業之超額折舊	-	(13)	-	-	-	13	-
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表之匯兌差額	-	-	(4,894)	-	-	-	(4,894)
Profit for the year	本年度溢利	-	-	-	-	-	5,414	5,414
Balance at 31st March 2006	於二零零六年三月三十一日結餘	84	242	568	252,381	-	(417,345)	(164,070)
Capital reduction (Note 29(a))	削減股本(附註29(a))	-	-	-	-	300,347	-	300,347
Transfer to set-off accumulated losses	轉撥以抵銷累計虧損	-	-	-	-	(282,823)	282,823	-
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表之匯兌差額	-	-	94	-	-	-	94
Disposal of subsidiaries	出售附屬公司	-	-	(317)	-	-	-	(317)
Loss for the year	本年度虧損	-	-	-	-	-	(49,543)	(49,543)
Balance at 31st March 2007	於二零零七年三月三十一日結餘	84	242	345	252,381	17,524	(184,065)	86,511

30. 購股權計劃(續)

二零零二年購股權計劃(續)

二零零二年購股權計劃之任何特定購股權所涉及之認購價，乃董事會於有關購股權授出時全權釐定之價格(須於載有授出購股權建議之函件內述明)，惟認購價不得低於下列之較高者：(a) 股份之面值；(b) 於董事會通過決議案批准授出購股權之日於聯交所每日報價表所報股份之收市價；及(c) 於董事會通過決議案批准授出購股權之日前五個交易日於聯交所每日報價表所報股份之平均收市價。

二零零二年購股權計劃將於二零一二年九月十九日屆滿。

於結算日，自二零零二年購股權計劃採納以來，概無據此授出購股權。

31. 儲備

本集團



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31. RESERVES (Continued)

31. 儲備(續)

The Company

本公司

		Share premium 股份溢價 HK\$'000 千港元 (Note (a)) (附註(a))	Contributed surplus 繳入盈餘 HK\$'000 千港元 (Note (e)) (附註(e))	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Balance at 1st April 2005	於二零零五年四月一日結餘	84	-	(106,655)	(106,571)
Loss for the year	本年度虧損	-	-	(3,352)	(3,352)
Balance at 31st March 2006	於二零零六年三月三十一日結餘	84	-	(110,007)	(109,923)
Balance at 1st April 2006	於二零零六年四月一日結餘	84	-	(110,007)	(109,923)
Capital reduction (Note 29(a))	削減股本(附註29(a))	-	300,347	-	300,347
Transfer to set-off accumulated losses (Note 29(a))	轉撥以抵銷累計虧損(附註29(a))	-	(282,823)	282,823	-
Loss for the year	本年度虧損	-	-	(172,816)	(172,816)
Balance at 31st March 2007	於二零零七年三月三十一日結餘	84	17,524	-	17,608

Note:

附註:

(a) Share premium

The application of the share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda (as amended) (the "Companies Act").

(a) 股份溢價

股份溢價賬須根據一九八一年百慕達公司法第40條(經修訂)(「公司法」)應用。

(b) Land and buildings revaluation reserve

The revaluation reserve has been set up and are dealt with in accordance with the accounting policies adopted for land and buildings in Note 3(e).

(b) 土地及樓宇重估儲備

重估儲備根據附註第3(e)項所載有關土地及樓宇的會計政策處理。

(c) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 3(n).

(c) 匯兌儲備

匯兌儲備包括折算海外業務財務報表所產生的所有匯兌差額。該儲備根據附註第3(n)項所載的會計政策處理。

(d) Capital reserve

The capital reserve was set up upon debt restructuring which will be used for the purpose of repurchase of issued and fully paid ordinary share capital.

(d) 股本儲備

股本儲備於債務重組後設立，將用於購回已發行及繳足普通股本。

(e) Contributed surplus

The contributed surplus of the Group represents the amount transferred from the capital account due to the capital reduction effective on 28th March 2007. The balance of the contributed surplus account may be utilised in the future in accordance with the Bye-Laws and the Companies Act, including distribution to the shareholders subject to compliance with the relevant statutory requirements on making distributions in the Companies Act.

(e) 繳入盈餘

本集團之繳入盈餘代表因削減股本於二零零七年三月二十八日生效而轉撥自股本賬之金額。繳入盈餘賬之結餘可於日後根據公司細則及公司法動用，包括向股東作出分派，惟於任何情況下須遵守公司法有關分派的法定規定。

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32. RECONCILIATION OF (LOSS) / PROFIT BEFORE TAXATION TO NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES

32. 除稅前(虧損)/溢利與產生/(動用)於經營業務之現金淨額對賬

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
(Loss) / profit before taxation	除稅前(虧損)/溢利	(47,283)	7,435
Adjustments for:	調整：		
Write-down / (write-back) of slow-moving inventories	撇減/(撥回)滯銷存貨	63,302	(414)
Reversal of impairment on properties held for resale	持作重售物業之減值撥回	-	(294)
Impairment loss on goodwill	商譽之減值損失	2,081	1,180
Impairment loss on interest in an associate	一間聯營公司權益之減值損失	1,144	-
Impairment loss on trade and other receivables	貿易及其他應收賬款之減值損失	4,293	-
Impairment loss on available-for-sale investments	持作出售投資之減值損失	-	554
Impairment loss on property, plant and equipment	物業、機器及設備之減值損失	2,497	-
Write off of property, plant and equipment	撇銷物業、機器及設備	325	93
Bad debt written off	撇銷壞賬	48	19
Surplus arising from valuation of investment properties	評估投資物業產生之盈餘	-	(728)
Profit on liquidation of a subsidiary	一間附屬公司清盤溢利	-	(5)
Profit on disposal of subsidiaries	出售附屬公司溢利	(407)	-
Amortisation of premium on redemption of loan notes	贖回貸款票據之溢價攤銷	972	972
Interest income from other than short-term bank deposits	來自短期銀行存款以外之利息收入	(906)	(301)
Interest income from short-term bank deposits	來自短期銀行存款之利息收入	(2,639)	(2,633)
Interest expenses	利息費用	375	376
Depreciation	折舊	6,543	7,012
Amortisation of prepaid lease payments	租賃預付款項攤銷	111	157
Share of results of an associate	應佔一間聯營公司業績	2	100
Operating profit before changes in working capital	營運資金變動前之經營溢利	30,458	13,523
Increase in inventories	存貨增加	(26,227)	(6,469)
(Increase) / decrease in trade and other receivables, deposits and prepayments	貿易及其他應收賬款、訂金及預付款項(增加)/減少	(7,909)	53
Increase / (decrease) in trade and other payables and accrued charges	貿易及其他應付賬款及應計費用增加/(減少)	6,791	(6,419)
Decrease in rental received in advance	預收租金減少	(75)	(353)
Cash generated from operations	營運所產生之現金	3,038	335
Overseas taxation paid	已繳之海外稅項	(2,379)	(1,577)
Net cash generated from / (used in) operating activities	產生/(動用)於經營業務之現金淨額	659	(1,242)



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33. NET CASH FLOW FROM LIQUIDATION OF SUBSIDIARY

During the year ended 31st March 2006, a subsidiary of the Group – Perch International Limited, which was incorporated in British Virgin Island, was voluntary winding up. The net liabilities of Perch International Limited at the date of liquidation were as follows:

33. 於附屬公司清盤時之現金流量淨額

於二零零六年三月三十一日止年度內，本集團於英屬處女群島註冊成立之附屬公司Perch International Limited自願清盤。Perch International Limited於清盤日期之負債淨額如下：

		The Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
Net liabilities disposed of:	出售之負債淨額：		
Trade and other payables and accrued charges	貿易及其他應付賬款及應計費用	-	(5)
		-	(5)
Profit on liquidation of a subsidiary	一間附屬公司清盤時所產生之溢利	-	5
		-	-
Satisfied by:	支付方式：		
Cash consideration received	已收現金代價	-	-

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34. NET CASH FLOW FROM DISPOSAL OF SUBSIDIARIES

The Group had equity interest of 54% in KBQuest Holdings Ltd and its subsidiaries (collectively KBQuest Group). The principal activities of KBQuest Group was providing programming services. During the year ended 31st March 2007, the Group had disposed the share of KBQuest Holdings Limited to an independent third party. The net liabilities of KBQuest Group at the date of disposal were as follows:

34. 於出售附屬公司時之現金流量淨額

本集團於KBQuest Holdings Ltd及其附屬公司(統稱KBQuest集團)擁有54%股權。KBQuest集團之主要業務為提供程式服務。截至二零零七年三月三十一日止年度，本集團已出售KBQuest Holdings Ltd之股份予獨立第三方。KBQuest集團於出售日期之負債淨額如下：

		The Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
Net liabilities disposed of:	出售之負債淨額：		
Plant and equipment	機器及設備	94	-
Trade and other receivables, deposits and prepayments	貿易及其他應收賬款、訂金及預付款	958	-
Cash and bank balances	現金及銀行結餘	281	-
Trade and other payables and accrued charges	貿易及其他應付賬款及應計費用	(1,323)	-
Amount due to group companies	應付集團公司款項	(5,352)	-
Exchange reserve	匯兌儲備	(317)	-
		(5,659)	-
Waiver of current account	往來賬戶豁免	5,352	-
Profit on disposal of subsidiaries	出售附屬公司溢利	407	-
		100	-
Satisfied by:	支付方式：		
Cash consideration received	已收現金代價	100	-
Analysis of the net outflow of cash and cash equivalents in respect of disposal of subsidiaries:	出售附屬公司時之現金及現金等值物流出淨額分析：		
Cash consideration received	已收現金代價	100	-
Cash and bank balances disposed of	出售現金及銀行結餘	(281)	-
		(181)	-



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35. CONTINGENT LIABILITIES

At 31st March 2007, the Company had contingent liabilities as follows:

The Company was a nominal defendant with a limited role in a derivative action commenced in 2001 ("Action"). Pursuant to a Consent Order made on 5th January 2007, the Action was dismissed with no order as to costs and the outstanding costs, if any, granted by the Court were waived by all parties.

Save as disclosed herein, so far as the directors are aware, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration or claims which is, in the opinion of the directors, of material importance and no litigation or claims which is, in the opinion of the directors, of material importance is known to the directors to be pending or threatened by or against the Company or any of its subsidiaries.

36. RELATED PARTY TRANSACTIONS AND BALANCE

The following is a summary of the significant transactions and balance with a related party during the year and at year end.

(i) Summary of income item

Consultancy services rendered to a substantial shareholder of the Company 顧問服務提供予本公司之主要股東

(ii) The above amounts are included in the balance sheet of the Group and the Company as follows:

	The Group 本集團		The Company 本公司	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Trade and other receivables (Note) 貿易及其他應收賬款 (附註)	-	150	-	-

Note: As at 31st March 2007, the entire annual fee for the current maintenance services period has been received in accordance with the prevailing industry's practices.

The above transactions have been entered into on terms agreed by the parties concerned.

35. 或有負債

於二零零七年三月三十一日，本公司有以下或有負債：

在一宗於二零零一年發生之衍生訴訟中（「訴訟」），本公司為名義與訟人且角色極為有限。根據日期為二零零七年一月五日之法庭頒佈之同意令訴訟被取消，且法庭批准之所有未付訟費（若有）已獲所有各方豁免。

除本文所披露者外，據董事所知，本公司或其任何附屬公司概無涉及彼等認為屬重大之任何訴訟、仲裁或索償，而就董事所知，本公司或其任何附屬公司亦無尚未了結或面臨威脅或被提出彼等認為是屬重大之訴訟或索償。

36. 有關連人士交易及結餘

下列摘要為於年內及於年終與一有關連人士之重大交易及結餘。

(i) 收入項目的摘要

	The Group 本集團	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Consultancy services rendered to a substantial shareholder of the Company 顧問服務提供予本公司之主要股東	100	263

(ii) 本集團及本公司之資產負債表包括之上述款項如下：

附註：於二零零七年三月三十一日，按業界慣例，現行保養服務期間的全年收費已全部收取。

上述交易依據得到有關人士同意的條款而達成。

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財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

36. RELATED PARTY TRANSACTIONS AND BALANCE (Continued)

(iii) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid individuals as disclosed in Note 10, is as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	13,032	9,694
Post-employment benefits	退休後福利	75	149
Termination benefits	離職福利	721	-
		13,828	9,843

37. PLEDGE OF ASSETS

At 31st March 2007, certain of the Group's investment properties and leasehold properties and prepaid lease payments with carrying value of HK\$1,335,000 (2006: HK\$1,335,000) and HK\$7,923,000 (2006: HK\$8,451,000) and HK\$4,964,000 (2006: HK\$5,007,000) respectively were pledged to secure the general banking facilities to the extent of HK\$11,000,000.

38. OPERATING LEASE ARRANGEMENTS

As lessor

Property rental income earned during the year was HK\$687,000 (2006: HK\$964,000). As at 31st March 2007, the properties held have committed tenants for lease terms from 0.75 year to 1.17 years, whose tenancy agreements includes paying security deposits.

At 31st March 2007, the Group had contracted with tenants for the following future minimum lease payments:

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	於一年內	619	701
In the second to fifth year inclusive	於第二至第五年(包括首尾兩年)	16	579
		635	1,280

36. 有關連人士交易及結餘(續)

(iii) 主要管理人員薪酬

本集團主要管理人員薪酬，包括支付予本公司董事及若干最高薪人士(如附註10所披露)之款項如下：

37. 資產抵押

於二零零七年三月三十一日，本集團賬面值分別為1,335,000港元(二零零六年：1,335,000港元)、7,923,000港元(二零零六年：8,451,000港元)及4,964,000港元(二零零六年：5,007,000港元)之若干投資物業、租賃物業及租賃預付款項乃已予以抵押，以取得最多達11,000,000港元之一般銀行信貸額。

38. 經營租賃安排

作為出租者

年內所得之物業租金收入為687,000港元(二零零六年：964,000港元)。於二零零七年三月三十一日，所持有之物業已有租客承諾介乎0.75年至1.17年之租約，其租賃協議包括支付擔保按金。

於二零零七年三月三十一日，本集團與租客訂立之租約在未來應收最低租約賬款如下：



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

38. OPERATING LEASE ARRANGEMENTS (Continued)

As lessee

The Group leases certain of its office properties and retail outlets under operating lease arrangements. Leases for properties are negotiated for terms ranging from 0.5 year to 6.92 years. Certain rentals for the use of retail outlets are determined by reference to the revenue of the relevant outlets for the year and the rentals for certain retail outlets will be escalated by a fixed percentage per annum.

The operating lease rentals of certain retail outlets are based on the higher of a minimum guaranteed rental or a sales level based rental. The minimum guaranteed rental has been used to arrive at the following commitments.

At the balance sheet date, the Group had total future minimum lease payments under the non-cancellable operating leases falling due as follows:

Within one year	於一年內
In the second to fifth year inclusive	於第二至第五年(包括首尾兩年)

The Company had no operating lease arrangements at 31st March 2007 and 2006.

39. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund ("MPF") scheme for all Hong Kong eligible employees. The assets of the MPF scheme are held separately from those of the Group in funds under the control of trustees.

The retirement benefit cost for the MPF scheme charged to the consolidated income statement represents contributions payable to the MPF scheme by the Group at rates specified in the rules of the MPF scheme.

Employees who are employed in the PRC are members of the state-sponsored pension scheme operated by the PRC government. The Group is required to contribute a certain percentage of their payroll to the pension scheme to fund the benefits. The only obligation of the Group with respect to the pension scheme is to make the required contributions under the scheme.

The amount of unvested benefits utilized by the Group to reduce contributions is nil during the year (2006: Nil). The amount of unvested benefits available for future reduction of employer's contribution as at 31st March 2007 is approximately HK\$4,000 (2006: HK\$67,000).

40. FINANCIAL GUARANTEE CONTRACTS

At 31st March 2007, the Company had given corporate guarantee to a bank in connection with banking facilities granted to the Group amounting to HK\$5,000,000. (2006: HK\$5,000,000). The maximum liability of the Company under the guarantee issued amounting to HK\$5,000,000. The directors considered that no recognition was made because the fair value of such guarantee was insignificant and that the directors did not consider it probable that a claim would be made against the Company under the guarantee.

41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

38. 經營租賃安排(續)

作為承租者

本集團根據經營租賃安排租賃若干辦公室物業及零售分店。經磋商之物業租賃期限為0.5年至6.92年。若干零售分店的租金會以其該年度的收入來決定，並且若干零售分店的租金會以固定的年率遞增。

若干零售店舖之經營租賃租金乃以最低保證租金或銷售額租金(以較高者為準)計算。上述承擔乃按最低保證租金計算。

於結算日，根據不可註銷之經營租約，本集團須按以下年期支付之未來最低租約應付賬款之總額如下：

The Group 本集團	
2007 二零零七年	2006 二零零六年
HK\$'000 千港元	HK\$'000 千港元
10,373	8,822
13,555	6,475
23,928	15,297

本公司於二零零七年及二零零六年三月三十一日並無經營租賃安排。

39. 退休福利計劃

本集團為所有香港合資格員工設立一項強制性公積金(「強積金」)計劃。該強積金計劃之資產與本集團之資產分開持有，由受托人以基金方式監管。

從綜合收益表中扣除強積金計劃的退休福利成本，相當於本集團按強積金計劃規則訂明的供款率支付強積金計劃的供款。

在中國受僱之員工乃國家推行之退休計劃成員，該退休金計劃由中國政府管理。本集團須按員工薪金之若干比例，就退休計劃作出供款。本集團在該退休計劃中之責任，僅為按計劃之規定作出供款。

於年內本集團動用以削減供款之未歸屬利益為零(二零零六年：零)。於二零零七年三月三十一日，可供日後削減僱主供款之未歸屬利益約4,000港元(二零零六年：67,000港元)。

40. 財務擔保合約

於二零零七年三月三十一日，本公司就取得5,000,000港元(二零零六年：5,000,000港元)之銀行融資而向銀行作出擔保。本公司於擔保下的最高負債為5,000,000港元。董事認為，由於該等擔保之公允值並不重大，故並無作出確認，而董事並不認為本公司有可能根據任何擔保遭索償。

41. 比較數字

若干比較數字已重新分類以符合本年度之呈列方式。

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

For the year ended 31st March 2007 截至二零零七年三月三十一日止年度

RESULTS

業績

		Year ended 31st March 截至三月三十一日止年度				
		2003	2004	2005	2006	2007
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(as restated)	(as restated)	(as restated)		
		(經重列)	(經重列)	(經重列)		
Turnover	營業額	245,596	261,477	255,650	330,233	369,376
Profit / (loss) before taxation	除稅前溢利／(虧損)	(35,633)	32,409	5,028	7,435	(47,283)
Income tax	所得稅	(240)	(250)	(933)	(2,249)	(2,511)
Profit / (loss) for the year	年度溢利／(虧損)	(35,873)	32,159	4,095	5,186	(49,794)
Attributable to	歸於					
Equity holders of the Company	本公司股份持有人	(32,293)	32,743	4,386	5,414	(49,543)
Minority interests	少數股東權益	(3,580)	(584)	(291)	(228)	(251)
		(35,873)	32,159	4,095	5,186	(49,794)
Basic earnings / (loss) per share	每股基本盈利／(虧損)	(9.68¢)	9.81¢	1.31¢	1.62¢	(14.85¢)

ASSETS AND LIABILITIES

資產與負債

		As at 31st March 於三月三十一日				
		2003	2004	2005	2006	2007
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(as restated)	(as restated)	(as restated)		
		(經重列)	(經重列)	(經重列)		
Total assets	總資產	251,906	290,168	303,831	308,627	271,984
Total liabilities	總負債	124,233	127,076	134,171	138,657	152,101
Net Assets	資產淨額	127,673	163,092	169,660	169,970	119,883
Equity attributable to equity holders of the Company	歸屬於本公司股份持有人的權益	128,704	162,270	169,129	169,649	119,883
Minority interests	少數股東權益	(1,031)	822	531	321	—
Total Equity	總權益	127,673	163,092	169,660	169,970	119,883

Certain comparative figures have been restated to reflect the adoption of the new and revised HKFRS.

若干比較數值經已重列以反映採納新增及經修訂之香港財務報告準則。



PROPERTIES HELD BY THE GROUP

本集團持有之物業

INVESTMENT PROPERTIES

投資物業

Name / Location 名稱／地點	Type 種類	Approximate gross floor area 概約建 築面積	Group's interest 本集團 之權益	Lease term 租約
Flat A, 16th Floor Hong Kong Industrial Building 444 – 452 Des Voeux Road West Hong Kong 香港德輔道西444–452號 香港工業大廈 16樓A室	Office / Industrial premises 辦公室／工業 物業	137.77 sq.m. (saleable area) 137.77 平方米 (可售面積)	100%	Long-term lease 長期租賃
Part of CH-2304 La-Chaux-de-Fonds Switzerland 瑞士 CH-2304 La-Chaux-de-Fonds (部份)	Factory 工廠	2,362 sq.m. 2,362 平方米	100%	Freehold 永久業權
Unit F, 24th Floor Guangdong Gitic Plaza, Annex Office Tower A 339 Huan Shi Dong Road East Dangshan District Guangzhou, the PRC 中國廣州市 東山區環市東路339號 廣東國際大廈A附樓 24樓F室	Office premises 辦公室物業	117.60 sq.m. 117.60 平方米	100%	Medium-term lease 中期租賃