

TONIC

Annual Report

2008年報

東力實業

Tonic Industries Holdings Limited
東力實業控股有限公司

Stock Code 股份代號 : 0978

CONTENTS

目錄

Corporate Information	2	
公司資料		
Chairman's Statement	4	
主席報告		
Directors and Senior Management Profile	8	
董事及高級管理人員履歷		
Management Discussion and Analysis	10	Consolidated:
管理層討論及分析		綜合：
Report of the Directors	13	40 Income Statement
董事會報告		收益表
Corporate Governance Report	25	41 Balance Sheet
企業管治報告		資產負債表
Independent Auditors' Report	38	43 Statement of Changes in Equity
獨立核數師報告		權益變動表
		44 Cash Flow Statement
		現金流量表
		Company:
		公司：
		46 Balance Sheet
		資產負債表
		47 Notes to Financial Statements
		財務報表附註
	152	152 Five Year Financial Summary
		五年財務資料概要
	153	153 Properties Held by the Group
		本集團持有之物業

CORPORATE INFORMATION

公司資料

Directors

Executive Directors

Mr. LING Siu Man, Simon (*Chairman and Managing Director*)

Mr. WONG Ki Cheung

Ms. LI Fung Ching, Catherine

Mr. AU Wai Man

Mr. LAM Kwai Wah

Mr. LIU Hoi Keung, Gary (*Chief Executive Officer*)
(resigned on 1 December 2007)

Mr. LEE Ka Yue, Peter (resigned on 3 August 2007)

Non-executive Directors

Mr. PANG Hon Chung (*Independent*)

Mr. CHENG Tsang Wai (*Independent*)

Dr. CHUNG Hing Wah, Paul (*Independent*)

Mr. WONG Wai Kwong, David (resigned on 3 August 2007)

Registered Office

P.O. Box 309 GT, Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands, British West Indies

Head Office and Principal Place of Business

Unit B, 10th Floor, Summit Building
30 Man Yue Street, Hung Hom, Kowloon, Hong Kong

Company Secretary

Ms. WONG Pui Shan, Cammy, FCCA, CPA, ACIS, ACS

Legal Advisors

Richards Butler

Auditors

Ernst & Young

董事

執行董事

凌少文先生(主席及董事總經理)

黃其昌先生

李鳳貞女士

區偉民先生

林桂華先生

廖開強先生(行政總裁)

(於二零零七年十二月一日辭任)

李嘉渝先生(於二零零七年八月三日辭任)

非執行董事

彭漢中先生(獨立)

鄭曾偉先生(獨立)

鍾慶華博士(獨立)

黃偉光先生(於二零零七年八月三日辭任)

註冊辦事處

P.O. Box 309 GT, Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands, British West Indies

總辦事處及主要營業地點

香港九龍紅磡民裕街30號
興業工商大廈10樓B室

公司秘書

王珮珊女士 · FCCA, CPA, ACIS, ACS

法律顧問

齊伯禮律師行

核數師

安永會計師事務所

CORPORATE INFORMATION

公司資料

Audit Committee

Mr. PANG Hon Chung (*Chairman*)
Mr. CHENG Tsang Wai
Dr. CHUNG Hing Wah, Paul
Mr. WONG Wai Kwong, David (resigned on 3 August 2007)

Remuneration Committee

Mr. CHENG Tsang Wai (*Chairman*)
Mr. PANG Hon Chung
Ms. LI Fung Ching, Catherine

Executive Committee

Mr. LING Siu Man, Simon (*Chairman*)
Mr. WONG Ki Cheung
Ms. LI Fung Ching, Catherine
Mr. AU Wai Man
Mr. LAM Kwai Wah
Mr. LIU Hoi Keung, Gary (resigned on 1 December 2007)

Principal Bankers

Hang Seng Bank Limited
The Hong Kong and Shanghai Banking Corporation Limited
China Construction Bank Corporation
Citic Ka Wah Bank Limited

Share Registrars and Transfer Office

In Hong Kong
Tricor Tengis Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

In Cayman Islands
Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street
PO Box 705, George Town, Grand Cayman
Cayman Islands, British West Indies

Website

www.tonic.com.hk
www.irasia.com/listco/hk/tonic

Stock Code

978

審核委員會

彭漢中先生 (*主席*)
鄭曾偉先生
鍾慶華博士
黃偉光先生 (於二零零七年八月三日辭任)

薪酬委員會

鄭曾偉先生 (*主席*)
彭漢中先生
李鳳貞女士

執行委員會

凌少文先生 (*主席*)
黃其昌先生
李鳳貞女士
區偉民先生
林桂華先生
廖開強先生 (於二零零七年十二月一日辭任)

主要往來銀行

恒生銀行有限公司
香港上海滙豐銀行有限公司
中國建設銀行股份有限公司
中信嘉華銀行有限公司

股份登記過戶處

於香港
卓佳登捷時有限公司
香港
皇后大道東28號
金鐘匯中心26樓

於開曼群島
Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street
PO Box 705, George Town, Grand Cayman
Cayman Islands, British West Indies

網址

www.tonic.com.hk
www.irasia.com/listco/hk/tonic

股票編號

978

CHAIRMAN'S STATEMENT

主席報告



LING Siu Man, Simon

Chairman and Managing Director

凌少文 主席及董事總經理

Dear Shareholders

On behalf of the Board of Directors (the "Board"), I am pleased to present the annual results of Tonic Industries Holdings Limited (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 March 2008 (the "Year").

Business Review and Prospects

The Group recorded a turnover of HK\$2,421 million, EBITDA of HK\$142 million and profit attributable to shareholders of HK\$6 million for the year ended 31 March 2008, compared with HK\$2,599 million, HK\$140 million and HK\$24 million respectively for the previous year.

The sale for high profit margin products like ATSC set top boxes, digital satellite receivers and digital cable set top boxes increased driven by the global switch from analogue to digital television services. However, overall sale for the Year as compared with the previous year was down as the result of the Group phrasing out some of the low profit margin products including DVD standalone players.

致各股東

本人謹代表董事會(「董事會」)欣然提呈東力實業控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零零八年三月三十一日止年度的全年業績(「本年度」)。

業務回顧及展望

截至二零零八年三月三十一日止年度，本集團錄得營業額、未扣除利息、稅項、折舊及攤銷前的盈利及股東應佔溢利分別為港幣2,421,000,000元、港幣142,000,000元及港幣6,000,000元，而去年分別為港幣2,599,000,000元、港幣140,000,000元及港幣24,000,000元。

全球由模擬電視轉為數碼電視服務，帶動高利潤產品如ATSC機頂盒、數碼衛星接收器及數碼有線機頂盒的銷量增加。然而，由於本年度本集團正逐步停止生產部份低利潤產品，包括獨立DVD播放機，故本集團年內的整體銷量較去年有所遞減。

CHAIRMAN'S STATEMENT

主席報告

The operating environment was difficult during the Year. Appreciation of the Renminbi, increase in raw materials prices, crude oil price and minimum wages in Guangdong Province of the People's Republic of China ("PRC") and new labour law taking effect in the PRC posed serious pressure on the manufacturing industry including the Group which reported lower profit attributable to shareholders for the Year.

During the Year, the management implemented a number of cost cutting and system improvement measures to maintain operating expenses of its manufacturing plants in the PRC at the same level as the previous year or reduce it. The Group streamlined its production process and increased investment in production automation to reduce heavy reliance on labour. In addition, it passed on to customers increase in material and other costs to preserve margin.

In the early part of the Year, the management put strenuous efforts in identifying and exploring investment opportunities. However, those investments finally could not be pursued and the Group incurred expenses of HK\$21.3 million in carrying out due diligence investigation on them. Together with the write off of approximately HK\$13.3 million on an investment in DK Digital AG and loss on equity investment at fair value through profit or loss of approximately HK\$6.4 million, administrative expenses were comparable to that of last year.

As stated earlier, the Group signed an agreement with an independent third party in May 2007 regarding the possible investment by the Group in business of development, distribution and retail of consumer electronics in the United States, Europe and Asia. The management terminated the agreement as the conditions stated therein had not been satisfied or waived.

In November 2007, the Company entered into an agreement with an independent party to dispose of its entire interest in the issued share capital of wholly-owned subsidiary Tonic Appliances Limited. The total consideration for the disposal was approximately HK\$5.6 million. The disposal was completed in December 2007 and brought a gain on disposal of approximately HK\$1.9 million to the Group.

In January 2008, the Group signed an investment framework agreement with several independent third parties wherein it proposed to subscribe for 60% of the enlarged share capital of Able Top Holdings Limited which will ultimately hold approximately 65% equity interest in a joint

於本年度，本集團面對著困難的經營環境。人民幣升值、原材料及原油價格上漲、中華人民共和國(「中國」)廣東省的最低工資上調以及中國新生效的勞動法，均對整體製造行業帶來沉重壓力，包括本集團在內，致令本集團本年度的股東應佔溢利相應減少。

於本年度，管理層實施多項削減成本及系統優化措施，使其位於中國的廠房的經營開支減少或維持去年的水平。本集團亦精簡其生產程序及增加於自動化生產的投資，以減低對勞工的過份依賴。此外，集團把材料及其他成本的增幅成功轉嫁給客戶，以保持毛利。

於本年度初期，管理層努力不懈地尋求及開拓投資機會。然而，本集團最終未能為該等項目進行投資，並於進行盡職審查期間涉及開支港幣21,300,000元。連同投資於DK Digital AG約港幣13,300,000元撇帳及按公平值計入損益之股本投資虧損約港幣6,400,000元，本集團期內的行政支出與去年相若。

如較早前所述，於二零零七年五月，本集團與一名獨立第三者就本集團可能投資於在美國、歐洲及亞洲的消費電子產品發展、分銷及零售業務訂立協議。由於協議所載的條款未獲履行或已被擱置，故管理層已終止該協議。

於二零零七年十一月，本公司與一名獨立人士訂立協議，出售旗下於全資附屬公司東力家用電器有限公司已發行股本之全部權益。出售的總代價約為港幣5,600,000元。該項出售已於二零零七年十二月完成，並為本集團帶來收益約港幣1,900,000元。

於二零零八年一月，本集團與數名獨立第三者訂立投資框架協議，計劃認購Able Top Holdings Limited經擴大股本後之60%股本權益，Able Top Holdings Limited最終將持有一間中國合資企業

CHAIRMAN'S STATEMENT

主席報告

venture company in the PRC in the business of providing technical support and consultancy services to multi-media content producers. The management terminated the investment framework agreement in March 2008 as a result of unsatisfactory due diligence findings.

Subsequent to the balance sheet date, on 16 June 2008, Tonic Electronics Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with the family members of Mr. Ling Siu Man, Simon, Chairman and controlling shareholder of the Company, pursuant to which, the Group conditionally agreed to dispose of and the purchasers conditionally agreed to acquire a property currently occupied by Mr. Ling for residential purpose at a consideration of HK\$34 million. The transaction for the disposal of the property is subject to the approval of independent shareholders (shareholders other than Mr. Ling and his associates) of the Company. The Group will record a gain on disposal of approximately HK\$29 million when the transaction is completed.

In the coming year, the Group expects raw material prices, labour cost and other production costs to continue to rise. The Renminbi is likely to keep appreciating. The Group expects those cost cutting and system improvement measures currently being implemented to effectively cap its factory overheads and operating expenses in the foreseeable future. The strong demand for set top boxes will persist for several years given that the transition from analogue to digital broadcasting has just begun worldwide. Benefiting from the robust demand for related products, the Group achieved double digit growth in turnover in the first quarter of financial year 2008/09 as compared with the last corresponding period. The Group is confident of maintaining the same level of turnover growth for the full coming year.

To achieve its goal, the Group will strengthen research and development for its set top box business and raise relevant production capacities to meet anticipated rise in demands. In addition to set top boxes, the Group has put resources into developing new products like blu-ray disc players with formal production scheduled to commence by the end of 2008.

The Group will also continue to diversify business by exploring investment opportunities with potential in bringing strong returns to the Group in the long run.

約65%股本權益，該合資企業專門為多媒體內容製造商提供技術支援及顧問服務。由於盡職審查結果未如理想，管理層於二零零八年三月終止該投資框架協議。

結算日後，於二零零八年六月十六日，本公司一家全資附屬公司東力電子有限公司與本公司主席兼控股股東凌少文先生的家族成員訂立買賣協議，據此，本集團有條件同意出售而買方有條件同意購買一所目前由凌先生用作住宅用途之物業，代價為港幣34,000,000元。出售物業之交易須待本公司獨立股東(凌先生及其聯繫人士以外之股東)批准始可作實。交易完成後，本集團將就出售之物業錄得收益約港幣29,000,000元。

本集團預期原料價格、勞工及其他生產成本將於來年持續上漲，並相信人民幣將繼續升值。本集團預計目前已實行的削減成本及系統改良措施，於可見的未來能有效控制其廠房的間接成本及營運開支。鑒於全球剛開始由模擬廣播轉為數碼廣播，集團預期機頂盒的強大需求將於未來數年持續。受惠於相關產品的強勁需求，本集團於二零零八／二零零九財政年度第一季之營業額與去年同期相比錄得雙位數字的增長，並期望全年能維持此增長勢頭。

為達至此目標，本集團將加強其機頂盒業務的研發，並提高有關的生產能力以迎合預期的龐大需求。除機頂盒外，本集團亦投放資源於開發新產品，如藍光光碟播放機，本集團預計該產品可於二零零八年底投產。

長遠而言，本集團亦會繼續開拓具潛力的投資機會，使業務更多元化，並為本集團帶來豐厚回報。

CHAIRMAN'S STATEMENT

主席報告

New Shares Subscription

In November 2007, the Company entered into a subscription agreement with an independent investor CorporActive Fund Limited involving 105 million new shares of the Company at the price of HK\$0.218 per share. Such new shares were issued under the general mandate granted to the directors of the Company at an annual general meeting of the Company held on 25 September 2007. The subscription was completed in the same month. The net proceeds of approximately HK\$22.8 million was applied as capital expenditure to support manufacture of existing and new products, expenditure in relation to locating suitable new business investment opportunities and as general working capital of the Group.

Final Dividend

The Board does not recommend payment of a final cash dividend (year ended 31 March 2007: HK\$1 cent per ordinary share).

Closure of Register of Members

The Register of Members of the Company will be closed from 16 September 2008 to 18 September 2008, both days inclusive, during which no transfer of shares will be effected. To qualify for attending and voting at the forthcoming annual general meeting of the Company to be held on 18 September 2008, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 12 September 2008.

Appreciation

On behalf of the Group, I would like to thank all employees for their continuous contribution and hard work. My thanks also go to our customers and business partners for their continuous support to the Group and my fellow Board members for their support and advice during the year.

On behalf of the Board
Ling Siu Man, Simon
Chairman and Managing Director

Hong Kong, 18 July 2008

認購新股份

於二零零七年十一月，本公司與一名獨立投資者CorporActive Fund Limited訂立認購協議，以認購價每股港幣0.218元認購本公司105,000,000股新股份。該等新股份已根據本公司於二零零七年九月二十五日舉行的股東週年大會上授予本公司董事的一般性授權發行。認購股份已於同月完成，所得款項淨額約港幣22,800,000元，已用作支持集團生產現有及新產品的資本開支、尋求合適投資機會的相關開支及集團的一般營運資金。

末期股息

董事會不建議派發末期現金股息(截至二零零七年三月三十一日止年度：每股普通股港幣1仙)。

暫停辦理股東登記手續

本公司將於二零零八年九月十六日至二零零八年九月十八日(包括首尾兩日)暫停辦理股東登記手續，期間不會登記任何股份過戶。為符合資格出席本公司於二零零八年九月十八日舉行之應屆股東週年大會及在會上投票，所有過戶文件連同有關股票最遲須於二零零八年九月十二日下午四時三十分前交回本公司香港股份過戶登記處卓佳登捷時有限公司，地址為香港皇后大道東28號金鐘匯中心26樓。

致謝

本人謹代表本集團衷心感謝全體員工的貢獻及辛勤工作。本人亦對客戶及業務夥伴對本集團一直給予支持，以及對董事會成員於年內提供的支持和意見深表謝意。

代表董事會
主席及董事總經理
凌少文

香港，二零零八年七月十八日

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Executive Directors

Mr. LING Siu Man, Simon, aged 58, is the Chairman and Managing Director of the Company, Mr. Ling founded the business of the Group in 1976 and has over 31 years experience in the electronics industry. Mr. Ling is responsible for the strategic planning, corporate policy, and marketing aspects of the Group.

Mr. WONG Ki Cheung, aged 58, joined the Group in 1976 and is responsible for the Group's overall management, purchasing and materials control functions. He has over 28 years experience in the electronics component industry.

Ms. LI Fung Ching, Catherine, aged 54, joined the Group in 1976 and is responsible for the treasury function of the Group. She has over 28 years experience in the electronics industry.

Mr. AU Wai Man, aged 63, is the Group's engineering consultant. He is responsible for the research and development of the Group's new products. Prior to joining the Group in 1995, he has over 27 years experience in electronics product engineering.

Mr. LAM Kwai Wah, aged 43, joined the Group in 1998 and is mainly responsible for the Group's marketing activities in Europe. He has over 22 years experience in marketing of electronics products and home appliances. Mr. Lam obtained a higher certificate in marketing and sales management from The Hong Kong Polytechnic University.

執行董事

凌少文先生，58歲，本公司主席及董事總經理。凌先生於一九七六年創辦本集團的業務，擁有逾31年電子業經驗。凌先生負責本集團的策略計劃、公司政策及市場推廣工作。

黃其昌先生，58歲，於一九七六年加入本集團，負責本集團整體管理、採購及物料控制工作。彼於電子配件業擁有逾28年經驗。

李鳳貞女士，54歲，於一九七六年加入本集團，負責庫務工作。彼於電子業擁有逾28年經驗。

區偉民先生，63歲，本集團工程顧問，負責為本集團研究及開發新產品。彼於一九九五年加入本集團前，已擁有逾27年電子產品工程經驗。

林桂華先生，43歲，於一九九八年加入本集團，主要負責本集團於歐洲市場之業務推廣。彼於電子產品及家庭電器市場推廣方面積逾22年經驗。彼持有香港理工大學頒授之市場推廣及銷售管理高級證書。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Independent Non-executive Directors

Mr. PANG Hon Chung, aged 57, holds a master's degree in business administration, and is a member of the Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants. Mr. Pang has extensive experience in business management and is a director and the general manager of Lotus International Limited.

Mr. CHENG Tsang Wai, aged 52, has over 30 years experience in the garment industry and is a director and major shareholder of Vicka Limited which is a sweater manufacturing company.

Dr. CHUNG Hing Wah, Paul, aged 62, has over 37 years' experiences with public service in administration, operation, discipline, nursing and management. He also has over 17 years' experiences in training and development and management consultancy with various local and PRC Mainland providers and corporations. Apart from being appointed as the consultant or principal consultant of many major local and PRC training providers, he is also the director and principal consultant of PC Consultancy Ltd. Dr. Chung holds degrees of MBA and DBA.

Senior Management

Mr. YEUNG Hon Po, aged 60, is the production director of Dongguan Xin Lian Digital Technology Co., Ltd. Mr. Yeung is responsible for the management and manufacturing operations of the Company in Dongguan Shi Pai factory. He has over 40 years experience in the production of electronic products and he joined the Group in 1978.

Mr. KWOK Yiu Wa, aged 43, is the production manager of Tonic Electronics Limited. He is mainly responsible for the management and manufacturing operations of the Company in Dongguan Tang Xia factory. He is also responsible for the automation department in the factory. Mr. Kwok has over 20 years of manufacturing experience of electronic products and he joined the Group in 1988.

Ms. TAM Wing Ki, Samantha, aged 32, joined the Group in 1998 and is responsible for the management and marketing of the home appliances division. She received her Bachelor of Business Administration degree from the University of Michigan (Ann Arbor) and Master of Science degree in Engineering Business Management from the University of Warwick.

獨立非執行董事

彭漢中先生，57歲，持有工商管理碩士學位，亦為英國特許公認會計師公會及香港會計師公會會員。彭先生具有豐富商業管理經驗，現為安達國際有限公司董事兼總經理。

鄭曾偉先生，52歲，鄭先生於成衣業積逾30年經驗，為毛衣生產公司緯興有限公司之董事及主要股東。

鍾慶華博士，62歲，擁有逾37年公共服務之行政、營運、紀律、護理及管理經驗。彼亦擁有超過17年於不同地區及中國內地機構及公司之培訓及發展及管理諮詢範疇之經驗。除被眾多主要本地及中國培訓機構委任為顧問或首席顧問之外，彼亦為PC Consultancy Ltd.之董事及首席顧問。鍾博士持有管理及行政碩士和管理及行政博士學位。

高級管理人員

楊漢波先生，60歲，東莞鑫聯數碼科技有限公司生產部總監。楊先生負責本公司於東莞石排廠房的管理及生產運作，擁有逾40年生產電子產品經驗，於一九七八年加入本集團。

郭耀華先生，43歲，東力電子有限公司生產部主管。主要負責本公司於東莞塘廈廠房的管理及生產運作，亦負責廠內自動化部門之事務。郭先生於一九八八年加入本集團，現擁有逾20年生產電子產品經驗。

譚詠琪小姐，32歲。譚小姐於一九九八年加入本集團，負責管理家庭電器用品部門及有關之推廣事務。彼為美國密芝根大學商學院之工商管理學士及英國華威大學之工程業務管理理學碩士。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business Development

Digital broadcasting which is fast replacing the obsolete analogue mode around the world has brought ample business opportunities to the Group. Since early 2007, the Group has been investing resources in research and development of ATSC set top boxes and its effort has been successful. The demand for ATSC set top boxes has been monumental in the North America market with the United States government offering a coupon programme to sponsor consumers who wish to purchase such products. The demand for basic digital cable set top boxes in the Chinese market has also been strong and, as sales of the products kept climbing in the market, pressure from appreciation of the Renminbi eased on the Group. There are clear market trends that indicate demand for digital cable set top boxes will remain strong worldwide in the next few years. To capture the demand, the Group has equipped its production base with reliable production facilities and skilled labour. In addition to set top boxes, the Group has been developing blu-ray disc products, which it believes will become another mainstream like DVD products. By seizing first mover advantage, the Group expects to secure a marked share of the blu-ray disc product market.

Liquidity Resources

On 23 March 2006, the Group signed a 3-year term loan facility agreement for HK\$150 million with a syndicate of 7 international and local banks. The loan is on HIBOR basis and repayable by installment starting 18 months after the date of the loan agreement. This syndicated loan had been used to fully repay the syndicated loan obtained on 3 December 2003, with the balance of approximately HK\$27 million for funding the Group's working capital requirements. Under the terms of the loan agreement, Mr. Ling Siu Man, Simon, Chairman of the Group, is required to maintain at least 40% shareholding of the Company, be the single largest shareholder and be actively involved in the management and business of the Group, otherwise it will constitute as default.

業務發展

數碼廣播現正在全球迅速取締過時的模擬廣播，這轉變為本集團帶來龐大的商機。自二零零七年初，本集團已投放資源於ATSC機頂盒的研究及開發，其間的努力已見成果。隨著美國政府推出購物禮券計劃贊助有意購買機頂盒產品的消費者，北美洲市場對ATSC機頂盒的需求激增。中國市場對基本數碼有線機頂盒的需求甚殷，加上市場的產品銷量持續上升，可減輕人民幣升值對本集團的壓力。市場上亦有明確趨勢顯示，未來數年全球對數碼有線機頂盒將維持殷切需求。為把握市場對機頂盒的需求，本集團已為其生產基地配備可靠的生產設施及熟練的勞工。除機頂盒以外，本集團亦發展藍光光碟產品，並認為該產品將一如DVD產品成為另一主流產品。憑藉早著先機的優勢，集團預期可於藍光光碟產品市場中搶佔可觀的市場佔有率。

流動資源

於二零零六年三月二十三日，本集團與7間國際及本地銀行組成的銀團簽訂為期三年的貸款融資協議，總額為港幣150,000,000元。該筆貸款的利息乃按香港銀行同業拆息計算，於簽訂貸款協議日期後18個月起分期償還。該銀團貸款已用於全數償還於二零零三年十二月三日取得的銀團貸款，餘額約港幣27,000,000元則用於本集團營運資金所需。根據貸款協議條款，本集團主席凌少文先生須持有本公司最少40%股權、作為單一最大股東，並積極參與本集團的管理及業務，否則將被視作違反貸款協議。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 March 2008, the Group had total borrowings of approximately HK\$518 million, of which HK\$503 million was bank borrowings and HK\$15 million was for obligations under finance leases. The Group's borrowings are mainly denominated in Hong Kong dollars and bear interest mainly on HIBOR basis. Bank balances and cash on hand, mainly denominated in Hong Kong dollars, amounted to HK\$31 million. Gearing ratio was 87% calculated based on net borrowings over shareholder funds.

The Group is not exposed to material currency fluctuation risks, as most of its receivables are in US dollars and payable in Hong Kong and US dollars. The Group purchases forward contracts with banks to hedge against confirmed US dollar receipts. In addition, the Group has Renminbi receipts from sales in the Chinese market to off set the rising Renminbi expenses of its manufacturing plants in the PRC. Appreciation of the Renminbi has no material impact on the Group in the short run. Except for a few customers to whom the Group transacts business on letter of credit, the Group offers credit on an open account basis or on factoring basis with all other customers.

Taxation

On 16 March 2007, the National People's Congress of the People's Republic of China enacted the Law on Enterprise Income Tax by Order No.63 of the President of the PRC, which will unify the tax rate at 25% for both domestic enterprises and foreign enterprises in the country. Furthermore, some expenses like professional expenses on aborted projects, fair value losses on equity investment at fair value through profit or loss and impairment of an available-for-sale investment, were non-deductible due to its capital nature. Correspondingly, the Group's taxation expenses increased during the Year.

Litigation

In April 2007, Toshiba alleged the Group of infringing its DVD technology patents and filed claims against some of the members of the Group. In response, the Group secured the DVD technology patents license with the DVD 6C Patent Licensing Group ("6C Group"). With the related license agreement signed on 25 July 2007, the Group has obtained the required license to use patented technologies of Toshiba, Mitsubishi, Hitachi, JVC, Panasonic, Samsung, Sanyo, Warner Brothers and Sharp

截至二零零八年三月三十一日，本集團借款總額約為港幣518,000,000元，當中港幣503,000,000元及港幣15,000,000元分別為銀行借貸及融資租賃承擔。本集團的借款主要以港幣結算，利息主要按香港銀行同業拆息計算。銀行結存及現金達港幣31,000,000元，主要以港幣結算。資產負債比率為87%，乃按借款淨額除以股東資金計算。

由於本集團大部分應收款項以美元結算，而應付款項以港幣及美元結算，故本集團所面對外匯波動風險不大。本集團已向銀行購買遠期合約，以對沖已確認之美元收入款項。此外，本集團於中國市場銷售收取的人民幣款項，可抵銷其中國廠房不斷上升的人民幣開支。人民幣升值於短期內將不會對本集團造成重大影響。除與數名客戶以即期信用證進行交易外，本集團與所有其他客戶均以記賬方式提供信貸或以保付代理基準進行交易。

稅項

於二零零七年三月十六日，中華人民共和國全國人民代表大會透過中國主席令第六十三號頒佈《企業所得稅法》，統一全國的國內企業與外資企業的稅率至25%。此外，部分支出(如已終止項目之專業支出、按公平值計入損益之股本投資之公平值虧損以及可供出售之投資減值)基於其資本性質乃不可扣除。因此，本集團年內的稅項開支有所增加。

訴訟

於二零零七年四月，東芝指稱本集團侵犯其DVD科技專利並向本集團部分成員公司提出索償。就回應事件，本集團向DVD 6C專利權授予集團(「6C集團」)取得DVD科技專利特許權。根據於二零零七年七月二十五日訂立的相關特許專利協議，本集團已取得東芝、三菱、日立、JVC、樂聲、三星、三洋、華納兄弟及聲寶所需

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

to manufacture DVD player products. By reason that it is a member of the 6C Group, Toshiba subsequently dropped all its claims against members of the Group.

In September 2006, Applica Consumer Products, Inc. and Applica Asia Limited, two former customers of Tonic Appliances Limited, the subsidiary of the Company, jointly instituted legal proceedings against Tonic Appliances Limited seeking damages in the sum of HK\$3,652,767 together with interest for breach of agreement for sale of goods. The Company disposed of its entire interest in the issued share capital of Tonic Appliances Limited in November 2007. Following the completion of the disposal, the claim against the Group ceased.

In October 2006, Tonic Digital Products Limited, an indirect wholly-owned subsidiary of the Company, instituted legal proceedings against former customer Senlan Limited for goods sold and delivered in the sum of US\$456,135 (equivalent to approximately HK\$3,557,853) together with interest. The proceeding is now in a pre-trial stage of discovery of documents of both parties and the date of trial has not been confirmed.

Employees Relations

As at 31 March 2008, the Group had 8,200 employees in Hong Kong and the PRC. Total salaries and wages amounted to approximately HK\$169 million for the year under review. Salaries and wages are normally reviewed annually on the basis of staff performance appraisals and market conditions. The Group provides year-end double pay, discretionary bonuses, provident fund, medical insurance and job training to its employees. Employee welfare is decided with reference to prevailing labour laws in Hong Kong and the PRC.

的特許權，以專利科技製造DVD播放機產品。由於其為6C集團之成員公司，東芝隨後撤回其向本集團成員公司提出的所有索償。

於二零零六年九月，本公司附屬公司東力家用電器有限公司的兩名前客戶Applica Consumer Products, Inc.及Applica Asia Limited就違反銷售貨品協議之條款，聯合向東力家用電器有限公司展開法律訴訟，追討為數港幣3,652,767元（連同利息）的賠償。本公司於二零零七年十一月出售其於東力家用電器有限公司已發行股本之全部股本權益。出售完成後，向本集團提出的索償已告終止。

於二零零六年十月，本公司一間間接全資附屬公司東力數碼產品有限公司就已售及已交付貨品金額456,135美元（相當於約港幣3,557,853元）（連同利息）向前客戶Senlan Limited展開法律訴訟。訴訟現進入審訊前披露雙方訴訟文件之階段，惟審訊日期尚未落實。

僱員關係

截至二零零八年三月三十一日，本集團在香港及中國僱用員工8,200名。本回顧年度的薪金及工資支出總額約為港幣169,000,000元。本集團一般會根據員工的工作表現，以及按市況每年檢討薪酬及工資。本集團亦會向其僱員提供年終雙糧、酌情花紅、公積金、醫療保險及工作培訓。僱員福利乃參照香港及中國的現行勞工法例釐訂。

REPORT OF THE DIRECTORS

董事會報告

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2008.

Principal Activities

The principal activity of the Company is investment holding. The subsidiaries engage in the design, manufacture and trading of consumer electronic products and components and home appliance products. There were no changes in the nature of the Group's principal activities during the year.

Details of the principal activities of the Company's subsidiaries are set out in note 18 to the financial statements.

Results and Dividends

The Group's profit for the year ended 31 March 2008 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 40 to 151.

No interim dividend was paid to shareholders during the year (2007: Nil). The board of directors of the Company does not recommend the payment of a final cash dividend (2007: HK1 cent per share).

Reserves

Details of movements in the reserves of the Company and of the Group during the year are set out in note 36(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

董事會謹此提呈截至二零零八年三月三十一日止年度董事會報告及本公司與本集團的經審核財務報表。

主要業務

本公司的主要業務為投資控股。附屬公司從事消費電子產品與零件及家庭電器產品設計、製造及銷售業務。本集團的主要業務性質於年內並無變動。

本公司各附屬公司的主要業務詳情載於財務報表附註18。

業績及股息

本集團截至二零零八年三月三十一日止年度的溢利及本公司與本集團於該日的財務狀況載於第40至151頁財務報表內。

年內並無向股東派發任何中期股息(二零零七年：無)。本公司董事會不建議派發末期現金股息(二零零七年：每股港幣1仙)。

儲備

本公司及本集團於年內的儲備變動詳情分別載於財務報表附註36(b)及綜合權益變動表。

REPORT OF THE DIRECTORS

董事會報告

Distributable Reserves

In the opinion of the directors, the Company's reserves available for distribution represent the share premium account, contributed surplus and retained profits. At 31 March 2008, the Company's reserves available for cash distribution and/or distribution in specie amounted to HK\$164,425,000, including the share premium account, in the amount of HK\$71,388,000.

Major Customers and Suppliers

During the year, the five largest customers in aggregate accounted for approximately 67% of the total revenue of the Group and the largest customer accounted for approximately 24% of the total revenue of the Group.

Purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for the year.

As far as the directors are aware, neither the directors, their associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")), nor any shareholders which, to the knowledge of the directors, own more than 5% of the Company's issued share capital, had any interest in the five largest customers or suppliers.

Five Year Financial Summary

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on page 152. This summary does not form part of the audited financial statements.

可供分派儲備

董事認為，本公司可供分派的儲備指股份溢價賬、繳入盈餘及保留溢利。於二零零八年三月三十一日，本公司可作現金及／或實物分派用途的儲備為港幣164,425,000元（包括股份溢價賬港幣71,388,000元）。

主要客戶及供應商

年內，五大客戶合共佔本集團總收入約67%，而最大客戶則佔本集團總收入約24%。

本集團五大供應商的採購額佔本年度總採購額少於30%。

據董事知悉，各董事、彼等之聯繫人士（定義見香港聯合交易所有限公司證券上市規則（「上市規則」）以及據董事所知擁有本公司已發行股本5%以上的任何股東，概無於五大客戶或供應商中擁有任何權益。

五年財務資料概要

本集團於過往五個財政年度的已刊發業績及資產與負債概要（摘錄自經審核財務報表，並在適當情況下重列／重新分類）載於第152頁。該概要並非經審核財務報表的任何部分。

REPORT OF THE DIRECTORS

董事會報告

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

Share Capital and Share Options

Details of movements during the year in the Company's share capital and the share options are respectively set out in notes 34 and 35 to the financial statements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Directors

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

Executive directors:

Ling Siu Man, Simon (*Chairman and Managing Director*)

Wong Ki Cheung

Li Fung Ching, Catherine

Au Wai Man

Lam Kwai Wah

Liu Hoi Keung, Gary (*Chief Executive Officer*)

(resigned on 1 December 2007)

Lee Ka Yue, Peter (resigned on 3 August 2007)

Non-executive directors:

Pang Hon Chung*

Cheng Tsang Wai*

Chung Hing Wah, Paul*

Wong Wai Kwong, David (resigned on 3 August 2007)

* *Independent non-executive directors*

物業、廠房及設備

本集團於年內的物業、廠房及設備變動詳情載於財務報表附註14。

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載於財務報表附註34及35。

優先購買權

本公司的組織章程細則或開曼群島法例並無有關本公司須向現有股東按比例發售新股的優先購買權規定。

董事

於本年度及截至本報告日期止，本公司之董事如下：

執行董事：

凌少文(主席及董事總經理)

黃其昌

李鳳貞

區偉民

林桂華

廖開強(行政總裁)

(於二零零七年十二月一日辭任)

李嘉渝(於二零零七年八月三日辭任)

非執行董事：

彭漢中*

鄭曾偉*

鍾慶華*

黃偉光(於二零零七年八月三日辭任)

* *獨立非執行董事*

REPORT OF THE DIRECTORS

董事會報告

Directors (continued)

In accordance with article 116 of the Company's Articles of Association, Mr. Wong Ki Cheung, Mr. Au Wai Man and Mr. Pang Hon Chung will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The terms of office of the non-executive directors are the periods from their dates of appointment to their retirement by rotation in accordance with the Company's Articles of Association.

The Company has received annual confirmations of independence from Mr. Pang Hon Chung, Mr. Cheng Tsang Wai and Dr. Chung Hing Wah, Paul, and still considers them to be independent as at the date of this report.

Directors' Biographies

Biographical details of the directors of the Group are set out on pages 8 to 9 of the annual report.

Directors' Service Contracts

All the executive directors, other than Mr. Lam Kwai Wah, have entered into service contracts with the Company for terms of three years commencing from 1 October 2006. Mr. Lam Kwai Wah has entered into a service contract with the Company for a term of thirty months commencing from 1 January 2007.

Save as disclosed above, none of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company, its holding company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

董事(續)

根據本公司的組織章程細則第116條，黃其昌先生、區偉民先生及彭漢中先生均將於應屆股東週年大會上退任，惟彼等符合重選資格，並願意膺選連任。

根據本公司的組織章程細則，非執行董事的任期由彼等獲委任之日起至輪席退任之日止。

於本報告日期，本公司已接獲由彭漢中先生、鄭曾偉先生及鍾慶華博士發出的年度獨立性確認書，且依舊認為彼等為獨立人士。

董事履歷

本集團董事之履歷詳情載於本年報第8至9頁。

董事服務合約

除林桂華先生外，所有執行董事均與本公司訂有服務合約，由二零零六年十月一日起計，為期三年。林桂華先生與本公司訂立之服務合約，自二零零七年一月一日起計，為期三十個月。

除上文披露者外，擬於應屆股東週年大會膺選連任的董事，概無與本公司、其控股公司或其任何附屬公司訂有本集團如不作出賠償(法定賠償除外)則不能於一年內終止的服務合約。

REPORT OF THE DIRECTORS

董事會報告

Directors' Remuneration

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to the directors' duties, responsibilities and performance and the results of the Group.

Directors' Interests and Short Positions in Shares and Underlying Shares

At 31 March 2008, the interests of the directors in the share capital of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

a) Long positions in ordinary shares of the Company

Name of director	董事姓名	Nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
		權益性質	所持普通股數目	佔本公司已發行股本百分比
Ling Siu Man, Simon	凌少文	Corporate (note) 公司 (附註)	668,492,476	63.19
Li Fung Ching, Catherine	李鳳貞	Personal 個人	2,142,000	0.20
Wong Ki Cheung	黃其昌	Personal 個人	1,749,000	0.17
Cheng Tsang Wai	鄭曾偉	Personal 個人	1,626,000	0.15
			<u>674,009,476</u>	<u>63.71</u>

Note: These shares were held by Success Forever Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Ling Siu Man, Simon.

董事酬金

董事袍金須經股東於股東大會上批准。其他酬金則由本公司董事會參考董事之職務、責任，以及本集團之表現及業績釐訂。

董事擁有之股份及相關股份權益及淡倉

於二零零八年三月三十一日，董事於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股本中，擁有須記錄於本公司根據證券及期貨條例第352條規定存置之登記冊，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

a) 本公司普通股之好倉

附註： 該等股份由一間於英屬處女群島註冊成立之公司Success Forever Limited持有。該公司的全部已發行股本由凌少文先生實質擁有。

REPORT OF THE DIRECTORS

董事會報告

Directors' Interests and Short Positions in Shares and Underlying Shares (continued)

b) Long positions in share options of the Company

Name of director	董事姓名
Ling Siu Man, Simon	凌少文
Wong Ki Cheung	黃其昌
Li Fung Ching, Catherine	李鳳貞
Au Wai Man	區偉民
Lam Kwai Wah	林桂華

c) Associated corporation

At 31 March 2008, Ling Siu Man, Simon personally held 3,000 non-voting deferred shares of HK\$100 each of Tonic Electronics Limited, a subsidiary of the Company.

Save as disclosed above, as at 31 March 2008, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Rights to Acquire Shares or Debentures

Apart from as disclosed in the section "Directors' Interests and Short Positions in Shares and Underlying Shares" above and in the section "Share Option Scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company granted to any directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

董事擁有之股份及相關股份權益及淡倉(續)

b) 本公司購股權之好倉

Number of options directly beneficially owned	直接實益擁有的購股權數目
	15,000,000
	2,715,000
	2,715,000
	2,715,000
	1,650,000
	<u>24,795,000</u>

c) 相聯法團

於二零零八年三月三十一日，凌少文個人持有本公司附屬公司東力電子有限公司每股面值港幣100元之無投票權遞延股份共 3,000股。

除上文披露者外，於二零零八年三月三十一日，各董事概無於本公司或其任何相聯法團之股份、相關股份或債券中，擁有須根據證券及期貨條例第352條規定登記，或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事購買股份或債券之權利

除上文「董事擁有之股份及相關股份權益及淡倉」一節及下文「購股權計劃」一節所披露者外，於年內任何時間概無向任何董事或彼等各自之配偶或未成年子女賦予權力，以藉購入本公司股份或債券而獲益，亦無任何該等權力獲行使；而本公司、其控股公司或其任何附屬公司亦無涉及任何安排，致使董事可於任何其他法人團體獲得該等權利。

REPORT OF THE DIRECTORS

董事會報告

Directors' Interests in Contracts of Significance

Save as disclosed in note 43 to the financial statements, no contract of significance to which the Company, its holding company, or any of its subsidiaries was a party in which any director had a material interest, whether directly or indirectly, subsisted at the end of the year or any time during the year.

Share Option Scheme

Concerning the share options granted to the directors and employees as detailed below, the directors do not consider it appropriate to disclose a theoretical value of the options granted because in the absence of a readily available market value of the share options on the shares of the Company, the directors were unable to arrive at an assessment of the value of these share options.

董事於重大合約中之權益

除財務報表附註43披露者外，於年終或年內任何時間，本公司、其控股公司或其任何附屬公司概無訂有任何董事於當中擁有直接或間接重大權益的重大合約。

購股權計劃

就向董事或僱員授出購股權事項上(詳情載於下文)，董事認為在並無本公司股份購股權市場價值的情況下，披露所授出購股權之理論價值並不恰當，因此董事未能評估該等購股權的價值。

REPORT OF THE DIRECTORS

董事會報告

The following table discloses movements in the Company's share options during the year:

下表披露本公司購股權計劃年內的變動：

	At 1 April 2007 於二零零七年 四月一日	Number of outstanding share options lapsed during the year 年內失效的 尚未行使 購股權數目	At 31 March 2008 於二零零八年 三月三十一日	Date of grant of share options 購股權 授出日期	Exercise period of share options 購股權 行使期	Exercise price of share options* 購股權 行使價* HK\$ per share 每股港幣
Directors 董事						
Ling Siu Man, Simon 凌少文	15,000,000	-	15,000,000	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日 至 二零一零年 四月九日	0.467
Wong Ki Cheung 黃其昌	2,715,000	-	2,715,000	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日 至 二零一零年 四月九日	0.467
Li Fung Ching, Catherine 李鳳貞	2,715,000	-	2,715,000	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日 至 二零一零年 四月九日	0.467
Au Wai Man 區偉民	2,715,000	-	2,715,000	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日 至 二零一零年 四月九日	0.467

REPORT OF THE DIRECTORS

董事會報告

	At 1 April 2007 於二零零七年 四月一日	Number of outstanding share options lapsed during the year 年內失效的 尚未行使 購股權數目	At 31 March 2008 於二零零八年 三月三十一日	Date of grant of share options 購股權 授出日期	Exercise period of share options 購股權 行使期	Exercise price of share options* 購股權 行使價* HK\$ per share 每股港幣
Lam Kwai Wah 林桂華	1,650,000	-	1,650,000	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日至 二零一零年 四月九日	0.467
Liu Hoi Keung, Gary 廖開強**	2,715,000	(2,715,000)	-	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日至 二零一零年 四月九日	0.467
Lee Ka Yue, Peter 李嘉渝***	2,715,000	(2,715,000)	-	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日至 二零一零年 四月九日	0.467
	<u>30,225,000</u>	<u>(5,430,000)</u>	<u>24,795,000</u>			
Other employees 其他僱員						
In aggregate 合計	34,950,000	(2,925,000)	32,025,000	07-04-00 二零零零年 四月七日	10-04-00 to 09-04-10 二零零零年 四月十日至 二零一零年 四月九日	0.467
	<u>65,175,000</u>	<u>(8,355,000)</u>	<u>56,820,000</u>			

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

** resigned on 1 December 2007

*** resigned on 3 August 2007

* 購股權之行使價會隨著供股或發行紅股，或本公司股本其他類似變動時作調整。

** 於二零零七年十二月一日辭任

*** 於二零零七年八月三月辭任

REPORT OF THE DIRECTORS

董事會報告

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

At 31 March 2008, the following parties having the interests of 5% or more of the issued share capital of the Company were recorded in the register of interests kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
名稱	身份及權益性質	所持普通股數目	
Success Forever Limited (note 1) (附註1)	Directly beneficially owned 直接實質擁有	668,492,476	63.19
CorporActive Fund Limited (note 2) (附註2)	Directly beneficially owned 直接實質擁有	105,000,000	9.93

Notes:

- The entire issued share capital of Success Forever Limited is beneficially owned by Mr. Ling Siu Man, Simon, as disclosed in the section "Directors' Interests and Short Positions in Shares and Underlying Shares" above.
- CorporActive Fund Limited, an investment fund managed by Somerley Limited.

主要股東及其他人士於股份及相關股份之權益

於二零零八年三月三十一日，根據本公司按證券及期貨條例第336條而存置之權益登記冊所記錄，擁有本公司已發行股本5%或以上權益之人士如下：

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
名稱	身份及權益性質	所持普通股數目	
Success Forever Limited (note 1) (附註1)	Directly beneficially owned 直接實質擁有	668,492,476	63.19
CorporActive Fund Limited (note 2) (附註2)	Directly beneficially owned 直接實質擁有	105,000,000	9.93

附註：

- 按上文「董事擁有之股份及相關股份權益及淡倉」一節所披露，Success Forever Limited全部已發行股本由凌少文先生實質擁有。
- CorporActive Fund Limited由新百利有限公司管理之投資基金。

REPORT OF THE DIRECTORS

董事會報告

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

(continued)

Save as disclosed above, as at 31 March 2008, no person, other than the directors of the Company, whose interests are set out in the section "Directors' Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Connected Transactions

Details of the connected transactions of the Company are set out in note 43 to the financial statements.

Purchase, Sale or Redemption of the Company's Listed Securities

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

Compliance with the Continuing Disclosure Requirements under Chapter 13 of the Listing Rules

In compliance with the continuing disclosure requirements under Rule 13.21 of Chapter 13 of the Listing Rules, the directors of the Company reported the details of the following loan agreement which included conditions relating to the specific performance obligations of the controlling shareholder of the Company.

During the year ended 31 March 2006, the Group signed a term loan facility agreement for a syndicated loan of HK\$150 million for a period of three years. Under the terms of the agreement, the chairman of the Company, Mr. Ling Siu Man, Simon is required to be the single largest shareholder, be actively involved in the management and business of the Group, and be maintained at least 40% of the beneficial interests in shareholdings in the Company.

主要股東及其他人士於股份及相關股份之權益(續)

除上文披露者外，於二零零八年三月三十一日，並無任何人士(其權益已載於上文「董事擁有之股份及相關股份權益及淡倉」一節之本公司董事除外)於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須予登記之權益或淡倉。

關連交易

本公司的關連交易詳情載於財務報表附註43。

買賣或贖回本公司上市證券

於本年度，本公司或其任何附屬公司並無買賣或贖回本公司的上市證券。

遵守上市規則第13章之持續披露規定

為遵守上市規則第13章第13.21條之持續披露規定，本公司董事申報下列以本公司控股股東須履行特定責任作為條件之貸款協議詳情。

截至二零零六年三月三十一日止年度內，本集團為一筆港幣150,000,000元為期三年之銀團貸款訂立一份有期貨款信貸協議。根據該協議之條款，本公司主席凌少文先生須為單一最大股東，須積極參與本集團管理及業務，並須於本公司股權維持最少40%實益權益。

REPORT OF THE DIRECTORS

董事會報告

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report, being the latest practical date prior to the date of this report.

Post Balance Sheet Event

Details of the significant post balance sheet event of the Group are set out in note 46 to the financial statements.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Chairman

Ling Siu Man, Simon

Hong Kong

18 July 2008

足夠公眾持股量

根據本公司可取得的公眾資料所示，以及就董事所知，於本報告日期（即本報告日期前之最後可行日期），本公司全部已發行股本最少25%乃由公眾人士持有。

結算日後事項

有關本集團之重大結算日後事項之詳情，載於財務報表附註46。

核數師

安永會計師事務所任滿告退，於應屆股東週年大會將提呈一項決議案，續聘其為本公司核數師。

代表董事會

主席

凌少文

香港

二零零八年七月十八日

CORPORATE GOVERNANCE REPORT

企業管治報告

Compliance with Code on Corporate Governance

The board of directors of the Company (the “Board”) considers that good corporate governance of the Company is central to safeguarding the interests of the shareholders of the Group and enhancing the performance of the Group. The Board is committed to ensure a high standard of corporate governance. The Company’s corporate governance practices are based on the principles (the “Principles”), code provisions (the “Code Provisions”) as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Company has applied the Principles and the Code Provisions and complied with the CG Code during the financial year ended 31 March 2008, with a deviation from the Code Provisions (i) A.2.1 in respect of separate roles of Chairman and chief executive officer, and (ii) A.4.2 in respect of retirement of directors of the Company (“Director”) by rotation at least once every three years.

Set out below are the status and details of compliance by the Company of the CG Code for the year ended 31 March 2008.

The Board

Board composition

The Board has in its composition a balanced of skills and experience appropriate for the requirements of the business of the issuer. The Board has a balanced mix Directors, i.e. 5 executive Directors, and 3 independent non-executive Directors. The list of all Directors is set out under “Corporate Information” on page 2 and the biographies of the Directors are set out on pages 8 to 9 of this report, which demonstrates a diversity of skills, expertise, experience and qualifications.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

遵從企業管治常規守則

本公司董事會(「董事會」)深信，本公司達致良好企業管治，乃保障本集團股東利益及提升集團表現之核心元素。董事會在確保高水準企業管治方面不遺餘力。本公司的企業管治常規，是以香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(「企業管治守則」)內之原則(「原則」)及守則條文(「守則條文」)作為基礎。

截至二零零八年三月三十一日止財政年度內，除了偏離守則(i)第A.2.1條，有關主席及行政總裁所擔當之角色須明確劃分；及(ii)第A.4.2條，有關本公司董事(「董事」)須最少每三年輪值退任一次的條文外，本公司已應用相關的原則及守則條文，並已遵守企業管治守則。

下文載述本公司截至二零零八年三月三十一日止年度遵行企業管治守則的狀況及詳情。

董事會

董事會組織構成

董事會的成員組合已兼顧上市公司業務所需的技能與經驗。董事會擁有均衡的董事組合，即五位執行董事及三位獨立非執行董事。全體董事名單載於本報告第2頁的「公司資料」一節，而董事簡歷則載於本報告第8至9頁。從董事簡歷可見，他們具備了廣泛技能、專長、經驗及資歷。

董事名單(按分類表示)亦於本公司根據上市規則不時刊發之所有公司通訊內披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board *(continued)*

Board composition *(continued)*

Save as disclosed hereon, to the best of knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationship with each other.

During the year ended 31 March 2008, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

Board meetings

Board meetings were held at least 4 times during the year roughly on a quarterly basis. Dates for regular Board meetings are scheduled in advance to provide sufficient time for the Directors to prepare for. Special Board meetings will be held when necessary. Notice of meeting will be given at least 14 days before the meeting. Directors are consulted for matters to be included in the agenda and Board papers will be served at least 3 days before the meeting. Details of the attendance of the Board meetings held for the year ended 31 March 2008 and up to the date of the publication of this report were as follows:

董事會 *(續)*

董事會組織構成 *(續)*

除本報告披露者外，據董事所知，董事會各成員之間並無財務、業務、家庭或其他重大／相關關係。

於截至二零零八年三月三十一日止年度，董事會一直遵從上市規則有關委任最少三位獨立非執行董事的規定。

本公司已接獲各位獨立非執行董事根據上市規則提交有關其獨立地位之年度確認書。本公司認為，按照上市規則所載之獨立地位指引，各獨立非執行董事均具獨立地位。

董事會會議

董事會於年內最少舉行四次會議，約每季舉行一次。董事會例會之舉行日期為預先編訂，讓董事們有充足時間為開會作準備。特別董事會會議在必要時舉行。開會通告最低限度於舉行會議前十四天發出。就會議議程所包括的事項，會徵詢董事的意見；並最低限度於舉行會議前三天送出會議稿件。有關截至二零零八年三月三十一日止年度及截至本報告刊發日期為止已舉行的董事會會議的出席情況如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board *(continued)*

Board meetings *(continued)*

董事會(續)

董事會會議(續)

Name of Director	董事姓名	Attendance/ Number of Meetings 出席／會議數目
<i>Executive Directors</i>		
Mr. Ling Siu Man, Simon (<i>Chairman and Managing Director</i>)	凌少文先生 (主席及董事總經理)	4/4
Mr. Wong Ki Cheung	黃其昌先生	3/4
Ms. Li Fung Ching, Catherine	李鳳貞女士	4/4
Mr. Au Wai Man	區偉民先生	4/4
Mr. Lam Kwai Wah	林桂華先生	4/4
Mr. Liu Hoi Keung, Gary (<i>Chief Executive Officer</i>) (resigned on 1 December 2007)	廖開強先生 (行政總裁) (於二零零七年十二月一日辭任)	3/4
Mr. Lee Ka Yue, Peter (resigned on 3 August 2007)	李嘉渝先生 (於二零零七年八月三日辭任)	1/4
<i>Independent Non-Executive Directors</i>		
Mr. Pang Hon Chung	彭漢中先生	3/4
Mr. Cheng Tsang Wai	鄭曾偉先生	2/4
Dr. Chung Hing Wah, Paul	鍾慶華博士	4/4
<i>Non-Executive Director</i>		
Mr. Wong Wai Kwong, David (resigned on 3 August 2007)	黃偉光先生 (於二零零七年八月三日辭任)	0/4

Minutes of the Board, the Audit Committee, the Remuneration Committee and the Executive Committee have been recorded in sufficient details the matters considered in the meetings. All the minutes are kept by the company secretary and are open for inspection at any reasonable time on reasonable notice given by any Director.

Directors can access to the advice and services of the company secretary to ensure that Board procedures, and all applicable rules and regulations are properly followed.

In addition, all Directors are regularly updated on corporate governance and regulatory matters. There is a guideline for Directors to obtain independent professional advice at the expense of the Company in the furtherance of their duties. The Company has also arranged appropriate director and officer liability insurance cover in respect of legal action against its Directors.

董事會、審核委員會、薪酬委員會及執行委員會的會議記錄，對會議內曾討論的事項均有詳盡記錄。所有會議記錄由公司秘書保管，任何董事只要發出合理之預先通知，均可於合理時間內查閱該等會議記錄。

各董事均可獲取公司秘書的意見及服務，以確保董事會程序、所有適用規則及法規均已妥為遵守。

此外，本公司會定期向所有董事匯報有關企業管治及監管事務的最新情況。本公司設有一套指引，規範董事為執行職務而諮詢獨立專業意見(有關費用由本公司承擔)。本公司亦已購買適當的董事及高層人員責任保險，以減低董事面對法律訴訟而承受的風險。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board *(continued)*

Chairman and chief executive officer

Chairman is responsible to manage the affairs of the Board and the chief executive officer is responsible to manage the day-to-day operation of the Company's business.

Code Provision A.2.1 stipulates that the roles of Chairman and chief executive officer should be separated and should not be performed by the same individual.

Mr. Ling Siu Man, Simon is the Chairman and chief executive officer of the Group. He is responsible for the Group's overall strategic planning, management, objectives setting and corporate development as well as the management of the Board's affairs. The Board considers that this structure is more effective and efficient in running the business. The Board believes that Mr. Ling's appointment to the posts of Chairman and chief executive officer is beneficial to the business prospects of the Group.

Nomination, appointment, re-election and removal of Directors

The Group has a formal, considerate and transparent procedure for the appointment of new Director to the Board. The Group has adopted a nomination procedures and the Board, based on the criteria established, evaluate and select candidates for the directorships. The Board reviews the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations regarding any proposed changes. The Directors identifies suitable individual qualified to become Board members and makes recommendation on relevant matters relating to the appointment or re-appointment of Directors if necessary, in particular, candidates who can add value to the management through their contribution in the relevant strategic business areas and whose appointments will result on the constitution of strong and diverse Board. The meeting of the Board regarding the nomination of Directors shall be held at least once a year or when necessary. In case any Director resigns from the Board, reasons for the resignation will be disclosed in the announcement.

董事會 *(續)*

主席和行政總裁

主席負起管理董事會事務的責任，而行政總裁則負責管理本公司業務的日常運作。

守則第A.2.1條訂明，主席和行政總裁之職能應有所區分及不應由同一人擔任。

凌少文先生身兼本集團主席及行政總裁二職。彼負責本集團的整體策略規劃、管理、目標設定及企業發展，以及管理董事會事務。董事會認為，此一架構有助業務的有效運作並提升營運效率。董事會相信，委任凌先生為主席兼行政總裁對本集團的業務前景有利。

董事的提名、委任、重選及免職

本集團訂有一套正規、經深思熟慮而高透明度的委任新董事程序，本集團已經採納一套提名程序，董事會根據已確立的準則範疇評審及挑選擔任董事的人選。董事會定期檢討董事會的架構、人數及組織(包括技能、知識和經驗)，並提出有關建議改動的推薦意見。董事物色合資格作為董事會成員的適當人士，必要時亦會就委任或重新委任董事的相關事宜作出推薦意見，尤其當某些人選可於有關策略業務範疇作出貢獻，從而替管理層增值，及有助董事會之組織強化及多元化。關於董事提名的董事會會議應最低限度每年舉行一次，或當有需要時舉行。倘若有任何董事辭去董事會之職務，須於公佈內披露辭職理由。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board (continued)

Nomination, appointment, re-election and removal of Directors (Continued)

Code Provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. The existing non-executive Directors of the Company, except for Mr. Pang Hon Chung being independent non-executive Director of the Company, have a specific term of appointment. All non-executive Directors are subject to the requirement to retire by rotation at annual general meetings under the Company's Articles of Association accomplishing the same objective as a specific term of appointment.

In accordance with the Company's Articles of Association, any new Director appointed to fill a casual vacancy or as an addition to the Board should be subject to election by shareholders at the first general meeting after appointment. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Company's Articles of Association, on the other hand, is inconsistent with the Code Provision A.4.2 of the CG Code, which provides that one-third of the Directors for the time being (save for the Chairman or managing director or joint managing director), or if their number is not three nor a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation at least once every three years and being eligible, offer themselves for re-election at annual general meetings. The Board considers that Mr. Ling Siu Man, Simon, Chairman of the Board, should not be subject to retirement to ensure continuity of leadership and stability for growth of the Company.

Responsibilities of directors

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations.

In addition, the Board is charged with promoting the success of the Group by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to all shareholders of the Group for the manner in which the affairs of the Company are managed, controlled and operated.

董事會(續)

董事的提名、委任、重選及免職(續)

守則條文第A.4.1條訂明，非執行董事應有固定任期，並須接受重選。除彭漢中先生(彼為本公司獨立非執行董事)外，本公司現任非執行董事並無固定任期。全部非執行董事均須遵守本公司組織章程細則之規定於股東週年大會上輪值退任，達到固定任期之相同目標。

依據本公司的組織章程細則，任何獲委任填補臨時空缺或作為董事會新增成員之新董事，須於獲委任後的首個股東大會接受股東重選。包括具有固定任期的董事在內的每位董事，應最低限度每三年輪值退任一次。

另一方面，本公司的組織章程細則與企業管治守則的守則條文第A.4.2條存在差異，差異在於後者規定當時三分之一董事(主席或董事總經理或聯席董事總經理除外)或最接近但不少於三分之一董事(倘董事會人數並非三或三的倍數)須最低限度每三年輪值告退一次，在符合資格下，可於股東週年大會上膺選連任。董事會認為，董事會主席凌少文先生毋須受輪值退任規限，以確保領導層延續性及本公司的穩定成長。

董事的責任

董事會的首要焦點為本集團整體策略發展。董事會亦監督本集團業務營運的財務表現及內部監控。

此外，董事會亦負責擴展本集團的成就，這主要通過以負責任及具效益的方式引導並監督本公司事務。每一位董事均有責任本着公司最佳利益下真誠行事。董事知悉，他們對於公司事務如何管理、控制及運作，須向本集團所有股東負起集體和個別的責任。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board *(continued)*

Responsibilities of directors *(continued)*

Director is required to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Group. non-executive Directors have the same duties of care and skill and fiduciary duties as executive Directors.

The functions of non-executive Directors have included the functions as specified in the Code Provision A.5.2(a) to (d) of the CG Code.

Delegation by the Board

The Board has delegated functions that are necessary and incident to carry out the decision of the Board or to facilitate the day-to-day operation of the Group in ordinary course of business to the senior management and divisional heads of different units.

Major corporate matters that are specifically delegated by the Board to senior management include execution of business strategies and initiatives adopted by the Board, implementation of adequate internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

Supply of and access to information

Directors will be provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company.

In respect of regular Board meetings, and so far as practicable in all other cases, an agenda and accompanying Board papers are sent in full to all Directors in a timely manner and at least 3 days before the intended date of a Board meeting.

董事會 *(續)*

董事的責任 *(續)*

董事須時常注意其作為董事的責任，並應經常對本集團的作為、業務活動及發展加以留意。非執行董事與執行董事具同等謹慎、熟練及受信責任。

非執行董事的職能包括企業管治守則的守則條文第A.5.2(a)至(d)條所列明的職能。

董事會的授權

董事會已授予高級管理層及不同單位的部門主管所需及相關的權力，以實行董事會的決定或確保本集團於一般業務過程中可暢順地進行日常營運。

董事會已特別授權高級管理層處理的主要企業事務包括：執行董事會採納的業務策略及計劃、實施足夠內部監控及風險管理程序，以及遵從相關法定要求、規則及條例。

資料的提供和查閱

本公司將會及時向各董事提供適當資料，所提供資料的形式和質素，足以讓各董事作出知情決定並履行本公司董事的職務及責任。

就董事會之定期會議而言，及在實際可行之所有其他情況下，所有董事均會及時並最低限度在董事會會議擬定開會之日期三天前，獲送呈會議議程及附帶的全部董事會文件。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board *(continued)*

Supply of and access to information *(Continued)*

Management is regularly reminded by the company secretary that they have an obligation to supply the Board and its committees with adequate information in a timely manner to enable them to make informed decisions. The information supplied must be complete and reliable. The Board and each Director have separate and independent access to the Company's senior management for making further enquires where necessary.

Training for directors

Every newly appointed Director of the Group will receive an information package from the company secretary on his appointment. The package will include guidelines and information such as:

- (a) Guidelines on Directors' Duties;
- (b) Brief notes and guidelines on Code on Corporate Governance Practices;
- (c) The Group's code of conduct regarding the securities transactions by the Directors;
- (d) Brief notes and guidelines on Model Code for Securities Transactions by Directors of the Company;
- (e) The Company's Code of Conduct for Securities Transactions by Directors of the Company;
- (f) A copy of the Corporate Governance Report; and
- (g) A copy of the Company's Corporate Governance Handbook.

The senior management and the company secretary will subsequently conduct such briefing as is necessary to ensure that the Director has a proper understanding of the operations and business of the Group, and the Director is aware of his obligation under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements.

董事會 *(續)*

資料的提供和查閱 *(續)*

公司秘書會經常提醒管理層，他們有責任及時向董事會及其委員會提供足夠資料，讓他們作出知情決定。所提供的資料必須為完整可靠。董事會及各位董事在必要時均可個別及獨立地向本公司高級管理層作出查詢。

董事培訓

每一位新委任的本集團董事在獲委任時均會收到由公司秘書發放的資料封套，該資料封套包括指引及資料如：

- (a) 董事職責指引；
- (b) 關於企業管治常規守則的淺釋及指引；
- (c) 本集團有關董事進行證券交易的行事守則；
- (d) 本公司關於董事進行證券交易的標準守則的淺釋及指引；
- (e) 本公司有關本公司董事進行證券交易的行事守則；
- (f) 企業管治報告複印本；及
- (g) 本公司企業管治指南複印本。

隨後，本公司高級管理層及公司秘書在需要時會舉行簡報會，確保董事對本集團營運及業務有正確的了解，及董事知悉其在成文法及普通法、上市規則、適用法律規定及其他監管規定下的責任。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board (continued)

Directors' securities transactions

The Group has adopted its code of conduct for securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, the Company has confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2008.

Remuneration of Directors

The Company enters into directors' service agreements with each of the executive Directors. Such agreements set out the relevant terms for remuneration and other benefits. The remuneration of the Directors was determined with reference to the job responsibilities of the Directors, market conditions and the performance of the Company.

Remuneration Committee

A majority of the members of the Remuneration Committee are independent non-executive Directors. This committee is authorised by the Board and makes recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management. Details of the attendance of the meeting for the year ended 31 March 2008 and up to the date of this report were as follows:

Members of the Remuneration Committee

Mr. Cheng Tsang Wai (*Chairman*)
Mr. Pang Hon Chung
Ms. Li Fung Ching, Catherine

薪酬委員會成員

鄭曾偉先生 (主席)
彭漢中先生
李鳳貞女士

There is a formal and transparent procedure for setting policy and procedure for fixing the remuneration packages of all Directors and senior management. The Group will gather and summarise information relating to remuneration policy and other remuneration related matters. The Remuneration Committee will meet at least once a year and consider the above information and make recommendation to the Board and have access to professional advice if necessary.

董事會 (續)

董事證券交易

本集團已採納有關董事進行證券交易的行事守則，其條款之嚴謹程度不遜於上市規則附錄10內之上市公司董事進行證券交易的標準守則（「標準守則」）所規定的標準。經向全體董事作出特定查詢後，本公司已確認所有董事於整個截至二零零八年三月三十一日年度止均已遵守標準守則所載之要求標準。

董事薪酬

本公司與每一位執行董事訂立董事服務協議。該等協議載列薪酬及其他福利的相關條款。董事薪酬乃參考董事的職責、市場狀況及本公司業績而釐定。

薪酬委員會

薪酬委員會的大多數成員均為獨立非執行董事。該委員會由董事會授權，並就所有本公司董事及高級管理層薪酬政策及結構事宜向董事會提出推薦意見。截至二零零八年三月三十一日止年度及截至本報告刊發日期為止的會議出席詳情如下：

Attendance/Number of Meeting

出席／會議數目

1/1
1/1
1/1

本集團就釐定所有董事及高級管理層薪酬組合的政策和步驟，已制訂正規及高透明度的程序。本集團會收集並總結有關薪酬政策及其他薪酬相關事宜的資料。薪酬委員會最低限度每年開會一次，並考慮上述資料及向董事會提出推薦意見，在需要時亦可諮詢專業顧問。

CORPORATE GOVERNANCE REPORT

企業管治報告

Financial Reporting

The Board is responsible to present a balanced, clear and comprehensible assessment of the Group's performance, position and prospect in the annual and interim reports. Other price-sensitive information and financial disclosures required under the Listing Rules and other statutory requirements will be timely disclosed and reported.

The Directors acknowledge their responsibility for keeping proper accounting records and preparing accounts which give a true and fair view for the year ended 31 March 2008.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" on page 38 to 39.

Internal Control

The Board is responsible to ensure that the Group maintains sound and effective internal controls to safeguard the shareholders' investment and the Group's assets.

The management is responsible for the Group's system of internal controls and the Board is responsible for reviewing its effectiveness of the Group's system of internal control and its subsidiaries at least annually. The function of reviewing its effectiveness of the Group's system of internal control is delegated to Audit Committee by the Board. The system will cover all material controls, including financial, operational and compliance controls and risk management functions. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee reviews the effectiveness of the internal control of the Group. The internal audit department carries out annual risk assessment on each audit area and derives an annual audit plan according to their risk rankings. The audit plan is reviewed and agreed by the Audit Committee. The Audit Committee receives summary reports from internal audit department. Copy of the minutes of Audit Committee meeting will also be sent to the Board for information.

財務申報

董事會負責在年報和中期報告呈列一份平衡、清晰而全面的本集團業績、狀況及前景評估。上市規則及其他法定規則要求公開的其他股價敏感資料及財務披露事項，均會及時披露及報告。

董事知悉他們對存置適當會計記錄及編製真實公平截至二零零八年三月三十一日止年度的賬目承擔責任。

本公司外聘核數師就其對財務報表的申報責任的聲明，載於第38至39頁的「獨立核數師報告」。

內部監控

董事會須負責確保本集團保持健全而有效的內部監控，以維護股東的投資及本集團的資產。

管理層須負責本集團的內部監控系統，而董事會負責最低限度每年檢討本集團內部監控系統的效能。董事會已將檢討本集團內部監控系統效能的職能，委託審核委員會執行。系統涵蓋所有重大監控範疇，包括財務、營運及規章管控及風險管理職能。內部監控系統乃為管理而非消除未能達致業務目標的風險而設計，並僅可就避免出現重大錯誤陳述或虧損提供合理而非絕對的保證。

審核委員會審閱本集團的內部監控是否有效。內部審核部門對各審核範圍進行年度風險評估，並根據風險排序得出年度審核計劃。年度審核計劃經由審核委員會審閱及同意。審核委員會將收到內部審核部門的概要報告。審核委員會會議記錄複印本亦會提交董事會作參考。

CORPORATE GOVERNANCE REPORT

企業管治報告

Audit Committee

The Audit Committee comprises three independent non-executive Directors. Mr. Pang Hon Chung, chairman of the Audit Committee has the appropriate professional qualification and experience in financial matters as required by the Listing Rules. This committee is authorised by the Board and responsible for reviewing the financial reports, internal controls principals and for maintaining an appropriate relationship with the Company's auditors. Details of the attendance of the Audit Committee meetings held during the year ended 31 March 2008 and up to the date of this report were as follows:

Members of the Audit Committee	審核委員會成員	Attendance/Number of Meetings 出席／會議次數
Mr. Pang Hon Chung (<i>Chairman</i>)	彭漢中先生 (主席)	2/2
Mr. Cheng Tsang Wai	鄭曾偉先生	2/2
Dr. Chung Hing Wah, Paul	鍾慶華博士	2/2
Mr. Wong Wai Kwong, David (resigned on 3 August 2007)	黃偉光先生 (於二零零七年八月三日辭任)	1/2

The Audit Committee met with the external auditors during the year to discuss any areas of concern during the audits. The Audit Committee reviewed the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting polices and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements.

The Audit Committee has not taken a different view from the Board regarding the selection, appointment, resignation or dismissal of the Company's external auditors.

The Company's annual results for the year ended 31 March 2008 has been reviewed by the Audit Committee.

審核委員會

審核委員會由三名獨立非執行董事組成。審核委員會主席彭漢中先生於財務事項方面具有上市規則所規定之合適專業資格及經驗。該委員會由董事會授權，負責審閱財務報告、內部監控準則及與本公司核數師保持適當關係。截至二零零八年三月三十一日止年度及截至本報告日期舉行之審核委員會會議之出席記錄詳情如下：

Attendance/Number of Meetings 出席／會議次數

年內，審核委員會與外聘核數師會晤，討論審核過程中任何有關範疇。審核委員會於中期及年度報告提呈董事會前已進行審閱。審核委員會不僅專注於會計政策及慣例變動之影響，亦關注對會計準則、上市規則及法律規定的遵守。

審核委員會就選定、委任、辭任或罷免本公司外聘核數師與董事會並無持不同意見。

本公司截至二零零八年三月三十一日止年度之年度業績已由審核委員會審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

Auditors' Remuneration

During the year under review, the remuneration paid to the Company's auditors, Ernst & Young, is set out as follows:

		(HK\$'000) (港幣千元)
Audit services	審核服務	1,242
Non-statutory audit services relating to connected transaction	有關關連交易之非法定審核服務	5
		<u>1,247</u>

Executive Committee

All of the members of the Executive Committee are executive Directors. This committee is chaired by Mr. Ling Siu Man, Simon. The other members are Mr. Wong Ki Cheung, Ms. Li Fung Ching, Catherine, Mr. Au Wai Man, Mr. Lam Kwai Wah and Mr. Liu Hoi Keung, Gary (resigned on 1 December 2007). This committee is authorised by the Board and is responsible for monitoring the execution of strategic plans and day-to-day operations of the business units and making decision on matters relating to the management and operations.

Details of the attendance of the Executive Committee meetings held during the year ended 31 March 2008 and up to the date of this report were as follows:

Members of the Executive Committee

Mr. Ling Siu Man, Simon (*Chairman*)
Mr. Wong Ki Cheung
Ms. Li Fung Ching, Catherine
Mr. Au Wai Man
Mr. Lam Kwai Wah, Peter
Mr. Liu Hoi Keung, Gary (resigned on 1 December 2007)

核數師酬金

於回顧年內，已付予本公司核數師安永會計師事務所之酬金如下：

	(HK\$'000) (港幣千元)
	1,242
	5
	<u>1,247</u>

執行委員會

執行委員會所有成員均為執行董事。該委員會由凌少文先生擔任主席，其他成員包括黃其昌先生、李鳳貞女士、區偉民先生、林桂華先生及廖開強先生（於二零零七年十二月一日辭任）。該委員會由董事會授權，並負責執行監控策略性之計劃及日常業務單位之運作，以及就有關管理及經營之事項作出決定。

截至二零零八年三月三十一日止年度及截至本報告日期舉行之執行委員會會議之出席記錄詳情如下：

執行委員會

凌少文先生(主席)	12/12
黃其昌先生	12/12
李鳳貞女士	12/12
區偉民先生	12/12
林桂華先生	12/12
廖開強先生	9/12

(於二零零七年十二月一日辭任)

CORPORATE GOVERNANCE REPORT

企業管治報告

Securities Transaction by the Relevant Employees

Under the Code Provision A.5.4 of the CG Code, the Board has established written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealings in the Company's securities. "Relevant employee" includes any employee of the Group or a Director or employee of a subsidiary or holding company of the issuer, because of such office or employment, is likely to be in possession of unpublished price sensitive information in relation to the Group and its securities. Having made specific enquiry to all relevant employees, the Company confirms that all relevant employees have complied with the written guidelines regarding securities transactions for the year.

Corporate Communication

The Group should announce its annual results and interim results in a timely manner before the time limits set out in the Listing Rules. Separate resolutions are proposed at the annual general meetings on each separate issue, including the election of individual Directors. In addition, procedures for demanding a poll at the annual general meeting will be included in the circular to shareholders dispatched together with this report.

The Group has also maintained a website of <http://www.tonic.com.hk> which enables shareholders of the Company, investors and the general public to access to the information of the Group on a timely basis. Financial information and all corporate communications of the Group are made available on the Group's website and updated regularly.

有關僱員進行證券交易

根據企業管治守則第A.5.4條，董事會已以書面制定不遜於有關僱員就進行本公司證券交易之標準守則之指引。「有關僱員」包括本集團任何僱員或發行人附屬公司或控股公司之董事或僱員，因該職位或受聘而可能於與本集團及其證券有關之未公佈股價敏感資料得益。經對全體有關僱員進行特定查詢後，本公司確認全體有關僱員於年內已遵守有關證券交易之書面指引。

企業通訊

本集團應於上市規則所載時限前按時公佈其年度業績及中期業績。就各個別事項於股東週年大會上將提呈個別決議案，包括推選個別董事。此外，要求於股東週年大會以股數投票表決之程序將納入於連同本報告寄發予股東之通函內。

本集團亦保持<http://www.tonic.com.hk>之網站，令本公司股東、投資者及公眾人士可按時獲得本集團資料。本集團之財務資料及所有企業通訊可從本集團網站取得，並會定期更新。

CORPORATE GOVERNANCE REPORT

企業管治報告

Voting By Poll at General Meetings

The Company informs the shareholders in its circular convening a general meeting the procedures for voting by poll and the rights of shareholders to demand a poll to ensure compliance with the requirements on the poll voting procedures. In accordance with article 80 of Articles of Association of the Company, at any general meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- i) the Chairman of the meeting; or
- ii) at least five shareholders present in person or by proxy and entitled to vote; or
- iii) any shareholder or shareholders present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- iv) any shareholder or shareholders present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The Chairman of a meeting should at the commencement of the meeting ensure that an explanation is provided of:

- i) the procedure for demanding a poll by shareholders of the Company before putting a resolution to the vote on a show of hands; and
- ii) the detailed procedures for conducting a poll and then answer any questions from shareholders of the Company whenever voting by way of a poll is required.

於股東大會以股數投票表決

本公司已於其召開股東大會之通函知會股東按股數表決之程序及股東要求按股數表決之權利，以確保符合按股數表決程序之規定。根據本公司組織章程細則第80條，每項於股東大會上提呈進行投票的決議案將以舉手方式表決，除非(在宣佈舉手表決結果之前或當時)以下人士要求以股數投票表決：

- i) 大會主席；或
- ii) 至少五名親身出席大會並有權在大會上投票的股東或其受委代表；或
- iii) 一名或多名親身出席的股東或其受委代表，並佔不少於所有有權出席及於大會投票的股東投票權十分一；或
- iv) 持有賦予權利出席及於大會上投票的股份(該等股份已繳足股款，合計相等於或不少於賦予該權利的所有股份已繳足股款總額十分一)的一名或多名親身出席的股東或其受委代表。

除非要求以股數表決且要求未予撤回，否則主席宣佈以舉手方式表決一致或以大多數通過或不通過決議案即為終局及決定性，且載入本公司大會紀錄，即為事實的決定性證明而毋須證明贊成或反對該決議案的數目或比率。

股東大會主席已於會議開始時確保已提供下列說明：

- i) 股東於提呈決議案以供舉手表決前要求按股數表決之程序；及
- ii) 進行按股數表決之詳細程序及其後於要求進行按股數表決時回答股東任何問題。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



Ernst & Young
18th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong
Tel: +852 2846 9888
Fax: +852 2868 4432
www.ey.com

安永會計師事務所
香港中環金融街8號
國際金融中心2期18樓
電話: +852 2846 9888
傳真: +852 2868 4432

To the shareholders of Tonic Industries Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements of Tonic Industries Holdings Limited set out on pages 40 to 151, which comprise the consolidated and company balance sheets as at 31 March 2008, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致：東力實業控股有限公司列位股東
(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核載於第40至151頁之東力實業控股有限公司財務報表。此財務報表包括二零零八年三月三十一日之綜合及公司資產負債表，及截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策及其他附註解釋。

董事就財務報表須承擔之責任

貴公司之董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》之披露要求編撰真實與公平之財務報表。此責任包括設計、實施及維護與編製及真實而公平地列報綜合財務報表相關的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師之責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見。我們的報告僅為股東(作為一個團體)而編製，並不為其他任何目的。我們並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider 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 financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2008 and of the Group's profit 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.

Ernst & Young
Certified Public Accountants

Hong Kong
18 July 2008

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

審核涉及執执行程序以獲取有關財務報表所載金額及披露資料的審核證據。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製及真實而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序，但並非為對公司的內部控制的有效性發表意見。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，我們所獲得的審核證據充足且適當地為我們的審核意見提供基礎。

意見

我們認為，該等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二零零八年三月三十一日的財務狀況及截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

安永會計師事務所
執業會計師

香港
二零零八年七月十八日

CONSOLIDATED INCOME STATEMENT 綜合收益表

Year ended 31 March 2008

截至二零零八年三月三十一日止年度

		NOTES 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
REVENUE	收入	5	2,420,918	2,599,414
Cost of sales	銷售成本		(2,232,387)	(2,474,909)
Gross profit	毛利		188,531	124,505
Other income and gains	其他收入及收益	5	5,619	14,332
Selling and distribution costs	銷售及分銷成本		(11,862)	(8,462)
Administrative expenses	行政支出		(84,471)	(77,303)
Professional expenses on aborted projects	已終止項目之專業支出		(21,326)	–
Fair value (losses)/gains on equity investments at fair value through profit or loss	按公平值計入損益之股本投資之公平值(虧損)/收益		(6,432)	8,964
Impairment of an available-for-sale investment	可供出售之投資減值	19	(13,256)	–
Finance costs	融資成本	7	(36,870)	(30,351)
PROFIT BEFORE TAX	除稅前溢利	6	19,933	31,685
Tax	稅項	10	(14,248)	(7,673)
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司權益持有人應佔本年度溢利	11	5,685	24,012
DIVIDEND	股息	12	–	9,529
Proposed final	擬派末期股息		–	9,529
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通權益持有人應佔每股盈利	13		
– Basic	– 基本		HK0.6 cent港仙	HK2.5 cents港仙
– Diluted	– 攤薄		N/A	N/A

CONSOLIDATED BALANCE SHEET

綜合資產負債表

31 March 2008

二零零八年三月三十一日

		NOTES 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
NON-CURRENT ASSETS 非流動資產				
Property, plant and equipment	物業、廠房及設備	14	736,084	704,250
Prepaid land lease payments	預付土地租賃款	15	43,279	44,155
Intangible assets	無形資產	16	22,716	27,228
Available-for-sale investments	可供出售之投資	19	–	14,219
Non-current portion of an other receivable	其他應收款項非流動部分	20	2,470	4,780
Non-current portion of loans receivable	應收貸款非流動部分	21	–	93
Deposits for acquisition of items of property, plant and equipment	購買物業、廠房及設備項目按金		2,399	5,510
Total non-current assets	非流動資產總值		806,948	800,235
CURRENT ASSETS 流動資產				
Inventories	存貨	22	526,835	315,509
Accounts and bills receivables	應收賬款及票據	23	207,724	199,162
Factored accounts receivables	應收保付代理賬款	24	118,451	–
Current portion of loans receivable	應收貸款流動部分	21	93	188
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	25	21,342	61,772
Prepaid land lease payments	預付土地租賃款	15	971	1,004
Equity investments at fair value through profit or loss	按公平值計入損益之股本投資	26	4,080	10,512
Derivative financial instruments	衍生金融工具	27	–	1,582
Tax recoverable	可收回稅項		–	921
Cash and bank balances	現金及銀行結存	28	31,031	92,698
Total current assets	流動資產總值		910,527	683,348
CURRENT LIABILITIES 流動負債				
Accounts payables	應付賬款	29	507,856	288,408
Accrued liabilities and other payables	應計負債及其他應付款項	30	53,143	65,858
Interest-bearing bank and other borrowings	計息銀行及其他借貸	31	303,183	373,111
Bank advances on factored accounts receivables	應收保付代理賬款之銀行貸款	24	118,451	–
Derivative financial instruments	衍生金融工具	27	3,325	–
Tax payable	應付稅項		18,635	5,410

CONSOLIDATED BALANCE SHEET

綜合資產負債表

31 March 2008

二零零八年三月三十一日

		NOTES 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Total current liabilities	流動負債總額		1,004,593	732,787
NET CURRENT LIABILITIES	流動負債淨額		(94,066)	(49,439)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		712,882	750,796
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行及其他借貸	31	96,686	156,785
Net deferred tax liabilities	遞延稅項負債淨額	33	54,446	52,641
Total non-current liabilities	非流動負債總額		151,132	209,426
Net assets	資產淨額		561,750	541,370
EQUITY	權益			
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益			
Issued capital	已發行股本	34	105,789	95,289
Reserves	儲備	36(a)	455,961	436,552
Proposed final dividend	擬派末期股息	12	–	9,529
Total equity	權益總額		561,750	541,370

Ling Siu Man, Simon
凌少文
Director
董事

Li Fung Ching, Catherine
李鳳貞
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 March 2008

截至二零零八年三月三十一日止年度

		Attributable to equity holders of the Company 本公司股權持有人應佔							
		Issued capital 已發行股本	Share premium account 股份溢價賬	Contributed surplus 繳入盈餘	Asset revaluation reserve 資產重估儲備	Exchange fluctuation reserve 外匯波動儲備	Retained profits 保留溢利	Proposed final dividend 擬派末期股息	Total 總計
Notes 附註		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
	At 1 April 2006	95,289	59,098	280	91,613	(5,240)	257,497	9,529	508,066
	Surplus on revaluation	-	-	-	24,925	-	-	-	24,925
	Deferred tax debited to equity:								
	Surplus on revaluation	-	-	-	(3,120)	-	-	-	(3,120)
	Change in tax rate	-	-	-	(15,253)	-	-	-	(15,253)
	Exchange realignment	-	-	-	-	12,269	-	-	12,269
	Total income and expense for the year recognised directly in equity	-	-	-	6,552	12,269	-	-	18,821
	Profit for the year	-	-	-	-	-	24,012	-	24,012
	Total income and expense for the year	-	-	-	6,552	12,269	24,012	-	42,833
	Final 2006 dividend paid	-	-	-	-	-	-	(9,529)	(9,529)
	Proposed final 2007 dividend	-	-	-	-	-	(9,529)	9,529	-
	At 31 March 2007	95,289	59,098*	280*	98,165*	7,029*	271,980*	9,529	541,370
	At 1 April 2007	95,289	59,098	280	98,165	7,029	271,980	9,529	541,370
	Exchange realignment	-	-	-	-	1,434	-	-	1,434
	Total income and expense for the year recognised directly in equity	-	-	-	-	1,434	-	-	1,434
	Profit for the year	-	-	-	-	-	5,685	-	5,685
	Total income and expense for the year	-	-	-	-	1,434	5,685	-	7,119
	Issue of shares	10,500	12,390	-	-	-	-	-	22,890
	Share issue expenses	-	(100)	-	-	-	-	-	(100)
	Final 2007 dividend paid	-	-	-	-	-	-	(9,529)	(9,529)
	At 31 March 2008	105,789	71,388*	280*	98,165*	8,463*	277,665*	-	561,750

* These reserve accounts comprise the consolidated reserves of HK\$455,961,000 (2007: HK\$436,552,000) in the consolidated balance sheet.

* 此等儲備賬目包括綜合資產負債表內的港幣455,961,000元(二零零七年:港幣436,552,000元)綜合儲備。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

Year ended 31 March 2008

截至二零零八年三月三十一日止年度

	NOTES 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務產生之現金流量		
Profit before tax	除稅前溢利	19,933	31,685
Adjustments for:	經下列各項調整：		
Finance costs	融資成本	36,870	30,351
Interest income	利息收入	(1,504)	(1,680)
Dividend income from listed investments	來自上市投資之股息收入	(153)	(134)
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損/(收益)	3,968	(8,871)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	(1,922)	-
Fair value losses/(gains), net:	公平值虧損/(收益)，淨額：		
Equity investments at fair value through profit or loss	按公平值記入損益之股本投資	6,432	(8,964)
Derivative financial instruments – forward currency contracts, net	衍生金融工具－貨幣遠期合約，淨額	3,325	(1,582)
Depreciation	折舊	73,333	70,463
Provision against inventories	存貨撥備	4,201	1,830
Recognition of prepaid land lease payments	確認預付土地租賃款項	967	1,004
Amortisation of software development costs and trademarks	軟件開發成本及商標攤銷	355	348
Amortisation of deferred development costs	遞延開發成本攤銷	11,280	7,396
Impairment of an available-for-sale investment	可供出售之投資減值	13,256	-
		170,341	121,846
(Increase)/decrease in inventories	存貨(增加)/減少	(215,527)	36,938
(Increase)/decrease in accounts and bills receivables	應收賬款及票據(增加)/減少	(14,057)	75,088
Decrease/(Increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	39,357	(22,416)
Increase/(decrease) in accounts payables	應付賬款增加/(減少)	196,962	(160,686)
Decrease in accrued liabilities and other payables	應計負債及其他應付款項減少	(13,349)	(13,789)
Increase in factored accounts receivables	應收保付代理賬款增加	(118,451)	-
Cash generated from operations	經營業務產生之現金	45,276	36,981
Interest received	已收利息	1,504	1,680
Interest paid	已付利息	(35,518)	(28,479)
Interest element on finance lease rental payments	融資租賃租金利息部分	(1,352)	(1,872)
Hong Kong profits tax (paid)/refunded	(已付)/退回香港利得稅	(52)	1,610
Overseas taxes paid	已付海外稅項	(672)	(241)
Net cash inflow from operating activities	經營業務產生之現金流入淨額	9,186	9,679

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2008

綜合現金流量表

截至二零零八年三月三十一日止年度

		NOTES 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Net cash inflow from operating activities	經營業務產生之現金流入淨額		9,186	9,679
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生之現金流量			
Dividends received from listed investments	已收上市投資股息	5	153	134
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	38(i), (ii)	(74,196)	(62,965)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	38(iii)	6,848	539
Proceeds from disposal of an equity investment at fair value through profit or loss	出售按公平值計入損益之股本投資所得款項		963	8,832
Net inflow from disposal of a subsidiary	出售一間附屬公司之流入淨額	37	4,525	–
Additions to intangible assets	無形資產增加	16	(7,123)	(17,739)
Decrease in loans receivable	應收貸款減少		188	188
Deposits for acquisition of items of property, plant and equipment	收購物業、廠房及設備項目之按金		(2,346)	(4,759)
Net cash outflow from investing activities	投資活動產生之現金流出淨額		(70,988)	(75,770)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生之現金流量			
Proceeds from issue of shares, net	發行股份所得款項淨額	34	22,790	–
(Decrease)/increase in trust receipt loans	信托收據貸款(減少)/增加		(48,336)	33,284
New bank loans	新借銀行貸款		83,003	135,257
Bank advances on factored accounts receivables	應收保付代理賬款之銀行貸款		118,451	–
Repayment of bank loans	償還銀行貸款		(159,764)	(89,994)
Capital element of finance lease rental payments	融資租賃租金本金部分		(11,168)	(10,724)
Dividends paid	已付股息		(9,529)	(9,529)
Net cash (outflow)/inflow from financing activities	融資活動產生之現金(流出)/流入淨額		(4,553)	58,294
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目減少淨額		(66,355)	(7,797)
Cash and cash equivalents at beginning of year	年初現金及等同現金項目		92,698	99,971
Effect of foreign exchange rate changes, net	匯率變動影響淨額		389	524
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終現金及等同現金項目		26,732	92,698
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及等同現金項目結存分析			
Cash and bank balances	現金及銀行結存	28	31,031	92,698
Bank overdraft, unsecured	銀行透支，無抵押	31	(4,299)	–
			26,732	92,698

BALANCE SHEET

31 March 2008

資產負債表

二零零八年三月三十一日

		NOTES 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Interests in subsidiaries	於附屬公司權益	18	270,085	251,547
Available-for-sale investment	可供出售之投資	19	–	13,256
Total non-current assets	非流動資產總值		270,085	264,803
CURRENT ASSETS	流動資產			
Cash and bank balances	現金及銀行結存	28	138	137
CURRENT LIABILITIES	流動負債			
Accrued liabilities and other payables	應計負債及其他應付款項	30	9	9
NET CURRENT ASSETS	流動資產淨值		129	128
Net assets	資產總值		270,214	264,931
EQUITY	權益			
Issued capital	已發行股本	34	105,789	95,289
Reserves	儲備	36(b)	164,425	160,113
Proposed final dividend	擬派末期股息	12	–	9,529
Total equity	權益總值		270,214	264,931

Ling Siu Man, Simon
凌少文
Director
董事

Li Fung Ching, Catherine
李鳳貞
Director
董事

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

1. CORPORATE INFORMATION

Tonic Industries Holdings Limited is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies.

The principal activity of the Company is investment holding. The subsidiaries are engaged in the design, manufacture and trading of consumer electronic products and components and home appliance products. There were no significant changes in the nature of the Group's principal activities during the year.

In the opinion of the directors, the holding company and the ultimate holding company of the Group is Success Forever Limited, which is incorporated in the British Virgin Islands.

2.1 BASIS OF PRESENTATION/BASIS OF PREPARATION

As at 31 March 2008, the Group had net current liabilities of HK\$94,066,000 (2007: HK\$49,439,000). In order to improve the Group's financial position, immediate liquidity and cash flow and otherwise to sustain the Group as a going concern, the Group is implementing the following measures:

- (a) as further detailed in note 46 to the financial statements, subsequent to the balance sheet date on 16 June 2008, the Group entered into a conditional sale and purchase agreement with the spouse and daughter of Mr. Ling Siu Man, Simon, a director of the Company, for the disposal of a director's quarter of the Group, at cash consideration of HK\$34 million. The proposed disposal transaction has been disclosed in the announcement of the Company dated 16 June 2008 and is subject to the approval of the independent shareholders of the Company at the extraordinary general meeting on 29 July 2008;

1. 公司資料

東力實業控股有限公司為一家於開曼群島註冊成立之有限公司。本公司之註冊辦事處位於P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies。

本公司主要業務為投資控股。附屬公司從事設計、製造及買賣消費電子產品與零件及家庭電器產品。年內，本集團主要業務性質並無重大變動。

董事認為本集團的控股公司及最終控股公司為於英屬處女群島註冊成立的Success Forever Limited。

2.1 呈報基準／編製基準

於二零零八年三月三十一日，本集團的流動負債淨額為港幣94,066,000元(二零零七年：港幣49,439,000元)。為改善本集團的財務狀況、即時流動資金、現金流量及其他狀況以維持本集團的持續經營，本集團現正採取以下措施：

- (a) 如財務報表附註46所進一步詳述，於二零零八年六月十六日結算日後，本集團與本公司董事凌少文先生之配偶及女兒訂立有條件買賣協議，以現金代價港幣34,000,000元出售本集團一所董事宿舍。建議出售交易已於本公司日期為二零零八年六月十六日之公佈披露，並須待本公司獨立股東於二零零八年七月二十九日的股東特別大會上批准始可作實；

31 March 2008

二零零八年三月三十一日

2.1 BASIS OF PRESENTATION/BASIS OF PREPARATION (continued)

- (b) the directors of the Company have been taking measures to dispose of other non-core assets of the Group; and
- (c) the directors of the Company have been taking various cost control measures to tighten the costs of operations and various general and administrative expenses.

The directors of the Company consider that the Group will have sufficient working capital to finance its operations and financial obligations as and when they fall due, and accordingly, are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for buildings, derivative financial instruments and certain investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 呈報基準／編製基準(續)

- (b) 本公司董事已採取措施出售本集團之其他非核心資產；及
- (c) 本公司董事已採取各項成本控制措施以縮減營運成本以及各項一般及行政支出。

本公司董事認為本集團將具備充裕營運資金撥支營運所需並支付到期的財務責任，因此信納按持續經營基準編製財務報表實屬恰當。

編製基準

此等財務報表乃根據香港會計師公會頒佈的香港財務報告準則(「香港財務報告準則」)(亦包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例的披露規定，並按歷史成本方法編撰，惟樓宇、衍生金融工具及若干投資乃以公平值計算。財務報表以港幣(香港幣值)呈列，除另有註明者外，所有數值均四捨五入至千位數。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

2.1 BASIS OF PRESENTATION/BASIS OF PREPARATION (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2008. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2-Group and Treasury Share Transactions

2.1 呈報基準／編製基準(續)

綜合賬目基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零零八年三月三十一日止年度的財務報表。編製時已進行調整使所有不相同之會計政策一致。附屬公司的業績自收購日期(即本集團獲取控制權之日)起綜合入賬，並繼續以綜合方式入賬直至失去有關控制權之日為止。集團內公司間的一切重大交易及結餘均於綜合賬目時對銷。

2.2 新訂及經修訂香港財務報告準則的影響

本集團編製本年度財務報表時首次採用以下新制訂及經修訂的香港財務報告準則。除某些特定情形需要採用新制訂和經修訂的會計政策和額外披露外，採用這些新制訂和經修訂的準則及詮釋對這些財務報表無重大影響。

香港財務報告準則第7號	金融工具：披露事項
香港會計準則第1號修訂	資本披露事項
香港(國際財務報告詮釋委員會)－詮釋第8號	香港財務報告準則第2號的範圍
香港(國際財務報告詮釋委員會)－詮釋第9號	重估內置衍生工具
香港(國際財務報告詮釋委員會)－詮釋第10號	中期財務申報及減值
香港(國際財務報告詮釋委員會)－詮釋第11號	香港財務報告準則第2號－集團及庫存股份交易

31 March 2008

二零零八年三月三十一日

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 7 *Financial Instruments: Disclosures*

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/ revised where appropriate.

(b) HKAS 1 Amendment *Capital Disclosures*

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in note 45 to the financial statements.

(c) HK(IFRIC)-Int 8 *Scope of HKFRS 2*

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has only issued equity instruments to the Group's employees in accordance with the Company's share option scheme, the interpretation has had no effect on these financial statements.

2.2 新訂及經修訂香港財務報告準則的影響(續)

會計政策採納此等新訂及經修訂香港財務報告準則的主要影響如下：

(a) 香港財務報告準則第7號「金融工具：披露事項」

此準則規定作出若干披露，使財務報表使用者能評估本集團金融工具的重要性，以及該等金融工具所產生的風險性質及程度。新披露事項於財務報表內載列。儘管有關披露對本集團的財務狀況或經營業績並無影響，但在適當情況下，比較資料已載列／修訂。

(b) 香港會計準則第1號修訂「資本披露事項」

本修訂規定本集團作出若干披露，使財務報表使用者能評估本集團有關資本管理的目的、政策及進度。此等新披露事項載於財務報表附註45。

(c) 香港(國際財務報告詮釋委員會)－詮釋第8號「香港財務報告準則第2號的範圍」

本詮釋規定倘本集團於一項安排中未能識別某部分或所有已收取的貨品或服務，當中本集團以授出股本工具或產生負債(按本集團的股本工具價值計算)作為代價，而該代價似乎會低於所授出股本工具或所產生負債的公平值，則須就該項安排應用香港財務報告準則第2號。由於本公司僅根據本公司的購股權計劃向本集團的僱員發行股本工具，故該詮釋對此等財務報表並無影響。

31 March 2008

二零零八年三月三十一日

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

(d) HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives*

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation has had no effect on these financial statements.

(e) HK(IFRIC)-Int 10 *Interim Financial Reporting and Impairment*

The Group has adopted this interpretation as of 1 April 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

(f) HK(IFRIC)-Int 11 *HKFRS 2 – Group and Treasury Share Transactions*

This interpretation requires arrangements whereby an employee is granted rights to the Group's equity instruments, to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. This interpretation also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group's existing policy of accounting for share-based payment transactions complies with the requirements of the interpretation, the interpretation has had no effect on these financial statements.

2.2 新訂及經修訂香港財務報告準則的影響(續)

(d) 香港(國際財務報告詮釋委員會) – 詮釋第9號「重估內置衍生工具」

本詮釋規定，評估內置衍生工具是否須與主合約分開及入賬列作衍生工具的日期乃本集團首次成為合約訂約方的日期，並於合約有變以致會大幅修訂現金流量時重新評估。由於本集團並無須與主合約分開的內置衍生工具，故該詮釋對財務報表並無影響。

(e) 香港(國際財務報告詮釋委員會) – 詮釋第10號「中期財務申報及減值」

本集團已由二零零七年四月一日起採納本詮釋。本詮釋規定，於過往中期期間就商譽或分類為可供出售的股本工具或以成本列賬的金融資產的投資確認的減值虧損不會於往後撥回。由於本集團並無先前就該等資產撥回的減值虧損，故該詮釋對本集團的財務狀況或經營業績並無影響。

(f) 香港(國際財務報告詮釋委員會) – 詮釋第11號「集團及庫存股份交易」

本詮釋規定僱員獲授本集團權益工具的權利安排應如以權益結算的計劃作會計處理，即使本集團是向另一方獲得工具或股東提供所需的權益工具。本詮釋亦註明涉及本集團內兩個或以上實體的以股份支付交易。由於本集團有關股份支付交易的現有會計政策遵照本詮釋之規定，故本詮釋對該等財務報表並無影響。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 2 Amendment	Share-based Payment – Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HK(IFRIC)-Int 12	Service Concession Arrangements ⁴
HK(IFRIC)-Int 13	Customer Loyalty Programmes ³
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ⁴

- ¹ Effective for annual periods beginning on or after 1 January 2009
- ² Effective for annual periods beginning on or after 1 July 2009
- ³ Effective for annual periods beginning on or after 1 July 2008
- ⁴ Effective for annual periods beginning on or after 1 January 2008

2.3 已頒佈但未生效的香港財務報告準則的影響

本集團並未於財務報表中應用以下已頒佈但尚未生效之新制訂及經修訂之香港財務報告準則。

香港財務報告準則第2號(修訂)	以股份為基礎之款項—歸屬條件及註銷 ¹
香港財務報告準則第3號(經修訂)	業務合併 ²
香港財務報告準則第8號	經營分部 ¹
香港會計準則第1號(經修訂)	財務報表之列報方式 ¹
香港會計準則第23號(經修訂)	借貸成本 ¹
香港會計準則第27號(經修訂)	綜合及獨立財務報表 ²
香港會計準則第32號及香港會計準則第1號(修訂)	香港會計準則第32號「金融工具之呈列」及香港會計準則第1號「財務報表之列報方式」之修訂—可沽售之金融工具及清盤產生之責任 ¹
香港(國際財務報告詮釋委員會)詮釋第12號	服務特許權安排 ⁴
香港(國際財務報告詮釋委員會)詮釋第13號	客戶忠誠度計劃 ³
香港(國際財務報告詮釋委員會)詮釋第14號	香港會計準則第19號—界定福利資產的限制、最低資金要求及相互關係 ⁴

- ¹ 於二零零九年一月一日或之後開始之年度期間生效
- ² 於二零零九年七月一日或之後開始之年度期間生效
- ³ 於二零零八年七月一日或之後開始之年度期間生效
- ⁴ 於二零零八年一月一日或之後開始之年度期間生效

31 March 2008

二零零八年三月三十一日

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 8 and HKAS 1 (Revised) may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill previously eliminated against consolidated retained profits

Prior to the adoption of the HKICPA's Statement of Standard Accounting Practice 30 "Business Combinations" ("SSAP 30") in 2001, goodwill arising on acquisition was eliminated against consolidated retained profits in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against consolidated retained profits and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

2.3 已頒佈但未生效的香港財務報告準則的影響(續)

本集團現正評估初次應用此等新制訂及經修訂之香港財務報告準則所造成的影響。迄今結論為，儘管採納香港財務報告準則第8號及香港會計準則第1號(經修訂)可能引致披露資料增加或更改，惟此等新制訂及經修訂之香港財務報告準則應不會對本集團之經營業績及財務狀況造成重大影響。

2.4 主要會計政策概要

附屬公司

附屬公司為本公司可直接或間接控制其財務及營運政策以從其業務中取得利益的實體。

附屬公司業績按已收及應收股息計入本公司收益表。本公司於附屬公司的權益按成本減任何減值虧損入賬。

商譽

收購附屬公司產生之商譽指業務合併成本超逾本集團於收購日所收購公司之可識別資產、負債及或然負債之公平淨值金額。

原先與綜合保留溢利沖銷之商譽

二零零一年採納香港會計師公會頒佈之會計實務準則第30號「業務合併」(「會計實務準則第30號」)前，收購產生之商譽乃於收購年度與綜合保留溢利對銷。採納香港財務報告準則第3號後，該等商譽繼續與綜合保留溢利對銷，且不會於與商譽有關之業務全部或部分出售時或於與商譽相關之現金產生單位出現減值時於收益表內確認。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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 the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than certain financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years.

2.4 主要會計政策概要(續)

非金融資產減值

倘有顯示出現減值，或當需要對資產（存貨遞延稅項資產及金融資產除外）每年作減值測試，則會作出資產之可收回價值估計。資產之可收回價值為資產或現金產生單位之使用價值，以及其公平值減出售成本之較高者，並就各個別資產而釐訂，除非資產並未能在大致獨立於其他資產或組別資產之情況下賺取現金流入，則在此情況下，可收回金額是由資產所屬的現金產生單位釐訂。

減值虧損只於資產之賬面值超過其可收回數額時確認。於估計使用價值時，估計未來現金流乃使用反映當時市場對貨幣時間價值以及與資產相關之特定風險之除稅前貼現率折算出其現值。減值虧損於其產生之期間在收益表中支銷。

於各呈報日期，將評估是否有任可跡象顯示先前確認之減值虧損不再存在或可能已減少。倘出現有關跡象，則會作出可收回金額估計。先前確認的資產減值虧損（若干金融資產除外）僅在用以釐定資產可收回數額的估計數字出現變動時方會撥回。然而，有關數額將不會高於過往年度並無就該資產確認減值虧損而應釐定的賬面值（扣除任何折舊／攤銷）。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is a member of the key management personnel of the Group or its holding company;
- (c) the party is a close member of the family of any individual referred to in (a) or (b);
- (d) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (b) or (c); or
- (e) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

2.4 主要會計政策概要(續)

關連人士

在下列情況下，一方將被視為與本集團有關：

- (a) 一方直接或間接透過一間或以上中介機構，(i)控制本集團或被本集團控制或與本集團受共同控制；(ii)於本集團擁有權益使其能對本集團行使重大影響力；或(iii)對本集團擁有共同控制權；
- (b) 一方為本集團或其控股公司之主要管理人員之成員；
- (c) 一方為由(a)或(b)項之任何人士之家族成員之近親；
- (d) 一方為由(b)或(c)項之任何人士直接或間接控制、共同控制或於該公司擁有其重大投票權；或
- (e) 一方為本集團就僱員福利之離職後福利計劃，或為本集團關連人士之任何公司。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊

在建工程以外之物業、廠房及設備乃按成本或估值減累計折舊及任何減值虧損入賬。物業、廠房及設備項目之成本包括其購買價及令該項資產達至運作狀況及送達擬定用途地點的任何直接應佔成本。物業、廠房及設備項目投產後所產生的開支，例如維修及保養費用，一般於該等支出產生的期間計入收益表。倘能清楚證明該項支出用於有關物業、廠房及設備項目預期將來可令經濟利益有所增加，而有關成本能可靠地計量時，則將該項支出撥作有關資產的額外成本或替代品。

經常進行估值足以確保重估資產之公平價值不會與其賬面值有重大差異。物業、廠房及設備價值之變動乃作為資產重估儲備變動處理。倘若重估儲備總數不足以填補其虧絀，以個別資產為基礎多出之虧絀會於收益表內扣除。其後如有任何重估盈餘，會以先前扣除之虧絀為限，計入收益表。重新估值之資產如予出售，資產重估儲備中就先前估值所變現之有關部份會轉至保留溢利，作為儲備變動。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4% on the straight-line basis
Leasehold improvements	10% to 25% on the reducing balance basis
Furniture and fixtures	10% to 25% on the reducing balance basis
Equipment and tools	10% to 25% on the reducing balance basis
Motor vehicles	30% on the reducing balance basis
Moulds	25% on the straight-line basis

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

折舊於其估計可使用年期撇銷各項物業、廠房及設備項目成本或估值至其餘值計算。按此目的所採納之主要年率如下：

樓宇	以直線法按4%
租約物業裝修	以遞減餘額法按 10%至25%
傢俬及裝置	以遞減餘額法按 10%至25%
設備及工具	以遞減餘額法按 10%至25%
汽車	以遞減餘額法按 30%
模具	以直線法按25%

倘物業、廠房及設備項目之各部分有不同之可使用年期，此項目各部分成本或估值將按合理之基礎分配，而每部分將作個別折舊。

餘值、可使用年期及折舊法乃於各結算日予以檢討，並作調整(如有需要)。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings, leasehold improvements, and moulds under construction in the mainland of the People's Republic of China (the "PRC" or "Mainland China") which are not yet ready for their intended use. Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

物業、廠房及設備項目於出售或當預期不會從其使用或出售獲取未來經濟利益時不再確認。物業、廠房及設備出售或報廢所產生之收益或損失按售出淨額減去該等資產賬面淨值後之差額於本年度收益表中確認。

在建工程指在中華人民共和國內地(「中國」或「中國內地」)仍未可作預期用途的樓宇、租賃裝修及模具。在建工程按成本減任何減值虧損入賬且並不會進行折舊。成本包括建築期內直接建築成本。在建工程會於竣工時及可供使用時重新分類至物業、廠房及設備項目之合適類別中。

無形資產

無形資產之可使用年期評估為有限或無限。年期有限之無形資產於可使用年期內攤銷，並評估是否有跡象顯示無形資產可能出現減值。可使用年期有限之無形資產之攤銷年期及攤銷方法至少於各結算日檢討一次。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred product development costs are stated at cost less accumulated amortisation and any impairment losses. They are amortised using the straight-line basis over the commercial lives of the underlying products but not exceeding five years, commencing from the date when the products are put into commercial production.

Trademarks

Trademarks are stated at cost less accumulated amortisation and any impairment losses. They are amortised using the straight-line basis over their estimated useful lives but not exceeding ten years.

2.4 主要會計政策概要(續)

無形資產(續)

研究及開發成本

所有研究成本於產生時計入收益表。

開發新產品計劃所產生的支出，僅會於本集團顯示其有能力在技術上完成無形資產，使其能使用或出售；其有意完成及有能力使用或銷售該資產；該資產如何產生未來經濟利益；就完成該項目可動用之資源，以及能可靠地計量開發過程中所涉及之開支時，方撥作資本及作遞延處理。未能符合此等要求的產品開發支出將於產生時列為支出。

遞延產品開發成本按成本減累計攤銷及任何減值虧損列賬，並按自產品商業投產之日起計不超過五年之商業可用期內以直線法攤銷。

商標

商標乃按成本減累計攤銷及任何減值虧損入賬，並按不超過十年的估計可使用年期以直線法攤銷。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 主要會計政策概要(續)

租賃

除法定所有權外，凡資產擁有權之絕大部分回報及風險歸本集團擁有之租賃，均列為融資租賃。在訂立融資租賃時，租賃資產成本按最低租賃款項的現值撥作資本，並連同有關承擔扣除利息部分入賬，以反映購買及融資金額。按資本化融資租賃持有的資產均包括在物業、廠房及設備，並按資產的租賃年期及估計可使用年期兩者之較短者計算折舊。該等租賃的融資成本於收益表內扣除，以便可在租賃年內按固定周期扣減比率計算。

透過融資租購合約購買的資產入賬列作融資租賃，惟僅以估計可使用年期計算折舊。

凡將資產擁有權絕大部分回報及風險撥歸出租人之租約均列作經營租約。倘本集團為出租人，則本集團根據經營租約租出之資產納入非流動資產，而根據經營租約應收之租金乃按租賃年期以直線法計入收益表。倘本集團為承租人，則根據經營租約應付之租金乃按租賃年期以直線法自收益表扣除。

根據經營租賃之預付土地租賃款，初步以成本列賬，並隨後於租期內以直線法確認。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

The Group assesses whether a contract contains an embedded derivative when the Group first becomes a party to it and assesses whether an embedded derivative is required to be separated from the host contract when the analysis shows that the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 主要會計政策概要(續)

投資及其他金融資產

香港會計準則第39號範疇下的金融資產，分類為公平值記入損益之財務資產、貸款及應收款項及可供銷售之金融資產(如適用)。金融資產初步確認時以公平價值計算，另加，倘為透過損益而非以公平值列賬之投資，直接應佔交易成本。本集團於初步確認釐訂金融資產之分類後，並在許可情況下，於結算日重新評估其有關分類。

本集團於首次成為一份合約的訂約方時評估該合約是否包含內置衍生工具，並於分析顯示內置衍生工具的經濟特徵及風險並非與主合約者有密切關連時，評估內置衍生工具是否須與主合約分開。倘合約條款有變以致大幅改變根據該合約所須的現金流量，方會重新進行評估。

所有定期購買或出售金融資產乃按交易日(即本集團承諾購買或出售資產之日)基準確認。定期購買或出售乃購買或銷售金融資產，並要求於市場上按規則或慣例設定之時間內付運資產。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in the income statement. The net fair value gain or loss recognised in the income statement does not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out in "Revenue recognition" below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

按公平值計入損益之金融資產

指按公平值計入損益之金融資產，包括持作買賣之金融資產。倘購入金融資產作短期出售，則分類為持作買賣。衍生工具(包括內嵌式衍生工具)亦會分類為持作出售，惟指定作有效對沖工具除外。持作買賣之投資的損益在收益表中確認。於損益表確認的公平淨值損益並不包括就此等金融資產賺取的任何股息或利息，而有關股息或利息將根據下文「收益確認」所載的政策確認。

貸款與應收款

貸款與應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生財務資產。此等資產其後使用實際利率法按攤銷成本減任何減值撥備入賬。攤銷成本包括任何收購時之折讓或溢價，並包括實際利率所涉及的重要費用及交易成本。當貸款與應收款不再確認或減損時，則在收益表中確認或在攤銷過程中確認損益。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in unlisted equity securities that are designated as available for sale or are not classified in any of the above categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

可供出售金融資產

可供出售金融資產指為可供出售或並未分類為上述任何類別的非上市非衍生金融資產。初次確認可供出售金融資產後以公平價值計量，而盈虧則為權益之一項獨立元素，直至投資不再確認或直至投資被釐訂為減值時確認，屆時，之前在權益中呈報之累計盈虧，計入收益表。

倘非上市股本證券之公平價值，因(a)合理公平價值估計之範圍變動，對投資屬重大；或(b)於範圍內多項估計之可能性不能合理估計及用於估計公平價值，令公平價值不能可靠地計量，則該等證券以成本減任何減值虧損。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement. Loans and receivables together with any associated allowance are written off when the Group first assesses there is no realistic prospect of future recovery.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

公平價值

於有組織金融市場活躍買賣的投資公平價值，參考結算日辦公時間結束時所報市場購入價而釐訂。無活躍市場之投資，公平價值利用估值技術計算。有關技術包括按最近公平磋商之市場交易、參考大致相同之另一工具之當時市值、貼現現金流分析以及購股權定價模式等。

金融資產減值

本集團於各結算日評估金融資產或金融資產組別是否有出現減值的任何客觀證據。

以攤銷成本列賬的資產

倘有客觀證據顯示以攤銷成本列賬之貸款與應收款出現減值，虧損乃按資產賬面值與利用金融資產原本實際利率(即於初步確認時計算之實際利率)與估計未來現金流之現值(不包括尚未產生的日後信貸損失)之差額計算。資產之賬面值直接或透過利用撥備賬而減少。減損之金額在收益表中確認。當本集團首次評估實際上將來是無希望追回，則撇銷貸款及應收款項及相關撥備。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to accounts and bills receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

以攤銷成本列賬的資產(續)

倘於隨後期間，減值虧損之金額減少，而跌幅可客觀地與確認減值後發生之事件連繫，則通過調整撥備賬，撥回前確認之減值虧損。任何隨後撥回之減值虧損，在收益表中確認，但資產之賬面值不得超過於撥回日之攤銷成本。

有關應收賬款及票據，當有客觀證據（如債務人有可能破產或遇上重大財政困難，以及技術、市場經濟或法律環境的重大轉變對債務人構成重大影響）證明本集團可能未能根據發票原本條款收回所有款項時，則進行減值撥備。應收賬款之賬面值利用撥備賬目減少。已減值債務於評估為不可收回時停止確認。

按成本列賬的資產

倘有客觀證據顯示，非以公平價值列賬的非上市股本工具，乃因其公平價值不能可靠地衡量而出現減值虧損，減損之金額乃為資產賬面值與利用類似金融資產之當時市場回報率貼現估計未來現金流現值之差額。資產之減值虧損不予撥回。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. A provision for impairment is made for available-for-sale investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement. In addition, the Group evaluates other factors, such as the share price volatility. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

可供出售金融資產

倘可供出售金融資產減值，一筆相等於其成本(扣除任何本金及攤銷)與其當時公平價值差額，減值之前在收益表中確認的任何減值虧損，乃由權益轉撥至收益表。倘公平值重大或長期下跌至低於其成本，或存在其他減值的客觀證明，則可供出售投資作出減值撥備。「重大」或「長期」的決定需要作出判斷。此外，本集團評估其他因素如股價波動。分類為可供出售權益工具之減值虧損，不會在收益表中撥回。

不再確認金融資產

金融資產(或倘適用，作為金融資產或類似金融資產組別一部份)在下列情況不予確認：

- 從資產收取現金流之權利已屆滿；
- 本集團保留從資產收取現金流之權利，但已承擔根據「過手」安排而在沒有重大延誤下悉數將款項支付有關第三者之責任；或
- 本集團已轉讓其從資產收取現金流之權利，並已(a)將資產的大致所有風險及回報轉讓，或(b)並無轉讓或保留資產的大致所有風險及回報，但已轉讓資產之控制權。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including accounts and other payables and interest-bearing loans and borrowings are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within "finance costs" in the income statement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

2.4 主要會計政策概要(續)

不再確認金融資產(續)

倘本集團已轉讓從資產收取現金流之權利，且無轉讓或保留資產的大致所有風險及回報亦無轉讓資產之控制權，資產乃按本集團於資產之持續參與而確認。持續參與倘屬就所轉讓資產提供擔保，則以資產之原賬面值以及本集團可能須償還之代價最高金額之較低者計量。

倘以資產沽出及／或購入期權形式持續參與(包括現金結算期權或類似條文)，則本集團之持續參與指本集團可能購回之所轉讓金額，但倘有關資產的沽出認沽期權(包括現金結算期權或類似條文)以公平價值計算，則本集團之持續參與只限於所轉讓資產之公平價值及期權行使價之較低者。

按攤銷成本列賬之金融負債(包括計息貸款及借款)

金融負債(包括票據及其他應付賬款及計息貸款及借款)初步按公平值減直接應佔之交易成本計算，其後以實際利率法按已攤銷成本計算，除非折讓之影響十分輕微，則按成本列賬。有關利息開支在收益表「融資成本」內確認。

倘負債不再確認，則盈與虧會在收益表透過攤銷程序確認。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the income statement. The net fair value gain or loss recognised in the income statement does not include any interest charged on these financial liabilities.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

2.4 主要會計政策概要(續)

按公平值計入損益之金融負債

按公平值計入損益之金融負債包括持作買賣之金融負債。

倘金融負債購入之目的為在短期內出售，則分類為持作買賣之金融負債。衍生工具，包括獨立嵌入式衍生工具，除非指定為有效對沖工具，否則亦分類為持作買賣。持作買賣之負債之損益於收益表中確認。收益表確認的公平值損益淨額不包括此等金融負債收取的任何利息。

不再確認金融負債

倘負債下之責任獲履行或註銷或屆滿，金融負債不再確認。

當現有金融負債被同一貸款人以明顯不同之條款提供之另一金融負債取代，或現有負債之條款大幅修訂，該等交換或修訂則被視為不再確認原負債而確認新負債，而相關之賬面金額之差額，在收益表中確認。

衍生金融工具及對沖

本集團使用衍生金融工具對沖其外匯波動風險，例如遠期貨幣合約。該等衍生金融工具初步以訂立衍生工具之日以公平價值確認，並隨後以公平價值再計算。衍生工具公平價值為正數時，以資產入賬，而公平價值為負數時，則以負債入賬。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedging (continued)

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and bank balances comprise cash on hand and at banks, which are not restricted as to use.

2.4 主要會計政策概要(續)

衍生金融工具及對沖(續)

不符合以對沖會計法處理之衍生工具之公平價值變動所產生之盈或虧，直接計入收益表。

遠期貨幣合約之公平價值，參考類似到期概況合約之即期遠期匯率計算。

存貨

存貨按成本及可變現淨值兩者的較低者入賬。成本以加權平均基準計算，倘為在製品及製成品，則包括直接材料、直接勞工及適當部分的其他經常成本。可變現淨值乃根據估計售價減完成及出售所需的估計成本計算。

現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目包括手頭現金及活期存款，以及短期流通性高且可隨時兌換成變值風險極微的可知數額現金及於購入時起計三個月內到期的投資，減須按要求償還的銀行透支，為本集團現金管理的不可或缺部分。

資產負債表內之現金及銀行結存，包括無使用限制之手頭現金及銀行現金。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要(續)

撥備

倘因過往事項而產生之現時責任(法律或推定)，且將來極可能需有資源流出以應付有關責任時，則予以確認為撥備，惟責任所涉及之數額必須能可靠地估計。

倘貼現之影響屬重大時，所確認撥備之數額乃為預期就履行有關責任須支付之未來開支於結算日之現值。因時間流逝而導致所貼現之現值增加之數額，乃計入收益表之融資成本中。

所得稅

所得稅包括即期及遞延稅項。所得稅於收益表確認，或倘有關稅項與相同或不同期間直接於權益確認之項目相關，則於權益確認。

即期及過往期間之即期稅務資產及負債按預期從稅務機關收回或向稅務機關支付之款項計算。

遞延稅項須按負債法，就資產及負債之稅基與用於財務申報之賬面值於結算日產生之所有暫時差額，作出計提。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項負債就所有應課稅暫時差額確認，惟：

- 產生自最初確認非業務合併之交易資產或負債，以及於進行交易時不影響會計溢利或應課稅溢利或虧損的遞延稅項負債則除外；及
- 就於附屬公司之投資相關之應課稅暫時差額，惟假若可控制暫時差額之撥回時間，並有可能在可預見未來不會撥回暫時差額則除外。

遞延稅項資產乃於有可能將應課稅溢利抵銷可扣減暫時差額與未運用稅項抵免及未運用稅項虧損結轉時，就所有可扣減暫時差額、未運用稅項抵免及未運用稅項虧損結轉確認，惟：

- 產生自最初確認非業務合併之交易資產或負債，以及於進行交易時不影響會計溢利或應課稅溢利或虧損的遞延稅項資產除外；及
- 就於附屬公司之投資相關之可扣減暫時差額，於暫時差額可能在可預見未來將會撥回及應課稅溢利將可抵銷暫時差額時，遞延稅項資產方予確認。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of handling fee services, when the services have been rendered;

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產賬面值於每個結算日審閱，並於可能並無足夠應課稅溢利抵銷所有或部分遞延稅項資產時減少。相反，先前尚未確認之遞延稅項資產會於每個結算日重新評估，並會於有足夠應課稅溢利抵銷所有或部分遞延稅項資產時確認。

遞延稅項資產及負債乃按於結算日頒布或實質頒布之稅率(及稅法)計算，而有關稅率則為預期於變現資產或清償債務期間適用之稅率。

倘有合法可執行權利將當期稅項資產及當期稅項負債抵銷，且遞延稅項資產是關係於同一應課稅公司及同一稅務機關，則遞延稅項資產可與遞延負債互相抵銷。

收益確認

收益將於本集團可能獲得有關經濟利益及有關收益能夠可靠地計算時，按下列基準入賬：

- (a) 銷售貨品的收益於大部分的風險及擁有權回報已轉歸買方，惟本集團不再參與通常與所售出貨品的擁有權或實際控制權有關的管理時入賬；
- (b) 提供手續費服務的收益於已提供服務時入賬；

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- (c) rental income, on a time proportion basis over the lease terms;
- (d) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial assets; and
- (e) dividend income, when the shareholders' right to receive payment has been established.

Employee benefits

Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

2.4 主要會計政策概要(續)

收益確認(續)

- (c) 租金收入，於租賃年期按時間比例入賬；
- (d) 利息收入按累計基準利用實際利率法計算，所採用之利率為預期金融工具年期內收取之估計未來現金流貼現至金融資產賬面淨值之利率；及
- (e) 股息收入，於確定股東可獲取派息的權利時入賬。

僱員福利

以股份為基礎之付款的交易

本公司設有一項購股權計劃，旨在給予為本集團業務成功作出貢獻之合資格參與者鼓勵及獎勵。本集團僱員(包括董事)按以股付款形式收取酬金，而僱員則提供服務作為權益工具之代價(「權益結算交易」)。

與僱員之權益結算交易之成本，參考購股權授出之日之公平價值計算。為權益結算交易估值時，不會計及任何表現條件，與本公司股份價格掛勾之條件(「市場條件」)除外(如適用)。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Share-based payment transactions (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the “vesting date”). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

2.4 主要會計政策概要(續)

僱員福利(續)

以股份為基礎之付款的交易(續)

權益結算交易之成本在表現及／或服務條件獲達成，至有關僱員全面獲得獎勵之日(「歸屬日期」)之期間，連同權益之相應升幅一併確認。就權益結算交易於各年結日至歸屬日期間確認之累計開支，反映過去歸屬期以及本集團就最終歸屬之權益工具之數目之最佳估計。期內在收益表扣除或計入收益表之金額，指於該段期初及期終所確認之累計開支變動。

最終未能歸屬之獎勵，不會確認開支，除非獎勵為根據市場條件而歸屬者，而在此情況下，該等獎勵不論市場條件是否獲達成，仍被視為歸屬，但必須符合所有其他表現條件。

倘權益結算交易之條款被修訂，則確認最低開支，猶如條款未被修改。此外，當增加股份付款安排之公平價值總額，或對以修訂日期計算有關公平價值之僱員有利時，任何修訂將確認為開支。

倘權益結算獎勵被註銷，則被視為已於註銷日期被歸屬，而未就獎勵確認之開支則即時確認。然而，倘被註銷獎勵被新獎勵所取代，且於授出日期被指定為替代獎勵，則所註銷及新獎勵則會按猶如原獎勵作出修訂之方法(見前段所述)處理。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Share-based payment transactions (continued)

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The Group has adopted the transitional provisions of HKFRS 2 in respect of equity-settled awards and has applied HKFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested by 1 April 2005.

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

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. These subsidiaries are required to contribute a certain percentages of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

2.4 主要會計政策概要(續)

僱員福利(續)

以股份為基礎之付款的交易(續)

尚未行使購股權之攤薄影響，於計算每股盈利時，被反映為額外股份攤薄。

本集團已就權益結算獎勵採納香港財務申報準則第2號之過渡條文，並僅就於二零零二年十一月七日後授出且於二零零五年四月一日未歸屬之權益結算獎勵應用香港財務報告準則第2號。

退休金計劃

本集團根據強制性公積金計劃條例，為合資格參與計劃之僱員設立一項定額供款強制性公積金退休福利計劃(「強積金計劃」)。按照強積金計劃之規則，供款乃按僱員基本薪金之百分比作出，並於應付時自收益表扣除。強積金計劃的資產由獨立管理之基金與本集團之資產分開持有。根據強積金計劃之條例，本集團對強積金計劃作出之僱主供款繳入計劃後即全數歸屬僱員惟本集團之僱主自願供款除外，倘僱員於供款全數歸屬前終止受聘，則該等款項將會退還予本集團。

本集團旗下於中國內地經營業務之附屬公司之僱員必須參與由當地市政府設立之中央退休金計劃。該等附屬公司須按其涉及工資總額若干百分比向中央退休金計劃作出供款。根據中央退休金計劃規則，供款於應付時自收益表扣除。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's Memorandum and Articles of Association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 主要會計政策概要(續)

借貸費用

直接歸屬於符合條件資產的購置、建造和生產的借款成本作為那些資產的一部份成本予以資本化。符合條件的資產指需要花費相當長的時間才能達到其預定的可使用或可銷售狀態的資產。當資產實質上達到其預定的可使用或可銷售狀態時，停止對這種借款成本的資本化。在用於符合條件資產的支出前，將專項借款用作暫時性投資獲取的投資收益從資本化的借款費用中扣除。

股息

董事建議的末期股息列於資產負債表之權益及儲備下，獨立列作保留溢利分配，直至股息於股東大會獲股東批准為止。在此等股息獲股東批准及宣派後，即確認為負債。

中期股息可同時建議及宣派，由於本公司的組織章程大綱及細則授予董事宣派中期股息的權力，因此，中期股息於建議及宣派時即時確認為負債。

31 March 2008

二零零八年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date, and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

外幣

財務報表乃以港幣（即本公司之記賬本位幣及呈報貨幣）呈列。本集團內各公司釐訂本身之記賬本位幣，而計入各公司財務報表之項目乃利用該記賬本位幣而計量。外幣交易初步以交易日期之記賬本位幣匯率記錄。以外幣計值之貨幣資產及負債，按年結日之匯率再換算為記賬本位幣。所有差額計入收益表。以外幣歷史成本計算之非貨幣項目，利用初步交易之日之匯率換算。以外幣按公平價值計算之非貨幣項目，利用釐訂公平價值之日之匯率換算。

部份海外附屬公司之記賬本位幣是港幣以外貨幣。於結算日，這些公司之資產及負債按結算日之匯率再換算為本公司的呈報貨幣。而這些公司的收益表以年內加權平均匯率換算為港幣，因此而產生的換算差額計算在匯兌波動儲備內。在出售海外公司時，確認為特定海外營運有關的權益之累計遞延金額在收益表中確認。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之匯率換算為港幣。海外附屬公司年內產生之經常性現金流量按年內之加權平均匯率換算為港幣。

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Impairment of assets

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3. 重大會計判斷及估算

編製本集團的財務報表時，管理層須於報告當日作出會影響報告當日所呈報收入、開支、資產及負債的報告金額及或然負債披露的判斷、估計及假設。然而，由於有關假設和估計的不確定因素，可導致須就未來受影響的資產或負債賬面值作出重大調整。

判斷

於應用本集團之會計政策時，管理層除了作出會計估算外，還作出了以下對財務報表所確認之金額具有重大影響之判斷：

資產減值

本集團須於釐訂資產是否出現減值或過往導致減值之事件是否仍然存在時作出判斷，尤其於評估下列事項時：(1)是否發生可影響資產價值之事件或該等影響資產價值之事件是否仍然存在；(2)資產淨值是否有未來現金流之現值淨額支持，有關金額乃以資產持續使用或終止確認之基準釐訂；及(3)於準備現金流預測時採用合適之主要假設，包括該等現金流是否以合適之貼現率折算。管理層釐訂減值水平所設定之假設(包括現金流預測所採用之貼現率或假定增長率)之變動，將會對減值測試中所採用之現值淨額構成重大影響。

估算之不確定性

可能會導致下一個財政年度內資產與負債之賬面值作出調整之未來主要假設及於結算日之其他估算之不確定性主要來源論述如下。

31 March 2008

二零零八年三月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Estimation uncertainty (continued)

(i) Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed, at each financial year end date based on changes in circumstances.

(ii) Estimation of fair value of buildings

The best evidence of fair value is current prices in an active market for similar buildings. In the absence of such information, the Group considers information from a variety of sources, including:

- (a) by reference to independent valuations;
- (b) current prices in an active market for buildings of a different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences;

3. 重大會計判斷及估算(續)

估算之不確定性(續)

(i) 物業、廠房及設備之可用年期及剩餘價值

決定物業、廠房及設備之可用年期及剩餘價值時，本集團會考慮幾個因素，例如因生產變動或改進、市場對資產輸出產品或服務要求改變而產生之技術性或商業性過時、資產預期用途、預期自然損耗、資產維修和保養，及法律或其他類似條文限制資產用途。估計資產之可使用年期時，本集團根據經驗考慮其他類似資產的類似用途。倘估計物業、廠房及設備之可使用年期及／或剩餘價值與先前估計不同，則增加折舊。可用年期及剩餘價值於每個財政年度按不同情況覆核。

(ii) 樓宇公平價值之估算

公平價值之最佳憑證為活躍市場上類似樓宇之近期價格。如沒有該等資料，本集團考慮了多項資料來源，包括：

- (a) 參考獨立估值；
- (b) 活躍市場內不同性質、狀況有別或處於不同地點(或視乎不同租約或其他合約)之樓宇之現行價格，並作出調整以反映該等差異；

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Estimation uncertainty (continued)

(ii) Estimation of fair value of buildings (continued)

- (c) recent prices of similar buildings on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (d) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market prices for similar buildings in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Group's estimation of the fair value include those related to current market prices for similar buildings in the same location and condition, appropriate discount rates, expected future market prices and future maintenance costs.

The carrying amount of the Group's buildings are disclosed in note 14 to the financial statements.

3. 重大會計判斷及估算(續)

估算之不確定性(續)

(ii) 樓宇公平價值之估算(續)

- (c) 類似樓宇於交投淡靜市場之近期價格，並作出調整以反映自以該等價格進行交易當日以來之任何經濟變動；及
- (d) 根據可靠之未來現金流估算，並以任何現有租約或其他合約之條款，以及在可行之情況下以外界證據（如於相同地點及狀況相同之類似樓宇之現行市價）作支持，並採用反映現金流金額及時間之不確定因素之當前市場評估之貼現率作出之貼現現金流預測。

本集團估算公平價值時之主要假設包括處於相同地點及狀況相同之類似樓宇之現行市價、合適之貼現率、預期未來市價及未來維修成本。

本集團樓宇之賬面值於財務報表附註14披露。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Estimation uncertainty (continued)

(iii) Deferred tax

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details are contained in note 33 to the financial statements.

3. 重大會計判斷及估算(續)

估算之不確定性(續)

(iii) 遞延稅項

遞延稅項資產於應課稅溢利可抵消虧損時確認所有未運用稅項虧損。決定確認之遞延稅項資產金額需要管理層根據可能時間及未來應課稅溢利之程度及未來稅項計劃政策作出審慎判斷。詳情已載於本財務報表附註33。

31 March 2008

二零零八年三月三十一日

4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the electronic products and components segment consists of the design, manufacture and sale of audio and video products and components;
- (b) the home appliance products segment consists of the manufacture and sale of home appliance products; and
- (c) the corporate segment comprises corporate income and expense items.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

There were no intersegment sales and transfers during the year (2007: Nil).

4. 分部資料

本公司按兩種分類形式呈報分部資料：(i) 以業務分類為主要分部報告基準；及(ii) 以地區分類為次要分部報告基準。

本集團的經營業務根據業務性質及所提供的產品，獨立組織及管理。本集團各個業務類別代表一個策略性業務單位，所提供產品承受的風險及取得的回報與其他業務分部不同。業務分部之詳情概述如下：

- (a) 電子產品及零件分部包括設計、製造及銷售影音產品與零件；
- (b) 家庭電器產品分部包括製造及銷售家庭電器產品；及
- (c) 公司分部包括公司收入及開支項目。

在釐定本集團的地區分部時，分部應佔收入及業績按客戶所在地計算，而分部應佔資產則按資產所在地計算。

年內並無分部間銷售及轉撥(二零零七年：無)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

4. SEGMENT INFORMATION (continued)

4. 分部資料(續)

(a) Business segments

(a) 按業務劃分

The following tables present revenue, profit and certain asset, liability and expenditure information of the Group's business segments for the years ended 31 March 2008 and 2007.

下表呈列本集團業務分部於截至二零零八年及二零零七年三月三十一日止年度的收入、溢利及若干資產、負債及開支的資料。

Group

本集團

	Electronic products and components 電子產品及零件		Home appliance products 家庭電器產品		Corporate 公司		Consolidated 綜合	
	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Segment revenue:	分部收入：							
Sales to external customers	2,120,846	2,316,557	300,072	282,857	-	-	2,420,918	2,599,414
Other segment revenue	2,040	3,604	-	43	-	-	2,040	3,647
Total	2,122,886	2,320,161	300,072	282,900	-	-	2,422,958	2,603,061
Segment results	分部業績							
Interest income and unallocated income	93,624	33,919	8,319	9,047	(332)	(543)	101,611	42,423
Unallocated expenses							3,579	19,649
Finance costs							(48,387)	(36)
Profit before tax							(36,870)	(30,351)
Tax							19,933	31,685
Profit for the year							(14,248)	(7,673)
							5,685	24,012

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

4. SEGMENT INFORMATION (continued)

4. 分部資料(續)

(a) Business segments (continued)

(a) 按業務劃分(續)

Group		本集團							
		Electronic products and components 電子產品及零件		Home appliance products 家庭電器產品		Corporate 公司		Consolidated 綜合	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Assets and liabilities	資產及負債								
Segment assets	分部資產	1,567,060	1,259,510	115,211	103,860	-	-	1,662,271	1,363,370
Unallocated assets	未分配資產							35,204	120,213
Total assets	總資產							1,717,475	1,483,583
Segment liabilities	分部負債	497,943	292,782	63,047	61,475	9	9	560,999	354,266
Unallocated liabilities	未分配負債							594,726	587,947
Total liabilities	總負債							1,155,725	942,213
Other segment information:	其他分部資產：								
Depreciation and amortisation	折舊及攤銷	76,239	70,706	8,729	7,501	-	-	84,968	78,207
Surplus on revaluation recognised directly in equity	直接於權益確認之重估盈餘	-	24,815	-	110	-	-	-	24,925
Provision against inventories	存貨撥備	1,802	1,630	2,399	200	-	-	4,201	1,830
Fair value losses/(gains) on equity investments at fair value through profit or loss	按公平值計入損益之股本投資之公平值虧損/(收益)	-	-	-	-	-	-	6,432	(8,964)
Impairment of an available-for-sale investment	可供出售之投資減值	-	-	-	-	-	-	13,256	-
Capital expenditure	資本開支	80,246	82,958	3,419	3,751	-	-	83,665	86,709

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

4. SEGMENT INFORMATION (continued)

4. 分部資料(續)

(b) Geographical segments

(b) 按地區劃分

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2008 and 2007.

下表呈列本集團截至二零零八年及二零零七年三月三十一日止年度按地區劃分的收入及若干資產及開支資料。

Group

本集團

		Americas 美洲		Europe 歐洲		Asia Pacific countries 亞太區國家		Others 其他		Consolidated 綜合	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Segment revenue:	分部收入：										
Sales to external customers	銷售予外界客戶	1,187,108	1,648,820	665,456	520,054	519,569	409,416	48,785	21,124	2,420,918	2,599,414
Other segment information:	其他分部資料：										
Segment assets	分部資產										
- Hong Kong	- 香港									383,251	401,745
- Mainland China	- 中國內地									1,334,224	1,081,838
Total	總計									1,717,475	1,483,583
Capital expenditure	資本開支										
- Hong Kong	- 香港									8,508	5,584
- Mainland China	- 中國內地									75,157	81,125
Total	總計									83,665	86,709

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, net of discounts and returns, after elimination of all significant intra-group transactions.

An analysis of revenue, other income and gains is as follows:

5. 收入、其他收入及收益

收入亦為本集團之營業額，乃指對銷所有集團內公司間的重大交易後，扣除折扣及退貨的售出貨品發票值。

收入、其他收入及收益的分析如下：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Revenue	收入		
Manufacture and sale of electronic products and components	製造及銷售電子產品及零件	2,120,846	2,316,557
Manufacture and sale of home appliance products	製造及銷售家庭電器產品	300,072	282,857
		2,420,918	2,599,414
Other income and gains	其他收入及收益		
Handling fee income	手續費收入	250	228
Bank interest income	銀行利息收入	1,504	1,680
Dividend income from listed investments	來自上市投資股息收入	153	134
Foreign exchange differences, net	滙兌差額淨額	1,219	544
Gain on disposal of a subsidiary (note 37)	出售一家附屬公司的收益 (附註37)	1,922	-
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益	-	8,871
Others	其他	571	2,875
		5,619	14,332

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/ (crediting):

6. 除稅前溢利

本集團的除稅前溢利已扣除／(計入)下列各項：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Cost of inventories sold	已售存貨成本	2,224,861	2,474,661
Provision against inventories	存貨撥備	4,201	1,830
Fair value losses/(gains) on derivative financial instruments – forward currency contracts, net	衍生金融工具公平值虧損／(收益) – 貨幣遠期合約淨額	3,325	(1,582)
Cost of sales	銷售成本	2,232,387	2,474,909
Depreciation	折舊	73,333	70,463
Amortisation:	攤銷：		
Software development costs*	軟件開發成本*	75	79
Trademarks*	商標*	280	269
Recognition of prepaid land lease payments	確認預付土地租賃款項	967	1,004
Research and development costs:	研究及開發支出：		
Deferred development costs amortised*	遞延開發成本攤銷*	11,280	7,396
Current year expenditure	本年度開支	4,789	1,090
		16,069	8,486
Minimum lease payments under operating leases on land and buildings	土地及樓宇經營租約之最低租金	4,401	3,999
Auditors' remuneration	核數師酬金	1,242	1,085
Employee benefits expense (including directors' remuneration – note 8):	員工福利開支 (包括董事酬金 – 附註8)：		
Wages and salaries	工資及薪金	166,140	150,282
Pension scheme contributions	退休金計劃供款	2,446	2,326
Less: Forfeited contributions**	減：放棄供款**	–	–
Net pension scheme contributions	退休金計劃供款淨額	2,446	2,326
		168,586	152,608
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損／(收益)	3,968	(8,871)

* The amortisation of software development costs, trademarks, and deferred development costs for the year are included in "Selling and distribution costs" and "Cost of sales", respectively, on the face of the consolidated income statement.

** As at 31 March 2008, the Group had no forfeited contributions available to offset its future employers' contributions (2007: Nil).

* 本年度的軟件開發成本攤銷、商標攤銷及遞延開發成本攤銷分別計入綜合收益表之「銷售及分銷成本」及「銷售成本」。

** 於二零零八年三月三十一日，本集團並無放棄供款可供日後抵銷本集團的僱主供款(二零零七年：零)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

7. FINANCE COSTS

Interest on:	就下列項目支付之利息：
Bank loans and facilities wholly repayable within five years	須於五年內全數償還的 銀行貸款及信貸
Finance leases	融資租賃

7. 融資成本

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
35,518	28,479
1,352	1,872
36,870	30,351

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

8. 董事酬金

本年度董事的酬金根據香港聯合交易所有限公司證券上市規則(「上市規則」)及公司條例第161條披露如下：

Fees	袍金
Other emoluments:	其他酬金：
Salaries, allowances and benefits in kind	薪金、津貼及實物福利
Commission	佣金
Pension scheme contributions	退休計劃供款

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
301	971
12,938	11,595
-	1,828
560	580
13,498	14,003
13,799	14,974

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

8. DIRECTORS' REMUNERATION (continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

Pang Hon Chung	彭漢中
Cheng Tsang Wai	鄭曾偉
Chung Hing Wah, Paul	鍾慶華

There were no other emoluments payable to the independent non-executive directors during the year (2007: Nil).

8. 董事酬金(續)

(a) 獨立非執行董事

年內支付予獨立非執行董事之袍金如下：

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
107	107
106	106
88	70
301	283

年內並無應付予獨立非執行董事之其他薪酬(二零零七年：無)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

8. DIRECTORS' REMUNERATION (continued)

8. 董事酬金(續)

(b) Executive directors and a non-executive director

(b) 執行董事及非執行董事

		Salaries, allowances and benefits	Commission	Pension scheme contributions	Total remuneration	
	Fees	in kind				
	袍金	薪金、津貼及 實物福利	佣金	退休金 計劃供款	總薪金	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
2008						
二零零八						
Executive directors:	執行董事：					
Ling Siu Man, Simon	凌少文	300	3,588	-	194	4,082
Wong Ki Cheung	黃其昌	300	1,644	-	97	2,041
Li Fung Ching, Catherine	李鳳貞	300	1,644	-	97	2,041
Au Wai Man	區偉民	300	1,320	-	81	1,701
Lam Kwai Wah	林桂華	300	1,500	-	12	1,812
Liu Hoi Keung, Gary *	廖開強 *	200	1,542	-	79	1,821
Lee Ka Yue, Peter **	李嘉渝 **	-	-	-	-	-
		1,700	11,238	-	560	13,498
Non-executive director:	非執行董事：					
Wong Wai Kwong, David **	黃偉光 **	-	-	-	-	-
		1,700	11,238	-	560	13,498

* resigned as a director on 1 December 2007

* 於二零零七年十二月一日辭任為董事

** resigned as a director on 3 August 2007

** 於二零零七年八月三日辭任為董事

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

8. DIRECTORS' REMUNERATION (continued)

8. 董事酬金(續)

(b) Executive directors and a non-executive director (continued)

(b) 執行董事及非執行董事(續)

		Salaries, allowances and benefits	Fees	in kind	Commission	Pension scheme contributions	Total remuneration
		薪金、津貼及 袍金	袍金	實物福利	佣金	退休金 計劃供款	總薪金
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
2007							
二零零七							
Executive directors:	執行董事：						
Ling Siu Man, Simon	凌少文	-	3,888	-	-	194	4,082
Wong Ki Cheung	黃其昌	-	1,944	-	-	97	2,041
Li Fung Ching, Catherine	李鳳貞	-	1,944	-	-	97	2,041
Au Wai Man	區偉民	-	1,620	-	-	81	1,701
Lam Kwai Wah	林桂華	300	510	1,828	12	99	2,650
Liu Hoi Keung, Gary	廖開強	300	1,689	-	-	-	2,088
Lee Ka Yue, Peter	李嘉渝	-	-	-	-	-	-
		600	11,595	1,828	580		14,603
Non-executive director:	非執行董事：						
Wong Wai Kwong, David	黃偉光	88	-	-	-	-	88
		688	11,595	1,828	580		14,691

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2007: Nil).

年內，各董事並無作出放棄或同意放棄任何酬金的安排(二零零七年：無)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

9. FIVE HIGHEST PAID EMPLOYEES

All five highest paid employees during the years ended 31 March 2008 and 2007 were directors, details of whose remuneration are set out in note 8 above.

10. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

9. 五位最高薪僱員

於截至二零零八年及二零零七年三月三十一日止年度，所有五位最高薪僱員均為董事，有關彼等酬金詳情載於上文附註8。

10. 稅項

香港利得稅撥備乃按本年度於香港賺取之估計應課稅溢利以稅率17.5%（二零零七年：17.5%）計提。源於其他地區之應課稅溢利稅項乃根據本集團經營業務所在國家之現行法例、解釋及相關常規按照當地適用稅率計算。

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Group:	本集團：		
Current – Hong Kong	當期－香港		
Charge for the year	本年度費用	6,666	2,176
Overprovision in prior years	以前年度多計提	(158)	(303)
Current – Elsewhere	當期－其他地區		
Charge for the year	本年度費用	8,362	1,637
Deferred (note 33)	遞延（附註33）	(622)	4,163
		14,248	7,673
Tax charge for the year	年度稅項費用		

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

10. TAX (continued)

A reconciliation of the tax charge applicable to profit before tax using the statutory rates for the countries in which the Company, and its subsidiaries are domiciled to the tax charge at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

Group

10. 稅項(續)

適用於除稅前溢利採用本公司及其附屬公司所在國家之法定稅率計算之稅項支出與按實際稅率計算之稅項費用之調節，以及適用稅率(即法定稅率)與實際稅率之調節如下：

本集團

		2008 二零零八年		2007 二零零七年	
		HK\$'000 港幣千元	%	HK\$'000 港幣千元	%
Profit before tax	除稅前溢利	19,933		31,685	
Tax at the statutory tax rate	按法定稅率 計算之稅項	3,488	17.5	5,545	17.5
Lower tax rate for other countries	其他國家之 較低稅率	(1,155)	(5.8)	(84)	(0.3)
Loss not subject to tax, due to concession	因稅務優惠而 毋須課稅之虧損	1,398	7.0	401	1.3
Adjustments in respect of current tax of previous periods	就過往期間即期 稅項作出調整	(158)	(0.8)	(303)	(0.9)
Income not subject to tax	毋須課稅收入	(1,874)	(9.4)	(1,936)	(6.1)
Expenses not deductible for tax	不可扣稅支出	6,373	32.0	2,293	7.2
Tax losses utilised from previous periods	以往期間已動用 之稅務虧損	(1,029)	(5.2)	(1,227)	(3.9)
Tax losses not recognised	未確認之稅項虧損	6,395	32.1	3,713	11.7
Deferred tax not recognised, due to concession	因稅務優惠而未 確認之遞延稅項	(68)	(0.3)	(536)	(1.7)
Others	其他	878	4.4	(193)	(0.6)
Tax charge at the Group's effective rate	按本集團實際稅率 計算稅項總費用	14,248	71.5	7,673	24.2

31 March 2008

二零零八年三月三十一日

11. PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated profit attributable to equity holders of the Company for the year ended 31 March 2008 includes a loss of HK\$7,978,000 (2007: profit of HK\$40,007,000) which has been dealt with in the financial statements of the Company (note 36(b)).

12. DIVIDEND

The Board does not recommend the payment of any dividend for the year (2007: HK1 cent per ordinary share).

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$5,685,000 (2007: HK\$24,012,000) and the weighted average number of HK\$979,068,044 (2007: 952,889,962) ordinary shares in issue during the year.

Diluted earnings per share amounts for the years ended 31 March 2008 and 2007 have not been disclosed, as the share options outstanding during these years had an anti-dilutive effect on the basic earnings per share for these years.

11. 本公司權益持有人應佔本年度溢利

本公司之財務報表中處理截至二零零八年三月三十一日止年度本公司權益持有人應佔綜合溢利包括虧損港幣7,978,000元(二零零七年：溢利港幣40,007,000元)(附註36(b))。

12. 股息

董事會不建議派發本年度之任何股息(二零零七年：每股普通股港幣1仙)。

13. 本公司普通權益持有人應佔每股盈利

每股基本盈利乃按本年度本公司普通股本持有人應佔溢利港幣5,685,000元(二零零七年：港幣24,012,000元)及本年度已發行普通股加權平均數979,068,044股(二零零七年：952,889,962股)計算。

由於截至二零零八年及二零零七年三月三十一日止年度尚未行使的購股權對有關年度的每股基本盈利起反攤薄作用，故並無披露該等年度之每股攤薄盈利。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

Group

本集團

	Buildings	Construction in progress	Leasehold improvements	Furniture and fixtures	Equipment and tools	Motor vehicles	Moulds	Total
	樓宇	在建工程	租賃物業裝修	傢俬及裝置	設備及工具	汽車	模具	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
31 March 2008	於二零零八年三月三十一日							
At 31 March 2007 and at 1 April 2007:	於二零零七年三月三十一日及二零零七年四月一日:							
Cost or valuation	270,790	106,034	111,191	37,527	482,357	10,942	172,795	1,191,636
Accumulated depreciation	-	-	(59,016)	(26,446)	(256,945)	(8,379)	(136,600)	(487,386)
Net carrying amount	<u>270,790</u>	<u>106,034</u>	<u>52,175</u>	<u>11,081</u>	<u>225,412</u>	<u>2,563</u>	<u>36,195</u>	<u>704,250</u>
At 1 April 2007, net of accumulated depreciation	於二零零七年三月三十一日，已扣除累計折舊							
Additions	-	35,286	14,402	2,614	7,742	-	19,609	79,653
Disposals	(286)	(640)	-	(4)	(6,316)	(572)	(930)	(8,748)
Depreciation provided during the year	(12,691)	-	(7,093)	(2,490)	(28,497)	(648)	(21,914)	(73,333)
Transfers	57,253	(61,295)	15	(43)	50	-	4,020	-
Exchange realignment	20,106	8,388	2,387	355	2,990	36	-	34,262
At 31 March 2008, net of accumulated depreciation	<u>335,172</u>	<u>87,773</u>	<u>61,886</u>	<u>11,513</u>	<u>201,381</u>	<u>1,379</u>	<u>36,980</u>	<u>736,084</u>
At 31 March 2008:	於二零零八年三月三十一日:							
Cost or valuation	348,385	87,773	130,999	40,989	485,155	10,270	169,209	1,272,780
Accumulated depreciation	(13,213)	-	(69,113)	(29,476)	(283,774)	(8,891)	(132,229)	(536,696)
Net carrying amount	<u>335,172</u>	<u>87,773</u>	<u>61,886</u>	<u>11,513</u>	<u>201,381</u>	<u>1,379</u>	<u>36,980</u>	<u>736,084</u>
Analysis of cost or valuation:	成本或估值分析:							
At cost	77,595	87,773	130,999	40,989	485,155	10,270	169,209	1,001,990
At 31 March 2007 valuation	於二零零七年三月三十一日之估值							
	<u>270,790</u>	-	-	-	-	-	-	<u>270,790</u>
	<u>348,385</u>	<u>87,773</u>	<u>130,999</u>	<u>40,989</u>	<u>485,155</u>	<u>10,270</u>	<u>169,209</u>	<u>1,272,780</u>

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

14. PROPERTY, PLANT AND EQUIPMENT (continued)

14. 物業、廠房及設備(續)

Group

本集團

	Buildings	Construction in progress	Leasehold improve- ments 租賃	Furniture and fixtures 傢私及裝置	Equipment and tools 設備及工具	Motor vehicles 汽車	Moulds 模具	Total 總計
	樓宇 HK\$'000	在建工程 HK\$'000	物業裝修 HK\$'000	傢私及裝置 HK\$'000	設備及工具 HK\$'000	汽車 HK\$'000	模具 HK\$'000	總計 HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
31 March 2007	於二零零七年三月三十一日							
At 31 March 2006 and at 1 April 2006:	於二零零六年三月三十一日及 二零零六年四月一日：							
Cost or valuation	253,483	89,192	103,910	31,445	426,850	9,484	173,825	1,088,189
Accumulated depreciation	(9,991)	-	(49,191)	(23,983)	(226,809)	(7,722)	(137,373)	(455,069)
Net carrying amount	243,492	89,192	54,719	7,462	200,041	1,762	36,452	633,120
At 1 April 2006, net of accumulated depreciation	於二零零六年三月三十一日， 已扣除累計折舊							
Additions	-	15,420	2,769	5,801	53,411	1,554	16,270	95,225
Disposals	-	-	(9)	(29)	(109)	(95)	(268)	(510)
Surplus on revaluation	24,925	-	-	-	-	-	-	24,925
Depreciation provided during the year	(10,709)	-	(8,205)	(2,268)	(29,038)	(676)	(19,567)	(70,463)
Transfers	-	(4,108)	800	-	-	-	3,308	-
Exchange realignment	13,082	5,530	2,101	115	1,107	18	-	21,953
At 31 March 2007, net of accumulated depreciation	270,790	106,034	52,175	11,081	225,412	2,563	36,195	704,250
At 31 March 2007:	於二零零七年三月三十一日：							
Cost or valuation	270,790	106,034	111,191	37,527	482,357	10,942	172,795	1,191,636
Accumulated depreciation	-	-	(59,016)	(26,446)	(256,945)	(8,379)	(136,600)	(487,386)
Net carrying amount	270,790	106,034	52,175	11,081	225,412	2,563	36,195	704,250
Analysis of cost or valuation:	成本或估值分析：							
At cost	-	106,034	111,191	37,527	482,357	10,942	172,795	920,846
At 31 March 2007 valuation	於二零零七年三月三十一日 之估值							
	270,790	-	-	-	-	-	-	270,790
	270,790	106,034	111,191	37,527	482,357	10,942	172,795	1,191,636

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group's buildings were held under the following lease terms:

At valuation: 按估值：
Held under medium term leases 按中期租約持有

The Group's buildings, other than the current year's additions, were revalued at 31 March 2007 by Sallmanns (Far East) Limited, an independent firm of professionally qualified valuers, on an open market, existing use basis at HK\$270,790,000. No professional valuation of such buildings was made as at 31 March 2008 because the directors are of the opinion that the carrying amounts of such buildings as at 31 March 2008 are not significantly different from the carrying amounts at 31 March 2007 and that a further professional valuation would involve expense out of proportion to the values of the shareholders of the Company.

No professional valuation of the current year's additions of buildings was made as at 31 March 2008 because the directors are of the opinion that the fair values of the additions of such buildings at 31 March 2008 are not significantly different from their carrying amounts at 31 March 2008.

Had the whole class of the Group's buildings been carried at cost less accumulated depreciation, their carrying amounts would have been included in the financial statements at approximately HK\$221,715,000 at 31 March 2008 (2007: HK\$169,150,000).

Included in the total amount of equipment and tools at 31 March 2008 were assets held under finance leases with a net book value of HK\$33,970,000 (2007: HK\$41,324,000).

As at 31 March 2008, the Group was in the process of obtaining the building ownership certificates in respect of certain factories of the Group located in Mainland China with a carrying value of HK\$164,823,000 (2007: HK\$106,613,000).

As detailed in note 38(i), deposits for acquisition of items of property, plant and equipment of HK\$5,457,000 (2007: HK\$31,014,000) were utilised as part of the considerations paid for the purchases of items of property, plant and equipment during the year.

14. 物業、廠房及設備(續)

本集團樓宇按以下租約持有：

Hong Kong 香港 HK\$'000 港幣千元	Mainland China 中國內地 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
<u>9,514</u>	<u>325,658</u>	<u>335,172</u>

本集團的樓宇(本年度之添置除外)均由獨立專業估值師西門(遠東)有限公司於二零零七年三月三十一日於公開市場上進行重估為港幣270,790,000元。於二零零八年三月三十一日並無對該等樓宇進行專業估值，此乃由於董事認為，於二零零八年三月三十一日，該等樓宇之賬面值與二零零七年三月三十一日之賬面值並無重大差異，而且進一步專業估值所涉及之開支對本公司股東之價值並不相稱。

本年內添置之樓宇並無於二零零八年三月三十一日進行專業估值，此乃由於董事認為，該等樓宇添置之賬面值於二零零八年三月三十一日之賬面值與於二零零八年三月三十一日之賬面值並無重大差異。

倘本集團所有類別樓宇按成本減累計折舊入賬，則該等資產於二零零八年三月三十一日之賬面值應按約港幣221,715,000元(二零零七年：港幣169,150,000元)計入財務報表。

於二零零八年三月三十一日的設備及工具總額包括賬面淨值為港幣33,970,000元(二零零七年：港幣41,324,000元)的融資租賃資產。

於二零零八年三月三十一日，本集團正就本集團位於中國內地賬面值為港幣164,823,000元(二零零七年：港幣106,613,000元)之若干廠房取得房屋所有權證。

如附註38(i)所詳述，關於收購物業、廠房及設備項目的訂金港幣5,457,000元(二零零七年：港幣31,014,000元)已用作支付年內購買該等物業、廠房及設備項目的部分代價。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

14. PROPERTY, PLANT AND EQUIPMENT (continued)

At 31 March 2008, certain of the Group's buildings with a net book value of approximately HK\$44,520,000 (2007: Nil) were pledged to secure general banking facilities granted to the Group (note 31).

15. PREPAID LAND LEASE PAYMENTS

Group

Carrying amount at 1 April	於四月一日之賬面值	45,159	44,798
Disposal	出售	(2,068)	-
Recognised during the year	年內確認	(967)	(1,004)
Exchange realignment	匯兌調整	2,126	1,365
		44,250	45,159
Carrying amount at 31 March	於三月三十一日之賬面值		
Current portion	流動部分	(971)	(1,004)
Non-current portion	非流動部分	43,279	44,155

The Group's leasehold lands were held under the following lease terms:

Held under medium term leases 按中期租約持有

As at 31 March 2008, the Group has been applying for land use right certificates in respect of certain of the Group's leasehold lands in Mainland China. These leasehold lands had an aggregate net book value of approximately HK\$17,224,000 (2007: HK\$16,231,000).

Leasehold land of HK\$16,632,000 (2007: Nil) is pledged for certain bank loans as further detailed in note 31 to the financial statements.

14. 物業、廠房及設備(續)

於二零零八年三月三十一日，本集團將賬面淨值約港幣 44,520,000元(二零零七年：零)之若干樓宇作為本集團之一般銀行信貸之抵押品(附註31)。

15. 預付土地租賃款

本集團

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
45,159	44,798
(2,068)	-
(967)	(1,004)
2,126	1,365
44,250	45,159
(971)	(1,004)
43,279	44,155

本集團之租賃土地乃按以下租約持有：

Hong Kong 香港 HK\$'000 港幣千元	Mainland China 中國內地 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
15,227	29,023	44,250

於二零零八年三月三十一日，本集團一直就若干於中國內地之租賃土地申請土地使用權證。該等土地之賬面淨值合共約為港幣17,224,000元(二零零七年：港幣16,231,000元)。

如財務報表附註31進一步詳載，本集團將港幣16,632,000元(二零零七年：零)之租賃土地作為若干銀行貸款之抵押品。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

16. INTANGIBLE ASSETS

16. 無形資產

Group

本集團

		Software development costs 軟件開發成本 HK\$'000 港幣千元	Trademarks 商標 HK\$'000 港幣千元	Deferred development costs 遞延開發成本 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
31 March 2008	二零零八年三月三十一日				
Cost at 1 April 2007, net of accumulated amortisation	二零零七年四月一日之成本，已扣除累計攤銷	631	990	25,607	27,228
Additions	添置	-	53	7,070	7,123
Amortisation provided during the year	年內攤銷計提	(75)	(280)	(11,280)	(11,635)
At 31 March 2008	二零零八年三月三十一日	<u>556</u>	<u>763</u>	<u>21,397</u>	<u>22,716</u>
At 31 March 2008:	二零零八年三月三十一日：				
Cost	成本	742	2,821	56,237	59,800
Accumulated amortisation	累計攤銷	(186)	(2,058)	(34,840)	(37,084)
Net carrying amount	賬面淨值	<u>556</u>	<u>763</u>	<u>21,397</u>	<u>22,716</u>
31 March 2007	二零零七年三月三十一日				
Cost at 1 April 2006, net of accumulated amortisation	二零零六年四月一日之成本，已扣除累計攤銷	284	1,116	15,833	17,233
Additions	添置	426	143	17,170	17,739
Amortisation provided during the year	年內攤銷計提	(79)	(269)	(7,396)	(7,744)
At 31 March 2007	二零零七年三月三十一日	<u>631</u>	<u>990</u>	<u>25,607</u>	<u>27,228</u>
At 31 March 2007:	二零零七年三月三十一日：				
Cost	成本	742	2,768	49,165	52,675
Accumulated amortisation	累計攤銷	(111)	(1,778)	(23,558)	(25,447)
Net carrying amount	賬面淨值	<u>631</u>	<u>990</u>	<u>25,607</u>	<u>27,228</u>

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

17. GOODWILL

As detailed in note 2.4 to the financial statements, the Group applied the transitional provisions of HKFRS 3 that permitted goodwill in respect of business combinations which occurred prior to 2001, to remain eliminated against consolidated retained profits.

The amount of goodwill remaining in consolidated retained profits, arising from the acquisition of a subsidiary prior to 1 April 2001, was HK\$2,000 as at 31 March 2008 (2007: HK\$2,000).

18. INTERESTS IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份的成本值
Due from subsidiaries	附屬公司欠款

The amounts due from subsidiaries are unsecured, interest-free and not repayable within one year from the balance sheet dates. The carrying amounts of the amounts due from subsidiaries approximate to their fair values.

17. 商譽

誠如財務報表附註2.4所詳述，本集團應用香港財務報告準則第3號的過渡性條文，容許於二零零一年前的業務合併所產生的商譽繼續與綜合保留溢利對銷。

於二零零八年三月三十一日，二零零一年四月一日之前因收購一間附屬公司所產生並繼續與綜合保留溢利對銷的商譽數額為港幣2,000元(二零零七年：港幣2,000元)。

18. 於附屬公司權益

Company 公司	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
58,812	58,812
211,273	192,735
270,085	251,547

附屬公司欠款結餘乃無抵押、免息及毋須於自結算日起之一年內償還。附屬公司欠款之賬面值與其公平值相若。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

18. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the subsidiaries are as follows:

Name 公司	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 繳足股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Agility Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	–	Investment holding 投資控股
Dongguan Gold Beam Electronics Co., Ltd.# 東莞金萊電子 有限公司#	Mainland China 中國內地	HK\$23,310,540 港幣23,310,540元	–	100	Manufacture of electronic components and home appliance products 製造電子零件 及家庭電器產品
Dongguan Tonic Electronic Co., Ltd.# 東莞東力電子 有限公司#	Mainland China 中國內地	HK\$90,299,051 港幣90,299,051元	–	100	Manufacture of electronic products 製造電子產品
Dongguan Xin Lian Digital Technology Co., Ltd.# 東莞鑫聯數碼科技 有限公司#	Mainland China 中國內地	RMB58,290,444 人民幣58,290,444元	–	100	Manufacture of electronic products 製造電子產品

18. 於附屬公司權益(續)

附屬公司詳情如下：

Name 公司	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 繳足股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Agility Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	–	Investment holding 投資控股
Dongguan Gold Beam Electronics Co., Ltd.# 東莞金萊電子 有限公司#	Mainland China 中國內地	HK\$23,310,540 港幣23,310,540元	–	100	Manufacture of electronic components and home appliance products 製造電子零件 及家庭電器產品
Dongguan Tonic Electronic Co., Ltd.# 東莞東力電子 有限公司#	Mainland China 中國內地	HK\$90,299,051 港幣90,299,051元	–	100	Manufacture of electronic products 製造電子產品
Dongguan Xin Lian Digital Technology Co., Ltd.# 東莞鑫聯數碼科技 有限公司#	Mainland China 中國內地	RMB58,290,444 人民幣58,290,444元	–	100	Manufacture of electronic products 製造電子產品

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

18. INTERESTS IN SUBSIDIARIES (continued)

18. 於附屬公司權益(續)

Name 公司	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 繳足股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Gold Beam Developments Limited 金萊發展有限公司	Hong Kong 香港	HK\$2 港幣2元	100	–	Trading and manufacture of components 買賣及製造零件
Panatone Licensing Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100	Holding of intellectual property rights 持有知識 產權權利
Tonic Digital Products Limited* 東力數碼產品 有限公司*	Hong Kong 香港	HK\$100 港幣100元	–	100	Trading of digital products 買賣數碼產品
Tonic DVB Marketing Limited	British Virgin Islands/ Mainland China 英屬處女群島/ 中國內地	US\$0.01 0.01美元	–	100	Trading of electronic products 買賣電子產品
Tonic Electronics (B.V.I.) Limited	British Virgin Islands 英屬處女群島	HK\$1 港幣1元	100	–	Investment holding 投資控股

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

18. INTERESTS IN SUBSIDIARIES (continued)

18. 於附屬公司權益(續)

Name 公司	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 繳足股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tonic Electronics Limited 東力電子有限公司	Hong Kong 香港	Ordinary HK\$200 Non-voting Deferred## HK\$300,000 普通股港幣200元 無投票權遞延股## 港幣300,000元	-	100	Trading and manufacture of electronic products 買賣及製造 電子產品
Tonic Enterprises Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Holding of intellectual property rights 持有知識產權權利
Tonic International Limited	British Virgin Islands/ Mainland China 英屬處女群島/ 中國內地	HK\$0.01 港幣0.01元	-	100	Provision of quality control services 提供品質控制服務
Tonic International Investment Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100	Investment holding 投資控股
Tonic Investment (B.V.I.) Limited	British Virgin Islands 英屬處女群島	HK\$0.01 港幣0.01元	-	100	Investment holding 投資控股
Tonic Marketing Limited	British Virgin Islands 英屬處女群島	US\$0.01 0.01美元	-	100	Investment holding 投資控股
Tonic Technology (Shenzhen) Ltd.# 東力科技(深圳) 有限公司.#	Mainland China 中國內地	RMB15,400,000 人民幣15,400,000元	-	100	Research, development and production of electronics products 研究、開發 及生產電子產品

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

18. INTERESTS IN SUBSIDIARIES (continued)

18. 於附屬公司權益(續)

Name 公司	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued/ registered paid-up capital 已發行/註冊 繳足股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tonic Technology Limited 東力科技有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	100	–	Investment holding, manufacture and trading of electronic products and components 投資控股、 製造及買賣 電子產品及零件
Tonic Trading Development Limited 東力商務發展 有限公司	Hong Kong 香港	HK\$100 港幣100元	–	100	Trading of electronic products and components 買賣電子 產品及零件
Tonic Venture Capital Limited 東力創業投資 有限公司	Hong Kong 香港	HK\$1,000,000 港幣1,000,000元	–	100	Investment holding 投資控股
TA Limited	Hong Kong 香港	HK\$10,000 港幣10,000元	–	100	Trading of home appliance products 買賣家庭 電器產品
錦聯科技制品 有限公司#	Mainland China 中國內地	RMB500,000 人民幣500,000元	–	100	Manufacture of electronic components 製造電子產品

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

18. INTERESTS IN SUBSIDIARIES (continued)

- * Not audited by Ernst & Young Hong Kong or other member firm of the Ernst & Young Global Network.
- # Wholly-foreign-owned enterprises
- ## The non-voting deferred shares carrying the right to one-half of the profits after the holders of the ordinary shares have received a dividend of HK\$1,000,000,000,000, have no right to vote at general meetings, and carry the right to receive one-half of the balance of any surplus in a return of capital in a winding up after the holders of the ordinary shares have received a total return of HK\$500,000,000,000,000. None of the non-voting deferred shares was held by members of the Group at the balance sheet date.

18. 於附屬公司權益(續)

- * 並非由安永會計師事務所(香港)或安永全球網絡之其他成員公司審核。
- # 外資獨資企業
- ## 無投票權遞延股份持有人可在普通股持有人收取港幣1,000,000,000,000元股息後獲得所餘一半溢利，但無權於股東大會投票，清盤時則可在普通股持有人收取退回資本總額港幣500,000,000,000,000元後收取任何盈餘的一半餘額作為退回股本。本集團成員公司於結算日概無持有無投票權遞延股份。

19. AVAILABLE-FOR-SALE INVESTMENTS

19. 可供出售之投資

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Unlisted equity investment, at cost	非上市股本投資， 按成本值	24,366	24,366	24,366	24,366
Less: Provision for impairment	減：減值撥備	(24,366)	(11,110)	(24,366)	(11,110)
		-	13,256	-	13,256
Club debentures, at fair value	會員債券，按公平值	-	963	-	-
		-	14,219	-	13,256

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

19. AVAILABLE-FOR-SALE INVESTMENTS (continued)

The above investments were designated as available-for-sale financial asset and have no fixed maturity date or coupon rate.

The unlisted available-for-sale equity investment is stated at cost less impairment.

19. 可供出售之投資(續)

上述投資被列為可供出售金融資產及並無固定到期日或票面利率。

非上市可供出售股本投資以成本減減值列賬。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

20. OTHER RECEIVABLE

Other receivable	其他應收款項
Portion classified as current asset	歸類為流動資產之部分
Non-current portion	非流動部分

The carrying amount of the above other receivable approximates to its fair values.

None of the above assets is either past due or impaired and it relates to receivables for which there was no history of default.

21. LOANS RECEIVABLE

Loans receivable	應收貸款
Portion classified as current asset	歸類為流動資產部分
Non-current portion	非流動部分

The loans receivable represent unsecured and interest-free advances to a staff member of the Group and its carrying amount approximates to its fair value.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

20. 其他應收款項

Group 本集團	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
4,780	5,706
(2,310)	(926)
2,470	4,780

上述其他應收款項之賬面值與其公平值相若。

上述資產概無已逾期或減值，及與並無失責記錄之應收賬款有關。

21. 應收貸款

Group 本集團	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
93	281
(93)	(188)
-	93

應收貸款指授予本集團員工的無抵押免息貸款，而其賬面值與公平值相若。

上述資產概無已逾期或減值。上述結餘包括之金融資產與應收賬款有關，近期並無失責記錄。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

22. INVENTORIES

Raw materials	原料
Work in progress	在製品
Finished goods	製成品

22. 存貨

Group 本集團	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
250,328	148,515
175,810	120,193
100,697	46,801
526,835	315,509

23. ACCOUNTS AND BILLS RECEIVABLES

Accounts receivables	應收賬款
Bills receivables	應收票據

23. 應收賬款及票據

Group 本集團	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
195,589	186,348
12,135	12,814
207,724	199,162

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 days, extending up to 90 days for major customers. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

本集團與客戶貿易條款主要是信貸方式。信貸期一般為三十日，主要客戶的信貸期則最多為90日。本集團力求對其未收回應收款項維持嚴謹控制，以減低信貸風險。逾期未償還款項由高層管理人員定期審閱。鑒於前述措施及本集團之應收賬款及票據涉及大批不同顧客，所以並無重大信貸集中之風險。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

23. ACCOUNTS AND BILLS RECEIVABLES (continued)

An aged analysis of the Group's accounts and bills receivables as at the balance sheet date, based on the invoice date and net of provisions, is as follows:

23. 應收賬款及票據(續)

本集團於結算日按發票日期及扣除撥備計算的應收賬款及票據賬齡分析如下：

		Group 本集團			
		2008 二零零八年		2007 二零零七年	
		HK\$'000 港幣千元	Percentage 百分比	HK\$'000 港幣千元	Percentage 百分比
0 to 30 days	零至三十日	126,393	61	125,828	63
31 to 60 days	三十一至六十日	32,993	16	10,098	5
61 to 90 days	六十一至九十日	16,950	8	47,828	24
Over 90 days	超過九十日	31,388	15	15,408	8
		207,724	100	199,162	100

The Group's accounts and bills receivables are non-interest-bearing and their carrying amounts approximate to their fair values.

本集團之應收賬款及票據為免息及其賬面值與其公平值相若。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

23. ACCOUNTS AND BILLS RECEIVABLES (continued)

An aged analysis of the Group's accounts and bills receivables that are not considered to be impaired is as follows:

Neither past due nor impaired	未逾期及未減值
Less than 30 days	逾期少於三十日
30 to 90 days past due	逾期三十日至九十日

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

23. 應收賬款及票據(續)

並非視為減值的本集團應收賬款及票據的賬齡分析如下：

Group 本集團	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
129,252	128,333
35,693	19,001
42,779	51,828
207,724	199,162

並無逾期或減值之應收賬款與最近並無拖欠記錄之眾多分散客戶有關。

31 March 2008

二零零八年三月三十一日

23. ACCOUNTS AND BILLS RECEIVABLES (continued)

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

24. FACTORED ACCOUNTS RECEIVABLES

At 31 March 2008, the Group factored trade receivables of HK\$118,451,000 (2007: Nil) to banks on a non-recourse basis for cash. The Group continued to recognise the factored accounts receivables in the consolidated balance sheet because, in the opinion of the Board, the Group still retained the risks and rewards of ownership associated with the accounts receivables and the financial assets derecognition conditions as stipulated in HKAS 39 *Financial Instruments: Recognition and Measurement* have not been fulfilled. Accordingly, bank advances from the factoring of the Group's accounts receivables have been accounted for as liabilities in the consolidated balance sheet. As at 31 March 2008, these factoring facilities were secured by a corporate guarantee granted by the Company, cross-corporate guarantees granted by certain subsidiaries and the Company. The maturity date of the factored accounts receivables range from 60 to 90 days. No impairment is made on the factored accounts receivables.

23. 應收賬款及票據(續)

逾期但未減值之應收賬款與在本集團內有良好往績記錄之若干獨立客戶有關。根據過往經驗，由於信貸質素並無重大變動，而此等結餘仍被視為可全數收回，故本公司董事認為毋須就此等結餘作出減值準備。本集團並無就此等結餘持有任何抵押品或其他信貸提升。

24. 應收保付代理賬款

於二零零八年三月三十一日，本集團按無追溯權基準將港幣118,451,000元(二零零七年：零)的貿易應收保付代理賬款交由銀行追收現金。本集團繼續於綜合資產負債表確認應收保付代理賬款，原因為董事認為本集團仍保留有關擁有應收賬款的風險及回報，以及未能符合香港會計準則第39號「金融工具：確認及計量」訂明的金融資產撇除確認條件。因此，本集團應收保付代理賬款的銀行貸款已於綜合資產負債表列作負債。於二零零八年三月三十一日，該等保付代理貸款由本公司授出的企業擔保，以及若干附屬公司與本公司互相作出的企業擔保作抵押。應收保付代理賬款之到期日介乎六十至九十日。概無就應收保付代理賬款作出減值。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

24. FACTORED ACCOUNTS RECEIVABLES

(continued)

An aged analysis of the Group's factored accounts receivables as at the balance sheet date is as follows:

0 to 30 days	零至三十日
31 to 60 days	三十一至六十日
61 to 90 days	六十一至九十日
Over 90 days	超過九十日

An aged analysis of the Group's factored accounts receivables that are not considered to be impaired is as follows:

Neither past due nor impaired	未逾期及未減值
Less than 30 days	逾期少於三十日
30 to 90 days past due	逾期三十日至九十日

24. 應收保付代理賬款(續)

本集團於結算日的應收保付代理賬款賬齡分析如下：

Group 本集團	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
40,172	—
31,231	—
36,728	—
10,320	—
118,451	—

並非視為減值的本集團應收保付代理賬款賬齡分析如下：

Group 本集團	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
90,176	—
28,275	—
—	—
118,451	—

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments	預付款項
Deposits and other receivables	按金及其他應收款項

The carrying amounts of the Group's prepayments, deposits and other receivables approximate to their fair values. None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

26. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed equity investments in Hong Kong, at fair value	香港上市股本投資，按公平值
---	---------------

The above equity investments at 31 March 2008 and 2007 were classified as held for trading. The fair values of the listed equity investments are based on quoted market prices.

The market value of the Group's equity investments at fair value through profit or loss at the date of approval of these financial statements was approximately HK\$3,552,000.

25. 預付款項、按金及其他應收款項

Group 本集團	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
18,396	23,424
2,946	38,348
21,342	61,772

本集團預付款項、按金及其他應收款項之賬面值與其公平值相若。上述資產概無已逾期或減值。上述結餘包括之金融資產與應收賬款有關，近期並無失責記錄。

26. 按公平值計入損益之股本投資

Group 本集團	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
4,080	10,512

上述股本投資於二零零八年及二零零七年三月三十一日被分類為持作買賣。上市股本投資之公平值按市場報價計算。

本集團按公平值計入損益之股本投資於該等財務報表批准日期之市值約為港幣3,552,000元。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

27. DERIVATIVE FINANCIAL INSTRUMENTS

27. 衍生金融工具

Forward currency contracts 遠期貨幣合約

The carrying amounts of the forward currency contracts approximate to their fair values.

The Group has entered into various forward currency contracts to manage its exchange rate exposures which did not meet the criteria for hedge accounting. Net losses of non-hedging currency derivatives amounted to HK\$3.3 million were charged to the income statement during the year (2007: net gains of HK\$1.6 million were credited to the income statement).

As at 31 March 2008, the Group had outstanding forward currency contracts with an aggregate notional amount of approximately HK\$502 million (2007: HK\$662 million) to hedge payables denominated in United States dollars ("US\$").

Group
本集團

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Assets/ (liabilities) 資產/ (負債)	Assets/ (liabilities) 資產/ (負債)
(3,325)	1,582

遠期貨幣合約之賬面值與其公平值相若。

本集團已訂立多份遠期貨幣合約以管理其並未符合對沖會計條件之外匯風險。非對沖貨幣衍生工具之虧損淨額港幣3,300,000元已於年內於收益表扣除(二零零七年：於收益表計入收益淨額港幣1,600,000元)。

於二零零八年三月三十一日，本集團有總估計數額約為港幣502,000,000元(二零零七年：港幣662,000,000元)之未平倉遠期貨幣合約對沖應付美元(「美元」)款項。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

28. CASH AND BANK BALANCES

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to HK\$4,919,000 (2007: HK\$14,807,000). The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and bank balances approximate to their fair values.

29. ACCOUNTS PAYABLES

An aged analysis of the Group’s accounts payables as at the balance sheet date, based on the invoice date, is as follows:

28. 現金及銀行結存

於結算日，本公司以人民幣（「人民幣」）作為面額之現金及銀行結存為港幣4,919,000元（二零零七年：港幣14,807,000元）。人民幣不可自由兌換為其他貨幣，然而，根據中國內地外匯管理法及結匯、售匯及付匯管理規定，本集團可在獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

銀行現金根據每天銀行存款利率賺取浮動利率利息。銀行結存乃存放於並無近期未能還款記錄的良好信譽銀行。現金及銀行結存之賬面值與其公平值相若。

29. 應付賬款

本集團於結算日按發票日期計算的應付賬款賬齡分析如下：

		Group 本集團			
		2008 二零零八年		2007 二零零七年	
		HK\$'000 港幣千元	Percentage 百分比	HK\$'000 港幣千元	Percentage 百分比
0 to 30 days	零至三十日	230,043	46	111,368	39
31 to 60 days	三十一至六十日	66,951	13	44,628	15
61 to 90 days	六十一至九十日	67,128	13	44,869	16
Over 90 days	超過九十日	143,734	28	87,543	30
		507,856	100	288,408	100

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

30. ACCRUED LIABILITIES AND OTHER PAYABLES

The Group's accounts payables are non-interest-bearing and are normally settled ranges from 30 to 120 days. The carrying amounts of the accounts payables approximate to their fair values.

30. 應計負債及其他應付款項

本集團之應付賬款為免息及一般於三十至一百二十日內結清。應付賬款之賬面值與其公平值相若。

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Deferred income	遞延收入	4,191	4,062	–	–
Other payables	其他應付款項	6,179	2,643	9	9
Accruals	應計費用	42,773	59,153	–	–
		53,143	65,858	9	9

Other payables are non interest-bearing and have an average term of three months. The carrying amounts of the Group's and the Company's other payables approximate to their fair values.

其他應付款項為免息及平均年期為三個月。本集團及本公司其他應付款項之賬面值與其公平值相若。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

31. INTEREST-BEARING BANK AND OTHER BORROWINGS

31. 計息銀行及其他借貸

		Effective interest rate (%) 實際利率(%)	Maturity 到期	Group 本集團	
				2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Current 即期					
Finance lease payables (note 32)	融資租賃應付款項 (附註32)	3.38 – 8.36	March 2009 二零零九年三月	8,234	10,640
Bank overdraft – unsecured	銀行透支—無抵押	7.75	On demand 按要求	4,299	–
Bank loans – secured	銀行貸款—有抵押	4.04 – 8.41	March 2009 二零零九年三月	11,664	–
Bank loans – unsecured	銀行貸款—無抵押	3.13 – 4.79	March 2009 二零零九年三月	98,315	133,464
Trust receipt loans	信托收據貸款	3.13 – 4.55	June 2008 二零零八年六月	180,671	229,007
				303,183	373,111
Non-current 非即期					
Finance lease payables (note 32)	融資租賃應付款項 (附註32)	3.38 – 8.36	April 2009 – September 2010 二零零九年四月至 二零一零年九月	6,891	15,653
Bank loans – secured	銀行貸款—有抵押	4.38 – 8.41	April 2009 – September 2013 二零零九年四月至 二零一三年九月	56,295	–
Bank loans – unsecured	銀行貸款—無抵押	3.18 – 3.23	April 2009 – April 2011 二零零九年四月至 二零一一年四月	33,500	141,132
				96,686	156,785
				399,869	529,896

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

31. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

31. 計息銀行及其他借貸(續)

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Analysed into:	分析為：		
Bank loans repayable:	須於下列年期償還的銀行貸款：		
Within one year or on demand	一年內或要求時償還	294,949	362,471
In the second year	第二年	38,508	92,632
In the third to fifth years, inclusive	第三年至第五年（包括首尾兩年）	51,287	48,500
		384,744	503,603
Finance lease payables:	融資租賃應付款項：		
Within one year	一年內	8,234	10,640
In the second year	第二年	6,841	8,417
In the third to fifth years, inclusive	第三年至第五年（包括首尾兩年）	50	7,236
		15,125	26,293
		399,869	529,896

As at 31 March 2008, all the Group's bank borrowings were secured by a corporate guarantee granted by the Company, cross-corporate guarantees granted by certain subsidiaries and the Company, and mortgages over certain of the Group's buildings and prepaid land lease premiums, which had an aggregate carrying value at 31 March 2008 of approximately HK\$44,520,000 and HK\$16,632,000 respectively (2007: Nil). As disclosed in note 43(a) to the financial statements, under the terms of a loan agreement, the chairman of the Company, Mr. Ling Siu Man, Simon, being the single largest shareholder and is actively involved in the management and business of the Group, is required to maintain at least 40% of the beneficial interests in shareholdings in the Company.

The carrying amounts of the Group's interest-bearing bank and other borrowings approximately to their fair values. The fair values of interest-bearing bank and other borrowings are estimated as the present values of future cash flows, discounted at current market interest rates for similar financial instruments.

於二零零八年三月三十一日，所有本集團的銀行借貸均由本公司授出的企業擔保、若干附屬公司與本公司互相作出的企業擔保，以及本集團於二零零八年三月三十一日賬面總值分別約達港幣44,520,000元及港幣16,632,000元（二零零七年：零）之若干樓宇之按揭以及預付土地租賃溢價作抵押。誠如財務報表附註43(a)所披露，根據貸款協議條款，本公司主席凌少文先生作為單一最大股東，並積極參與本集團的管理及業務，須於本公司之持股量維持最少40%實際權益。

本集團之計息銀行及其他借貸之賬面值與其公平值相若。計息銀行及其他借貸之公平值估計為利用類似金融工具之當時市場利率貼現未來現金流之現值。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

32. FINANCE LEASE PAYABLES

The Group leases certain of its plant and machinery for its operations. These leases are classified as finance leases and have remaining lease terms ranging from one to four years. At 31 March 2008, the total future minimum lease payments under finance leases and their present values were as follows:

Group		Minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Present value of minimum lease payments
本集團		最低租金	最低租金	現值	現值
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Amounts payable:	須於下列年期償還：				
Within one year	一年內	8,885	11,904	8,234	10,640
In the second year	第二年	7,050	9,096	6,841	8,417
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)	51	7,506	50	7,236
Total minimum finance lease payments	融資租賃最低租金總額	15,986	28,506	15,125	26,293
Future finance charges	未來融資費用	(861)	(2,213)		
Total net finance lease payables	總融資租賃應付款項淨額	15,125	26,293		
Portion classified as current liabilities (note 31)	歸類為流動負債部分 (附註31)	(8,234)	(10,640)		
Non-current portion (note 31)	非流動部分 (附註31)	6,891	15,653		

32. 融資租賃應付款項

本集團租用其若干廠房及機器作業務運作之用。該等租約列為融資租賃，餘下租期介乎一至四年不等。於二零零八年三月三十一日，按融資租賃須付未來最低租金總額及其現值如下：

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

33. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

Group

		本集團			
		2008			
		二零零八年			
		Depreciation allowance in excess of related depreciation	Development costs	Revaluation of properties	Total
		超出相關折舊之折舊撥備	開發成本	重估物業	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2007	於二零零七年四月一日	22,115	2,942	31,386	56,443
Deferred tax credited to the income statement during the year (note 10)	年內於收益表扣除的遞延稅項 (附註10)	(2,972)	(582)	(7)	(3,561)
Exchange differences	匯兌調整	-	-	2,427	2,427
Gross deferred tax liabilities at 31 March 2008	於二零零八年三月三十一日的遞延稅項負債總額	<u>19,143</u>	<u>2,360</u>	<u>33,806</u>	<u>55,309</u>

33. 遞延稅項

年內遞延稅項負債及資產的變動如下：

遞延稅項負債

本集團

2008

二零零八年

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

33. DEFERRED TAX (continued)

33. 遞延稅項(續)

Deferred tax assets

遞延稅項資產

Group

本集團

2008
二零零八年

		Losses available for offset against future taxable profits 可供抵銷 日後應課稅 溢利的虧損 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2007	於二零零七年四月一日	2,795	1,007	3,802
Deferred tax charged to the income statement during the year (note 10)	年內於收益表 扣除 的遞延稅項 (附註10)	(2,795)	(144)	(2,939)
Gross deferred tax assets at 31 March 2008	於二零零八年三月三十一日 的遞延稅項資產總額	-	863	863
Net deferred tax liabilities at 31 March 2008	於二零零八年三月三十一日 的遞延稅項負債淨額			54,446

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

33. DEFERRED TAX (continued)

33. 遞延稅項(續)

Deferred tax liabilities

遞延稅項資產

Group

本集團
2007
二零零七年

		Depreciation allowance in excess of related depreciation 超出相關折舊之折舊撥備 HK\$'000 港幣千元	Development costs 開發成本 HK\$'000 港幣千元	Revaluation of properties 重估物業 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2006	於二零零六年四月一日	19,224	1,349	12,420	32,993
Deferred tax charged to the income statement during the year (note 10)	年內於收益表扣除的遞延稅項 (附註10)	2,891	1,593	-	4,484
Deferred tax debited to equity during the year:	年內於權益扣除之遞延稅項：				
Surplus on revaluation	重估盈餘	-	-	3,120	3,120
Change in tax rate	稅率變動	-	-	15,253	15,253
Exchange differences	匯兌調整	-	-	593	593
Gross deferred tax liabilities at 31 March 2007	於二零零七年三月三十一日的遞延稅項負債總額	<u>22,115</u>	<u>2,942</u>	<u>31,386</u>	<u>56,443</u>

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

33. DEFERRED TAX (continued)

33. 遞延稅項(續)

Deferred tax assets

遞延稅項資產

Group

本集團

2007
二零零七年

		Losses available for offset against future taxable profits	Others	Total
		可供抵銷 日後應課稅 溢利的虧損	其他	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
At 1 April 2006	於二零零六年四月一日	3,117	364	3,481
Deferred tax (charged)/ credited to the income statement during the year (note 10)	年內於收益表 (扣除)/計入 的遞延稅項 (附註10)	(322)	643	321
Gross deferred tax assets at 31 March 2007	於二零零七年三月三十一日 的遞延稅項資產總額	<u>2,795</u>	<u>1,007</u>	<u>3,802</u>
Net deferred tax liabilities at 31 March 2007	於二零零七年三月三十一日 的遞延稅項負債淨額			<u>52,641</u>

31 March 2008

二零零八年三月三十一日

33. DEFERRED TAX (continued)

The Group has tax losses arising in Hong Kong of approximately HK\$47,031,000 (2007: HK\$38,459,000) and in Mainland China of approximately HK\$10,636,000 (2007: HK\$5,095,000) that are available indefinitely and for a five-year period, respectively, for offsetting against future taxable profits of the companies in which the losses were arose. Deferred tax assets have not been recognised in respect of these losses as the directors consider not probable that the subsidiaries will have sufficient future taxable profits against which those losses can be utilised.

At 31 March 2008, there was no significant unrecognised deferred tax liability (2007: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

33. 遞延稅項(續)

本集團於香港及中國內地產生之稅項虧損分別約為港幣47,031,000元(二零零七年：港幣38,459,000元)及約為港幣10,636,000元(二零零七年：港幣5,095,000元)，分別可無限期結轉及於五個年度期間內結轉，以抵銷產生虧損之公司未來應課稅溢利。並無就該等虧損確認遞延稅項資產，此乃由於董事認為附屬公司不可能有充足之未來應課稅溢利對銷該等虧損。

於二零零八年三月三十一日，並無就本集團若干附屬公司之未匯出盈利應付之稅項而有重大未確認遞延稅項負債(二零零七年：無)。

本公司派付予股東之股息並無所得稅影響。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

34. SHARE CAPITAL

34. 股本

		Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Authorised:	法定：		
1,200,000,000 (2007: 1,200,000,000) ordinary shares of HK\$0.10 each	1,200,000,000股(二零零七年： 1,200,000,000股)每股面值 港幣0.10元的普通股	<u>120,000</u>	<u>120,000</u>
Issued and fully paid:	已發行及繳足		
1,057,889,962 (2007: 952,889,962) ordinary shares of HK\$0.10 each	1,057,889,962股(二零零七年： 952,889,962股)每股面值 港幣0.10元的普通股	<u>105,789</u>	<u>95,289</u>

Share options

Details of the Company's share option scheme are included in note 35 to the financial statements.

購股權

本公司購股權計劃詳情載於財務報表附註35。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

34. SHARE CAPITAL (continued)

A summary of the transactions during the year in the Company's issued share capital is as follows:

		Number of shares in issue 已發行股份 數目	Issued share capital 已發行 股本 HK\$'000 港幣千元	Share premium account 股份 溢價賬 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2006,	於二零零六年四月一日、				
31 March 2007 and as at 1 April 2007	二零零七年三月三十一日 及於二零零七年四月一日	952,889,962	95,289	59,098	154,387
Issue of shares (note)	發行股份 (附註)	105,000,000	10,500	12,390	22,890
Share issue expenses (note)	股份發行支出 (附註)	-	-	(100)	(100)
At 31 March 2008	於二零零八年三月三十一日	<u>1,057,889,962</u>	<u>105,789</u>	<u>71,388</u>	<u>177,177</u>

Note: On 13 November 2007 the Company entered into a share subscription agreement with CorporActive Fund Limited, a third party company, for the subscription of 105,000,000 new ordinary shares of the Company of HK\$0.10 each at the price of HK\$0.218 per shares. 105,000,000 shares of HK\$0.10 each of the Company were issued and cash proceeds of HK\$22,890,000, net of share issue expenses of HK\$100,000, were received by the Company.

34. 股本(續)

本公司已發行股本於年內之交易概要如下：

	Number of shares in issue 已發行股份 數目	Issued share capital 已發行 股本 HK\$'000 港幣千元	Share premium account 股份 溢價賬 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2006,				
31 March 2007 and as at 1 April 2007	952,889,962	95,289	59,098	154,387
Issue of shares (note)	105,000,000	10,500	12,390	22,890
Share issue expenses (note)	-	-	(100)	(100)
At 31 March 2008	<u>1,057,889,962</u>	<u>105,789</u>	<u>71,388</u>	<u>177,177</u>

附註：於二零零七年十一月十三日，本公司與第三方公司CorporActive Fund Limited訂立股份認購協議，以認購價每股港幣0.218元認購本公司105,000,000股每股面值港幣0.10元的新普通股份。本公司已發行105,000,000股每股面值港幣0.10元的股份，本公司已收取現金所得款項港幣22,890,000（扣除股份發行支出港幣100,000元。）

31 March 2008

二零零八年三月三十一日

35. SHARE OPTION SCHEME

The Company operates a share option scheme (the “Option Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Option Scheme include the Company’s executive directors or employees of the Group. The Option Scheme became effective upon the listing of the Company’s shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 October 1997 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. No option may be granted to any employee which, if exercised in full, would result in the total number of shares already issued and issuable to him/her under the Option Scheme exceeding 25% of the maximum aggregate number of shares subject to the Option Scheme at the time it is proposed to grant the relevant option to such employee.

The exercise price of the share options is determined by the directors and is equal to the higher of: (i) the nominal value of the shares; and (ii) a price, which is not less than 85% of the average closing price of the Company’s shares on the Stock Exchange for the five trading days immediately preceding the date of grant of such options.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

35. 購股權計劃

本公司設有購股權計劃(「購股權計劃」)，旨在向該等對本集團業務成就有所貢獻的合資格參與人士提供獎勵及獎賞。購股權計劃合資格參與人士包括本公司執行董事或本集團僱員。購股權計劃於本公司股份於一九九七年十月十六日在香港聯合交易所有限公司(「聯交所」)上市後生效。除經取消或修訂外，該計劃將自上述日期起生效，為期10年。

根據購股權計劃目前可予授出的尚未行使購股權數目上限，相等於在購股權獲行使時本公司於任何時間已發行股份的10%。倘向任何僱員授出購股權，而全面行使有關購股權將導致根據購股權計劃已發行及可發行予該名僱員的股份總數，超過在建議授出有關購股權予該名僱員之時購股權計劃所涉及股份總數上限25%，則不得向該名僱員授出購股權。

購股權行使價由董事釐定，相等於下列較高者：(i)股份面值；及(ii)不低於本公司股份在緊接授出有關購股權當日前五個交易日在聯交所的平均收市價85%的價格。

購股權並不賦予持有人享有股息或可於股東大會投票之權利。

31 March 2008

二零零八年三月三十一日

35. SHARE OPTION SCHEME (continued)

An option may be exercised in accordance with the terms of the Option Scheme at any time from the date of acceptance of the option by an employee or such later date as may be fixed by the directors, to any date prior to the 10th anniversary of such date, provided that the employee can only exercise a maximum of 20% of the options granted to him/her in each 12-month period following the commencement of the relevant option period. The consideration to be paid by the employee upon acceptance of a grant of options is HK\$1.00.

With effect from 1 September 2001, the Stock Exchange requires that the exercise price of options is at least the higher of the closing prices of the shares on the Stock Exchange on the date of grant and the average of the closing prices of the shares on the Stock Exchange for the five trading days immediately preceding the date of grant. Up to the date of this report, the Company has not granted any option on or after 1 September 2001.

The following share options were outstanding under the Company's share option scheme during the year:

35. 購股權計劃(續)

有關僱員可自接納購股權之日或董事可能訂定的較後日期起至該日期後十年屆滿當日止期間，隨時按照購股權計劃的條款行使購股權，惟有關僱員在有關購股權期間開始後各個12個月期間僅可行使最多達其獲授購股權的20%。僱員在接納授出之購股權時須支付的代價為港幣1.00元。

自二零零一年九月一日起，聯交所規定購股權最低行使價須為下列較高者：股份於授出日期在聯交所的收市價及股份在緊接授出日期前五個交易日在聯交所的平均收市價。截至本報告日期，本公司於二零零一年九月一日或之後並無授出任何購股權。

年內，在本公司購股權計劃下尚未行使的購股權如下：

		Weighted average exercise price 加權平均行使價	Number of options 購股權數目
		<i>HK\$ per share 每股港幣</i>	<i>'000 千股</i>
At 1 April 2006, 31 March 2007 and 1 April 2007	於二零零六年四月一日、 二零零七年三月三十一日 及二零零七年四月一日	0.467	65,175
Lapsed during the year	年內失效	0.467	<u>(8,355)</u>
At 31 March 2008	於二零零八年三月三十一日	0.467	<u><u>56,820</u></u>

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

35. SHARE OPTION SCHEME (continued)

35. 購股權計劃(續)

The exercise prices and exercise periods of the share options outstanding as at the balance sheet date are as follows:

於結算日，尚未行使購股權之行使價及行使期如下：

2008 二零零八年		
Number of options 購股權數目 '000 千股	Exercise price* 行使價* HK\$ per share 每股港幣	Exercise period 行使期
56,820	0.467	10/04/2000-09/04/2010 二零零零年四月十日 至 二零一零年四月九日
2007 二零零七年		
Number of options 購股權數目 '000 千股	Exercise price* 行使價* HK\$ per share 每股港幣	Exercise period 行使期
65,175	0.467	10/04/2000-09/04/2010 二零零零年四月十日 至 二零一零年四月九日

* The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital.

* 購股權之行使價會隨著供股或發行紅股，或本公司股本其他類似變動時作調整。

31 March 2008

二零零八年三月三十一日

35. SHARE OPTION SCHEME (continued)

At the balance sheet date, the Company had 56,820,000 share options outstanding under the Option Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 56,820,000 additional ordinary shares of the Company and additional share capital of HK\$5,682,000 and share premium of HK\$20,853,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 56,820,000 share options outstanding under the Option Scheme, which represented approximately 5.4% of the Company's shares in issue as at the date.

36. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

The contributed surplus of the Group represents the difference between the nominal value of the share capital of the former holding company of the Group acquired pursuant to the Group reorganisation to rationalise the Group structure in preparation for the listing of the Company's shares on the Stock Exchange, over the nominal value of the Company's shares issued in exchange therefor.

35. 購股權計劃(續)

於結算日，本公司根據購股權計劃共有56,820,000股尚未行使購股權。按本公司現有股本架構而言，全面行使餘下購股權將導致本公司發行額外56,820,000股普通股股份，並將導致額外股本港幣5,682,000元及股份溢價港幣20,853,000元(未計開支)。

於該等財務報表批准日期，本公司根據購股權計劃共有56,820,000股尚未行使購股權，佔本公司於該日期之已發行股份約5.4%。

36. 儲備

(a) 本集團

本集團於本年度及過往年度之儲備及有關變動數額於財務報表之綜合權益變動表呈列。

本集團的繳入盈餘指本集團因籌備本公司股份在聯交所上市而重整本集團架構所進行的集團重組而收購的本集團前控股公司股本面值，超出本公司就此交換而發行股份面值的差額。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

36. RESERVES (continued)

(b) Company

		Notes	Share premium account 股份溢價賬 HK\$'000 港幣千元	Contributed surplus 繳入盈餘 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2006	二零零六年四月一日		59,098	58,794	11,743	129,635
Profit for the year	本年度溢利		-	-	40,007	40,007
Proposed final 2007 dividend	擬派二零零七年 末期股息	12	-	-	(9,529)	(9,529)
At 31 March 2007 and at 1 April 2007	二零零七年 三月三十一日及 二零零七年四月一日		59,098	58,794	42,221	160,113
Issue of shares	發行股份	34	12,390	-	-	12,390
Share issue expenses	股份發行支出	34	(100)	-	-	(100)
Loss for the year	本年度虧損		-	-	(7,978)	(7,978)
At 31 March 2008	二零零八年 三月三十一日		<u>71,388</u>	<u>58,794</u>	<u>34,243</u>	<u>164,425</u>

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the reorganisation referred to in note 36(a) to the financial statements, over the nominal value of the Company's shares issued in exchange therefore.

Under the Companies Law (2002 Revision) of the Cayman Islands, the share premium account of the Company is available for distribution to shareholders, subject to the provisions of the Company's Memorandum and Articles of Association and provided that immediately following the distribution of dividends, the Company is able to pay its debts as and when they fall due in the ordinary course of business. In the opinion of the directors, the Company's reserves available for distribution represent the share premium account, contributed surplus and retained profits.

36. 儲備(續)

(b) 本公司

本公司的繳入盈餘指根據財務報表附註36(a)所述重組所收購附屬公司之股份公平值，超出本公司就此交換而發行股份面值的差額。

根據開曼群島公司法(二零零二年修訂本)，除本公司組織章程大綱及細則另有規定者外，本公司可將股份溢價賬用作分派予股東，惟條件為本公司須於緊隨派發股息後可償還其在日常業務中到期的債項。董事認為，本公司可供分派的儲備為股份溢價賬、繳入盈餘及保留溢利。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

37. DISPOSAL OF A SUBSIDIARY

On 28 November 2007, the Group entered into a disposal agreement to dispose of its entire interest in Tonic Appliances Limited ("TAL"), a wholly-owned subsidiary of the Group to Profit Cycle Investments Limited, a third party company, at a cash consideration of HK\$5.6 million. The transaction was completed on 21 December 2007.

37. 出售附屬公司

於二零零七年十一月二十八日，本集團訂立出售協議，向一間第三方公司Profit Cycle Investments Limited出售其於本集團一間全資附屬公司東力家用電器有限公司之（「東力家用電器」）全部權益，現金代價為港幣5,600,000元。交易於二零零七年十二月二十一日完成。

		HK\$'000 港幣千元
Net assets disposed of:	出售資產淨值：	
Accounts and bills receivables	應收賬款及票據	2,424
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	2,569
Cash and bank balances	現金及銀行結存	1,085
Accounts payables	應付賬款	(9)
Accrued liabilities and other payables	應計負債及其他應付款項	(1,967)
Interest-bearing bank and other borrowings	計息銀行及其他借貸	(414)
		<u>3,688</u>
Gain on disposal of a subsidiary (note 5)	出售附屬公司之收益(附註5)	<u>1,922</u>
		<u>5,610</u>
Satisfied by:	付款方式：	
Cash	現金	<u>5,610</u>
An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:	就出售附屬公司的現金及等同現金項目流入淨額的分析如下：	
Cash consideration	現金代價	5,610
Cash and bank balances disposed of	出售現金及銀行結餘	<u>(1,085)</u>
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	就出售附屬公司之現金及等同現金項目的流入淨額	<u>4,525</u>

31 March 2008

二零零八年三月三十一日

38. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Major non-cash transactions

- (i) During the year, deposits for acquisition of items of property, plant and equipment of HK\$5,457,000 (2007: HK\$31,014,000) were utilised as part of the considerations paid for the purchases of items of property, plant and equipment.
- (ii) During the year ended 31 March 2007, the Group entered into finance lease arrangements in respect of property, plant and equipment with a total capital value at the inception of the leases of HK\$1,246,000.
- (iii) During the year ended 31 March 2007, the Group disposed of certain items of property, plant and equipment for a consideration of HK\$8,842,000. The amount was recorded as an other receivable at its amortised cost of HK\$8,842,000 at 31 March 2007 and was subsequently settled during the year end 31 March 2008.

39. PLEDGE OF ASSETS

Details of the Group's bank loans which are secured by the assets of the Group are included in note 31 to the financial statements.

38. 綜合現金流量表附註

主要非現金交易

- (i) 年內，購買物業、廠房及設備項目的訂金港幣5,457,000元(二零零七年：港幣31,014,000元)已經動用，作為購買物業、廠房及設備項目的部分代價。
- (ii) 於截至二零零七年三月三十一日止年度，本集團就物業、廠房及設備訂立融資租賃安排。於訂立該等租約時，該等物業、廠房及設備的資本總值為港幣1,246,000元。
- (iii) 於截至二零零七年三月三十一日止年度，本集團以代價港幣8,842,000元出售若干物業、廠房及設備項目。該款項以二零零七年三月三十一日之攤銷成本港幣8,842,000入賬列作其他應收款項，隨後於二零零八年三月三十一日止年度清償。

39. 抵押資產

由本集團資產作抵押的本集團銀行貸款詳情已載於財務報表附註31。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

40. CONTINGENT LIABILITIES

- (a) At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

		Group 本集團		Company 本公司	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Guarantees for general banking facilities of subsidiaries*	為附屬公司的一般銀行信貸提供擔保*	-	-	1,388,027	1,466,339
Shipping guarantees	船務擔保	1,643	10,294	-	-
		1,643	10,294	1,388,027	1,466,339

* At 31 March 2008, HK\$518,320,000 (2007: HK\$529,896,000) of the general banking facilities were utilised by the subsidiaries.

- (b) In April 2007, Toshiba America Consumer Product L.L.C. ("Toshiba") alleged the Group infringing its DVD technology patents and filed a civil complaint against nine of the subsidiaries of the Group. With the related licence agreement signed on 25 July 2007, the Group has obtained the required licence to use patented technologies of Toshiba, Mitsubishi, Hitachi, JVC, Panasonic, Samsung, Sanyo, Warner Brothers and Sharp, the DVD 6C Patent Licensing Group. Toshiba subsequently dropped all its claims against the Group.

40. 或然負債

- (a) 於結算日，未於財務報表中計提的或然負債如下：

* 於二零零八年三月三十一日，附屬公司已動用的一般銀行信貸為港幣518,320,000元(二零零七年：港幣529,896,000元)。

- (b) 於二零零七年四月，Toshiba America Consumer Product L.L.C. (「東芝」)指稱本集團侵犯其DVD科技專利並向本集團九間附屬公司提出民事訴討。根據於二零零七年七月二十五日訂立的相關特許專利協議，本集團已取得使用東芝、三菱、日立、JVC、樂聲、三星、三洋、華納兄弟及聲寶及DVD 6C專利權授予集團專利科技所需的特許權。東芝隨後撤回其向本集團提出的所有索償。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

40. CONTINGENT LIABILITIES (continued)

- (c) In September 2006, two former customers of TAL, a then wholly-owned subsidiary of the Company prior to its disposal by the Group (as detailed in note 37), commenced legal proceedings against TAL, seeking damages in the sum of HK\$3,653,000 together with interest for breach of agreement for the sale of goods. The Group disposed of its entire interest in the issued share capital of TAL in November 2007. Following the completion of the disposal, the claim against the Group ceased.

41. OPERATING LEASE ARRANGEMENTS

- (a) The Group leases certain of its buildings under operating lease arrangements, with leases negotiated for a term of 10 years.

At 31 March 2008, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)
After five years	五年後

40. 或然負債(續)

- (c) 於二零零六年九月，於本集團出售當時一間全資附屬公司東力家用電器前(詳載於附註37)，東力家用電器之兩名前客戶就違反銷售貨品協議之條款，向東力家用電器展開法律訴訟，追討為數港幣3,653,000元(連同利息)的賠償。本集團於二零零七年十一月出售其於東力家用電器已發行股本之全部權益。出售完成後，向本集團提出的索償已告終止。

41. 經營租賃安排

- (a) 本集團根據經營租賃安排租賃若干樓宇，租期協商為10年。

於二零零八年三月三十一日，本集團根據與其租戶訂立之不可撤回經營租賃於下列期間到期應收之未來最低租金總額如下：

Group 本集團	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
1,076	1,076
4,304	4,304
2,511	3,587
7,891	8,967

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

41. OPERATING LEASE ARRANGEMENTS

(continued)

- (b) The Group leases certain of its properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to four years.

At 31 March 2008, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

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

At the balance sheet date, the Company had no operating lease arrangements (2007: Nil).

41. 經營租賃安排(續)

- (b) 本集團根據經營租賃安排租賃其若干物業。物業租約的議訂年期介乎一至四年。

於二零零八年三月三十一日，本集團在不可撤銷經營租約下須於下列期間支付的未來最低租金總額為：

Group 本集團	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
3,786	2,007
7,322	2,924
11,108	4,931

於結算日，本公司並無任何經營租賃安排(二零零七年：無)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

42. COMMITMENTS

In addition to the operating lease commitments detailed in note 41(b) above, the Group had the following capital commitments at the balance sheet date:

Contracted, but not provided for:	已訂約但未計提：
Equipment and tools	設備及工具

At the balance sheet date, the Company did not have any significant commitment (2007: Nil).

43. RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following related party and connected transactions during the current and prior years:

- (a) During the year ended 31 March 2006, the Group signed a term loan facility agreement for a syndicated loan of HK\$150 million for a period of three years. Under the terms of the agreement, the chairman of the Company, Mr. Ling Siu Man, Simon, is required to be the single largest shareholder, be actively involved in the management and business of the Group, and be maintained at least 40% of the beneficial interests in shareholdings in the Company.

42. 承擔

除上文附註41(b)所詳述經營租賃承擔外，本集團於結算日有以下資本承擔：

Group 本集團	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
590	53

於結算日，本公司並無任何重大承擔（二零零七年：無）。

43. 關連人士交易及關連交易

除財務報表其他部分所載交易及結餘外，本集團於本年度及過往年度有下列關連人士及關連交易：

- (a) 截至二零零六年三月三十一日止年度，本集團簽訂為期三年的定期貸款融資協議，銀團貸款為港幣150,000,000元。根據協議條款，本公司主席凌少文先生須為單一最大股東，積極參與本集團的管理及業務，並須於本公司股權維持最少40%的實際權益。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

43. RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS (continued)

- (b) Compensation of key management personnel of the Group:

Short term employee benefits	短期僱員福利
Post-employment benefits	離職後福利
Total compensation paid to key management personnel	已付主要管理人員賠償總額

Further details of directors' emoluments are included in note 8 to the financial statements.

43. 關連人士交易及關連交易 (續)

- (b) 賠償本集團主要管理人員：

2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
13,239	14,394
560	580
13,799	14,974

董事酬金之進一步詳情載於財務報表附註8。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

44. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows:

Group
2008

Financial assets

		Financial assets at fair value through profit or loss – held for trading 按公平值 計入損益 之金融資產 –持作 買賣 HK\$'000 港幣千元	Loans and receivables 貸款及 應收款項 HK\$'000 港幣千元	Available- for-sale financial assets 可供出售 金融資產 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Available-for-sale investments	可供出售之投資	-	-	-	-
Non-current portion of an other receivable	其他應收款項之 非流動部分	-	2,470	-	2,470
Accounts and bills receivables	應收賬款及票據	-	207,724	-	207,724
Factored accounts receivables	應收保付代理賬款	-	118,451	-	118,451
Current portion of loans receivable	應收貸款之流動部分	-	93	-	93
Financial assets included in prepayments, deposits and other receivables	金融資產包括預付款項、 按金及其他 應收款項	-	2,946	-	2,946
Equity investments at fair value through profit or loss	按公平值計入損益 之股本投資	4,080	-	-	4,080
Cash and bank balances	現金及銀行結存	-	31,031	-	31,031
		<u>4,080</u>	<u>362,715</u>	<u>-</u>	<u>366,795</u>

44. 按分類表示之金融工具

於結算日，各按分類表示之金融工具之賬面值如下：

本集團
二零零八年

金融資產

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

44. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

44. 按分類表示之金融工具(續)

Group
2008

本集團
二零零八年

Financial liabilities

金融負債

		Financial liabilities at fair value through profit or loss – held for trading 按公平值計入損益之金融資產 – 持作買賣 HK\$'000 港幣千元	Financial liabilities at amortised cost 按攤銷成本之財務負債 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Accounts payables	應付賬款	-	507,856	507,856
Financial liabilities included in accrued liabilities and other payables	金融負債包括應計負債及其他應付款項	-	6,179	6,179
Interest-bearing bank and other borrowings	計息銀行及其他借貸	-	399,869	399,869
Bank advances on factored accounts receivables	應收保付代理賬款之銀行貸款	-	118,451	118,451
Derivative financial instruments	衍生金融工具	3,325	-	3,325
		<u>3,325</u>	<u>1,032,355</u>	<u>1,035,680</u>

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

44. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows:
(continued)

Group
2007

Financial assets

		Financial assets at fair value through profit or loss -held for Trading 按公平值計入 損益之 金融資產 HK\$'000 港幣千元	Loans and receivables 貸款及 應收款項 HK\$'000 港幣千元	Available- for-sale financial assets 可供出售 金融資產 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Available-for-sale investments	可供出售之投資	-	-	14,219	14,219
Non-current portion of an other receivable	其他應收款項之非流動部分	-	4,780	-	4,780
Non-current portion of loans receivable	應收貸款之非流動部分	-	93	-	93
Current portion of loans receivables	貿易應收賬款之流動部分	-	188	-	188
Accounts and bills receivables	應收賬款及票據	-	199,162	-	199,162
Financial assets included in prepayments, deposits and other receivables	金融資產包括預付款項、 按金及其他 應收款項	-	38,348	-	38,348
Equity investments at fair value through profit or loss	按公平值計入損益 之股本投資	10,512	-	-	10,512
Derivative financial instruments	衍生金融工具	1,582	-	-	1,582
Cash and bank balances	現金及銀行結存	-	92,698	-	92,698
		<u>12,094</u>	<u>335,269</u>	<u>14,219</u>	<u>361,582</u>

44. 按分類表示之金融工具(續)

於結算日，各按分類表示之金融工具之
賬面值如下：(續)

本集團
二零零七年

金融資產

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

44. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

44. 按分類表示之金融工具(續)

Group
2007

本集團
二零零七年

Financial liabilities

金融負債

		Financial liabilities at amortised cost 按攤銷成本之財務負債 HK\$'000 港幣千元
Accounts payables	應付賬款	288,408
Financial liabilities included in accrued liabilities and other payables	金融負債包括應計負債及其他應付款項	2,643
Interest-bearing bank and other borrowings	計息銀行及其他借貸	<u>529,896</u>
		<u><u>820,947</u></u>

31 March 2008

二零零八年三月三十一日

44. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Company

Except for the Company's available-for-sale investments which are categorised as available-for-sale financial assets, all the financial assets of the Company, including amounts due from subsidiaries and cash and bank balances are categorised as loans and receivables.

All the Company's financial liabilities as at 31 March 2008 and 2007, including other payables are categorised as financial liabilities as at amortised cost.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank borrowings, finance leases, and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as accounts and bills receivables and accounts payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally forward currency contracts. The purpose is to manage its sources of finance and the currency risks arising from the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

44. 按分類表示之金融工具(續)

本公司

除本公司分類為可供銷售金融資產之可供銷售投資外，所有本公司金融資產(包括應收附屬公司賬款及現金及銀行結存)分類為貸款及應收款項。

本公司於二零零八年及二零零七年三月三十一日之所有金融負債(包括其他應付款項)分類為按攤銷成本計算之金融負債。

45. 財務風險管理目標及政策

本集團之主要金融工具(衍生工具除外)包括計息銀行借貸、融資租賃及現金及銀行結餘。該等金融工具之主要目的為就本集團業務籌集資金。本集團擁有多種其他金融資產及負債(例如應收賬款及票據及應付賬款)直接自其業務產生。

本集團亦進行衍生工具交易，主要為遠期貨幣合約，旨在管理其資金來源及產生自本集團業務之外匯風險。

本集團金融工具所產生之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事會檢討及同意管理各類該等風險之政策，該等政策於下文概述。本集團就衍生工具之會計政策載於財務報表附註2.4。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

45. 財務風險管理目標及政策 (續)

利率風險

本集團所承擔的市場利率變動風險主要關乎本集團以浮動利率計息之長期債項承擔。

下表列示利率於合理可能變動時，而其他變數乃保持不變，對本集團除稅前溢利(透過浮息借款之影響)及本集團權益之敏感性分析。

		Increase/ (decrease) in basis points 於基點之 增加/(減少)	Group 本集團 Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 港幣千元	Increase/ (decrease) in equity 權益 增加/(減少) HK\$'000 港幣千元
2008		二零零八年		
Hong Kong dollar	港幣	100	(4,906)	(4,906)
Hong Kong dollar	港幣	(100)	4,906	4,906
2007		二零零七年		
Hong Kong dollar	港幣	100	(4,975)	(4,975)
Hong Kong dollar	港幣	(100)	4,975	4,975

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from a substantial portion of sales or purchases by operating units in RMB.

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in RMB exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

2008	二零零八年
If Hong Kong dollar weakens against RMB	倘若港幣兌人民幣 減弱
If Hong Kong dollar strengthens against RMB	倘若港幣兌人民幣 加強
2007	二零零七年
If Hong Kong dollar weakens against RMB	倘若港幣兌人民幣 減弱
If Hong Kong dollar strengthens against RMB	倘若港幣兌人民幣 加強

The Group constantly reviews the economic situation and its foreign currency risk profile, and considers implementing appropriate hedging measures in future as the need arises.

45. 財務風險管理目標及政策 (續)

外匯風險

本集團須承受外匯交易風險。該等風險來自以人民幣為經營單位之大額買賣。

下表列示於結算日人民幣匯率之合理可能變動，而其他變數保持不變，本集團除稅前溢利(由於貨幣資產及負債公平值之變動)之敏感性分析。

Increase/ (decrease) in foreign currency rate 匯率 增加/(減少) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 港幣千元
5%	(8,658)
<u>5%</u>	<u>8,658</u>
5%	(1,508)
<u>5%</u>	<u>1,508</u>

本集團定期檢討經濟狀況及其外匯風險組合，並於未來可能需要時考慮實施適當之對沖措施。

31 March 2008

二零零八年三月三十一日

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

The credit risk of the Group's other financial assets, which comprise cash and bank balances, available-for-sale financial assets, equity investments at fair value through profit or loss and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is generally no requirement for collateral.

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts and bills receivables are disclosed in note 23 to the financial statements.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., accounts and bills receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of the Group's available cash and its available banking facilities.

45. 財務風險管理目標及政策 (續)

信貸風險

本集團僅與已確認及具信譽之第三方進行貿易。本集團之政策為所有欲以信貸條款進行貿易之客戶均須接受信貸驗證程序。此外，應收款項結餘乃以持續基準監控。

本集團其他金融資產(其中包括現金及銀行結存、可供出售金融資產、按公平值計入損益之股本投資及其他應收款項)由於對手方違約所產生的信貸風險，上限相等於該等工具的賬面值。

由於本集團僅與已確認及具信譽之第三方進行貿易，故一般並不需要抵押品。

有關本集團承受由應收賬款及票據所產生的信貸風險的進一步定量資料於財務報表附註23披露。

流動資金風險

本集團利用經常性流動資金策劃工具監察資金短缺的風險。此工具考慮金融工具及金融資產(如應收賬款及票據)的到期情況，並預測業務的現金流。

本集團的目標在於透過運用本集團的可動用現金及其可動用的銀行信貸，保持資金持續性與靈活性的平衡。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The Group consistently maintains a prudent financing policy and ensures that sufficient cash and credit lines are maintained to meet the Group's liquidity requirements.

As at 31 March 2008, the Company's financial liabilities of HK\$9,000 (2007: HK\$9,000), based on contracted undiscounted payments, was repayable on demand.

The maturity profile of the Group's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, was as follows:

Group
本集團

		2008				Total
		二零零八年				
On demand		Less than 3 months	3 to less than 12 months	1 to 5 years		
要求時償還		少於三個月	三個月至少於十二個月	一至五年	總計	
HK\$'000		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
港幣千元		港幣千元	港幣千元	港幣千元	港幣千元	
Accounts payables	應付賬款	-	334,444	173,412	-	507,856
Financial liabilities included in accrued liabilities and other payables	金融負債包括應計負債及其他應付款項	-	6,179	-	-	6,179
Interest-bearing bank and other borrowings	計息銀行及其他借貸	4,299	204,390	95,145	96,896	400,730
Bank advances on factored accounts receivables	應收保付代理賬款之銀行貸款	-	118,451	-	-	118,451
Derivative financial instruments	衍生金融工具	-	3,325	-	-	3,325
		<u>4,299</u>	<u>666,789</u>	<u>268,557</u>	<u>96,896</u>	<u>1,036,541</u>

45. 財務風險管理目標及政策 (續)

流動資金風險(續)

本集團持續維持審慎財政政策，並確保其維持足夠現金及信貸額度以符合本集團流動資金所需。

於二零零八年三月三十一日，本公司的已訂約未折現的金融負債港幣9,000元（二零零七年：港幣9,000元）已於要求時償還。

於結算日，本集團的已訂約未折現的金融負債的到期概況列示如下：

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Accounts payables 應付賬款
Financial liabilities included in 金融負債包括
accrued liabilities and 應計負債及其他
other payables 應付款項
Interest-bearing bank 計息銀行
and other borrowings 及其他借貸

45. 財務風險管理目標及政策 (續)

流動資金風險(續)

	2007				Total
	二零零七年				
On demand	Less than 3 months	3 to less than 12 months	1 to 5 years		
要求時					
償還	少於三個月	於十二個月	一至五年		總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
-	205,129	83,279	-	-	288,408
-	2,643	-	-	-	2,643
-	247,668	126,707	157,734	-	532,109
-	455,440	209,986	157,734	-	823,160

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Except for the compliance of certain bank covenant for maintaining the Group's bank facilities, the Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 March 2008 and 2007.

資本管理

本集團資本管理之主要目標為保障本集團作為持續經營實體繼續經營業務之能力，並維持穩健資本比率，從而支持業務及盡量提高股東價值。

本集團根據經營環境轉變，管理其資本結構，並對其作出調整。為了維持或調整資本結構，本集團可調整向股東支付股息、向股東退還股本或發行新股。除遵守就維持本集團銀行貸款的若干銀行契約外，本集團無須遵守任何外部施加之資本規定。本集團之目標、政策或過程於截至二零零八年及二零零七年三月三十一日止年度並無變動。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

31 March 2008

二零零八年三月三十一日

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the capital. The Group's policy is to maintain the gearing ratio below 100%. Net debt includes interest-bearing bank and other borrowings and bank advances on factored accounts receivables, less cash and bank balances. Capital includes total equity. The gearing ratios as at the balance sheet dates were as follows:

45. 財務風險管理目標及政策 (續)

資本管理(續)

本集團使用資產負債比率(即債項淨額除以資本)監察資本。本集團的政策為維持資產負債比率於100%以下。債項淨額包括計息銀行及其他借貸及應收保付代理賬款之銀行貸款，減現金及銀行結存。資本包括權益總額。於結算日的資產負債比率如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借貸	399,869	529,896
Add: Bank advances on factored accounts receivables	加：應收保付代理賬款之銀行貸款	118,451	-
Less: Cash and bank balances	減：現金及銀行結存	(31,031)	(92,698)
Net debt	債項淨額	<u>487,289</u>	<u>437,198</u>
Capital	資本	<u>561,750</u>	<u>541,370</u>
Gearing ratio	資產負債比率	<u>86.7%</u>	<u>80.8%</u>

31 March 2008

二零零八年三月三十一日

46. POST BALANCE SHEET EVENT

On 16 June 2008, the Company entered into a conditional sale and purchase Agreement (the “S&P Agreement”) with the spouse and daughter of Mr. Ling Siu Man, Simon, a director of the Company, (“Purchasers”), for the disposal of a director quarter (the “Property”), which is currently occupied by Mr. Ling Siu Man, Simon, for his residential purpose, at cash consideration of HK\$34 million. The consideration was determined on arm’s length basis based on the value of the Property as stated in the valuation report prepared by Jones Lang LaSalle Sallmanns Limited, an independent firm of professionally qualified valuer, as at 31 May 2008. As at 31 March 2008, the net book value of the Property amounted to approximately HK\$5 million and it is estimated that the completion of the transaction will result a gain of approximately HK\$29 million to the Group.

Since the Purchasers are close family members of Mr. Ling and the consideration is greater than HK\$10 million, the proposed disposal transaction constitutes a non-exempted connected transaction for the Company and the S&P Agreement is subject to independent shareholders’ approval pursuant to the requirement under Chapter 14A of the Listing Rules. The above has been disclosed in the announcement of the Company dated 16 June 2008 and circular dated 4 July 2008 and the completion of the S&P Agreement is subject to the approval of the independent shareholders of the Company at the extraordinary general meeting on 29 July 2008.

46. 結算日後事項

於二零零八年六月十六日，本公司與本公司董事凌少文先生之配偶及女兒(「買方」)就以現金代價港幣34,000,000元出售由凌少文先生目前佔用作其住宅用途之董事宿舍(「該物業」)訂立有條件買賣協議。該代價按照獨立專業估值師仲量聯行西門有限公司於二零零八年五月三十一日編製之估值報告所載之該物業價值按公平磋商基準釐定。於二零零八年三月三十一日，該物業之賬面淨值約為港幣5,000,000元，估計交易完成將為本集團帶來收益約港幣29,000,000元。

由於買方為凌先生之近親以及代價超過港幣10,000,000元，建議出售交易構成本公司之非豁免關連交易，買賣協議須代獨立股東根據上市規則第14A章之規定批准始可作實。上文已於本公司日期為二零零八年六月十六日之公佈及日期為二零零八年七月四日之通函披露，買賣協議完成須待本公司獨立股東於二零零八年七月二十九日之股東特別大會上批准始可作實。

31 March 2008

二零零八年三月三十一日

47. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the adoption of the new and revised HKFRSs during the current year, certain comparative amounts have been adjusted to conform with the current year's presentation and to show separately comparative amounts in respect of items disclosed for the first time in 2008.

48. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 18 July 2008.

47. 比較數字

如財務報表附註2.2所詳細解釋，由於本年度採納新訂及經修訂香港財務報告準則，若干比較數字已重新調整，以符合是年度呈報及分別顯示於二零零八年首次披露相關項目的比較數字。

48. 財務報表的批准

財務報表已於二零零八年七月十八日獲董事會批准，並獲授權刊發。

FIVE YEAR FINANCIAL SUMMARY

五年財務資料概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

以下為本集團過去五個財政年度之業績、資產及負債概要，此等資料乃摘錄自己刊發經審核財務報表，並已作出適當重列／重新分類。

Results

業績

		Year ended 31 March 截至三月三十一日止年度				
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元 (Restated) (重列)	2004 二零零四年 HK\$'000 港幣千元 (Restated) (重列)
REVENUE	收入	<u>2,420,918</u>	<u>2,599,414</u>	<u>2,392,219</u>	<u>2,636,294</u>	<u>2,074,140</u>
PROFIT BEFORE TAX	除稅前溢利	<u>19,933</u>	31,685	18,509	29,538	20,871
Tax	稅項	<u>(14,248)</u>	<u>(7,673)</u>	101	<u>(1,684)</u>	<u>5,575</u>
PROFIT FOR THE YEAR	本年度溢利	<u>5,685</u>	<u>24,012</u>	<u>18,610</u>	<u>27,854</u>	<u>26,446</u>

Assets and Liabilities

資產及負債

		At 31 March 於三月三十一日				
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元 (Restated) (重列)	2004 二零零四年 HK\$'000 港幣千元 (Restated) (重列)
TOTAL ASSETS	資產總額	<u>1,717,475</u>	<u>1,483,583</u>	<u>1,520,653</u>	<u>1,337,608</u>	<u>1,452,896</u>
TOTAL LIABILITIES	負債總額	<u>(1,155,725)</u>	<u>(942,213)</u>	<u>(1,012,587)</u>	<u>(840,887)</u>	<u>(1,063,997)</u>
		<u>561,750</u>	<u>541,370</u>	<u>508,066</u>	<u>496,721</u>	<u>388,899</u>

PROPERTIES HELD BY THE GROUP

本集團持有之物業

31 March 2008

二零零八年三月三十一日

Particulars of properties held by the Group as at 31 March 2008 are as follows:

本集團於二零零八年三月三十一日持有之物業詳情如下：

PROPERTY INTERESTS HELD BY THE GROUP IN HONG KONG

本集團在香港持有之物業權益

	Type 種類	Lease term 租約
1. Units D, G and H on 4th Floor, Summit Building, 30 Man Yue Street and 21-23 Tai Wan Road, Hung Hom, Kowloon	Industrial	Medium
九龍 紅磡 民裕街30號及 大環道21至23號 興業大廈 4樓D、G及H單位	工業	中期
2. Unit B on 10th Floor, Summit Building, 30 Man Yue Street and 21-23 Tai Wan Road, Hung Hom, Kowloon	Industrial	Medium
九龍 紅磡 民裕街30號及 大環道21至23號 興業大廈 10樓B單位	工業	中期

PROPERTIES HELD BY THE GROUP

本集團持有之物業

31 March 2008

二零零八年三月三十一日

PROPERTY INTERESTS HELD BY THE GROUP IN HONG KONG (continued)

本集團在香港持有之物業權益 (續)

	Type 種類	Lease term 租約
3. Units A, B, L and O on 11th Floor, Summit Building, 30 Man Yue Street and 21-23 Tai Wan Road, Hung Hom, Kowloon	Industrial	Medium
九龍 紅磡 民裕街30號及 大環道21至23號 興業大廈 11樓A、B、L及O單位	工業	中期
4. Town House No.113, Sunderland Estate, 1 Hereford Road, Kowloon Tong, Kowloon	Residential	Medium
九龍 九龍塘 禧福道1號 新德園 第113號洋房	住宅	中期
5. Lorry Car Parking Spaces Nos. 7, 8, 9 and 10 on 1st Floor Summit Building, 30 Man Yue Street and 21-23 Tai Wan Road, Hung Hom, Kowloon	Car park	Medium
九龍 紅磡 民裕街30號及 大環道21至23號 興業大廈 1樓第7、8、9及10號 貨車泊車位	車位	中期

PROPERTIES HELD BY THE GROUP

31 March 2008

PROPERTY INTERESTS HELD BY THE GROUP IN HONG KONG (continued)

6. Private Car Parking
Spaces Nos. 10, 14, 21 and 22 on Basement
Summit Building,
30 Man Yue Street and
21-23 Tai Wan Road,
Hung Hom,
Kowloon
- 九龍
紅磡
民裕街30號及
大環道21至23號
興業大廈
地庫第10、14、21及22號
私家車泊車位

PROPERTY INTERESTS HELD BY THE GROUP IN THE PRC

7. An industrial complex in
Shitanpu Administrative Zone
Tangxia Town,
Dongguan,
Guangdong Province
- 廣東省
東莞市
塘廈鎮
石潭埔管理區之
綜合工業園

本集團持有之物業

二零零八年三月三十一日

本集團在香港持有之物業權益 (續)

Type 種類	Lease term 租約
Car park	Medium
車位	中期

本集團在中國持有之物業權益

Type 種類	Lease term 租約
Industrial	Medium
工業	中期

PROPERTIES HELD BY THE GROUP

本集團持有之物業

31 March 2008

二零零八年三月三十一日

PROPERTY INTERESTS HELD BY THE GROUP IN THE PRC (continued)

本集團在中國持有之物業權益 (續)

	Type 種類	Lease term 租約
8. An industrial complex in Zhenhua Industrial District Qishi Town, Dongguan, Guangdong Province 廣東省 東莞市 企石鎮 振華工業區之 綜合工業園	Industrial 工業	Medium 中期
9. Unit A805 Tiananchuangxin Technology Square Shenzhen City Guangdong Province 中國 深圳市 天安數碼城 創新科技廣場 A座805室	Industrial 工業	Medium 中期
10. An industrial complex in Huangjiabo Village ShiPai Town, Shi Pai Dongguan, Guangdong Province 廣東省 東莞市 石排石排鎮 黃家壩村 新工業區	Industrial 工業	Medium 中期

