



Grandtop International Holdings Limited

泓鋒國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號 : 2309)



Annual Report
2008年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Yeung Ka Sing, Carson
Mr. Hui Ho Luek, Vico
Mr. Steven McManaman
Mr. Fan Zhi Yi
Mr. Lee Yiu Tung
Mr. Ip Wing Lun
Ms. Wong Po Ling, Pauline
Ms. Bessie Siu

Non-executive Directors

Mr. Christian Lali Karembeu
Mr. Chan Wai Keung

Independent Non-executive Directors

Mr. Chang Kin Man
Mr. Yau Yan Ming, Raymond
Mr. Yip Man Ki
Mr. Zhou Han Ping

COMPANY SECRETARY

Mr. Edmund Siu

AUDIT COMMITTEE

Mr. Chang Kin Man
Mr. Yau Yan Ming, Raymond
Mr. Yip Man Ki
Mr. Zhou Han Ping

NOMINATION COMMITTEE AND REMUNERATION COMMITTEE

Mr. Chang Kin Man
Mr. Yau Yan Ming, Raymond
Mr. Yip Man Ki
Mr. Zhou Han Ping

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3008, 30/F, West Tower,
Shun Tak Centre,
168-200 Connaught Road Central,
Hong Kong

董事會

執行董事

楊家誠先生
許浩略先生
Steven McManaman 先生
范志毅先生
李耀東先生
葉泳倫先生
王寶玲女士
蕭佩詩女士

非執行董事

Christian Lali Karembeu 先生
陳偉強先生

獨立非執行董事

鄭健民先生
邱恩明先生
葉文琪先生
周漢平先生

公司秘書

蕭俊文先生

審核委員會

鄭健民先生
邱恩明先生
葉文琪先生
周漢平先生

提名委員會及 薪酬委員會

鄭健民先生
邱恩明先生
葉文琪先生
周漢平先生

香港主要營業 地點

香港
干諾道中 168-200 號
信德中心
西座 30 樓 3008 室

Corporate Information

公司資料

REGISTERED OFFICE

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

SHARE REGISTRAR

Principal share registrar and transfer office

Butterfield Fund Services (Cayman) Limited
Butterfield House,
68 Fort Street,
P.O. Box 705,
Grand Cayman KY1-1107
Cayman Islands

Hong Kong Branch share registrar

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

COMPANY WEBSITE

<http://www.irasia.com/listco/hk/grandtop/index.htm>

AUDITOR

Shu Lun Pan Horwath Hong Kong CPA Limited

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law

Robertsons Solicitors & Notaries
ONC Lawyers

As to Cayman Islands law

Conyers Dill & Pearman, Cayman

PRINCIPAL BANKERS

Wing Lung Bank Limited
Hang Seng Bank Limited

STOCK CODE

2309

註冊辦事處

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

股份登記處

股份過戶登記總處

Butterfield Fund Services (Cayman) Limited
Butterfield House,
68 Fort Street,
P.O. Box 705,
Grand Cayman KY1-1107
Cayman Islands

股份過戶登記香港分處

卓佳登捷時有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

公司網站

<http://www.irasia.com/listco/hk/grandtop/index.htm>

核數師

香港立信浩華會計師事務所有限公司

本公司之法律顧問

有關香港法律

羅拔臣律師事務所
柯伍陳律師事務所

有關開曼群島法律

Conyers Dill & Pearman, Cayman

主要往來銀行

永隆銀行有限公司
恒生銀行有限公司

股份代號

2309

Chairman's Statement

主席報告

On behalf of the Board of Directors (the "Board") of Grandtop International Holdings Limited (the "Company"), I am pleased to report the annual results of the Company together with its subsidiaries (collectively the "Group") for the year ended 31 March 2008.

PERFORMANCE

For the financial year ended 31 March 2008, the Group recorded a turnover of approximately HK\$20,595,000 (2007: HK\$42,813,000), representing a decrease of 52% compared to the last corresponding period. The Group's loss attributable to shareholders was approximately HK\$152,133,000 (2007: HK\$11,050,000), loss per share was 22.47 cents (2007: 2.69 cents).

REVIEW AND LOOKING FORWARD

Our Company endeavors formulating business plans to expand revenue by entering trading of high profit margin apparel products into the Group. The Group is constantly exploring new business opportunities in order to achieve better returns for our shareholders and will continue to seek merger and acquisition opportunities so as to enhance the shareholders' value.

APPRECIATION

On the behalf of the Board, I would like to take this opportunity to express my gratitude to our customers for their continued trust and support. I would also like to express our appreciation to the management and staff members for their hard work and significant contribution to the Group in the past year. Finally, I would like to thank our shareholders for their support to the Company.

Mr. Yeung Ka Sing, Carson

Chairman

Hong Kong, 28 July 2008

本人謹代表泓鋒國際控股有限公司(「本公司」)之董事會(「董事會」)，欣然提呈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之全年業績。

表現

於截至二零零八年三月三十一日止年度，本集團錄得營業額約20,595,000港元(二零零七年：42,813,000港元)，較去年同期減少52%。本集團之股東應佔虧損約為152,133,000港元(二零零七年：11,050,000港元)。每股虧損為22.47港仙(二零零七年：2.69港仙)。

回顧及展望將來

本公司盡力為涉足高利潤服飾產品貿易而制定新業務計劃開拓收益。本集團不斷發掘新商機以為股東帶來更優厚回報，亦將繼續物色併購機會以提高股東價值。

致謝

本人謹代表董事會藉此機會向本集團客戶一直以來之信任及支持致以由衷謝意。本人亦感謝管理層及員工於上年度對本集團所付出之努力及重大貢獻。最後，本人感謝股東們對本公司之支持。

主席

楊家誠先生

香港，二零零八年七月二十八日

Management Discussion and Analysis

管理層討論與分析

RESULTS

For the year ended 31 March 2008, the Group recorded a consolidated turnover of approximately HK\$20.6 million, representing a decrease of 51.9% compared to the turnover of approximately HK\$42.8 million in the last financial year. Such decrease was mainly due to a change in the Group's focus from apparel sourcing and apparel trading businesses in Hong Kong, Macau and PRC to sportswear & apparel trading business in the United Kingdom. Such change was to minimise further loss attributable to the apparel sourcing and apparel trading businesses in Hong Kong, Macau and PRC.

The Group's turnover for the year under review was mainly derived from Macau and the United Kingdom market and accounted for 73.3% and 26.7% respectively.

During the year under review, the gross profit margin of the Group was 14.7% while it was 14.5% in the last financial year. The slightly increase in the gross profit margin was mainly due to high gross profit margin in sportswear & apparel trading business in the United Kingdom.

The loss of the Group for the year ended 31 March 2008 substantially increased by 1,270% to approximately HK\$152.1 million from the loss for the year of approximately HK\$11.1 million in the last financial year. Such loss of the Group is mainly due to a very significant impairment loss on the investment in Birmingham City Plc. Details in this impairment loss are set out in Note 20 to the financial statements.

BUSINESS REVIEW AND PROSPECTS

The Company engages in investment holdings. The principal activities of the subsidiaries are engaged in provision of apparel sourcing and sportswear & apparel trading. During the year under review, the Group focused on sportswear & apparel trading business, because of better profit margin and lower costs in this business. However, the Group decided to minimise the apparel sourcing and apparel trading businesses in Hong Kong, Macau and PRC to avoid further loss attributable to these businesses in the high competitive markets.

業績

截至二零零八年三月三十一日止年度，本集團錄得綜合營業額約20,600,000港元，較上個財政年度約42,800,000港元下跌51.9%。下跌主要由於本集團之業務重點由於香港、澳門及中國之服飾採購及服飾貿易業務轉至於英國之運動服裝及服飾貿易業務所致。有關轉變之目的為盡量減低於香港、澳門及中國之服飾採購及服飾貿易業務所帶來之進一步虧損。

本集團於回顧年度之營業額主要來自澳門及英國市場，分別佔73.3%及26.7%。

於回顧年度內，本集團之毛利率為14.7%，而上個財政年度則為14.5%。毛利率輕微上升主要由於英國之運動服裝及服飾貿易業務之高毛利率所致。

本集團截至二零零八年三月三十一日止年度之虧損由上個財政年度之年度虧損約11,100,000港元大幅增加1,270%至約152,100,000港元。本集團之有關虧損主要由於於Birmingham City Plc.之投資產生非常重大減值虧損所致。有關此減值虧損之詳情載於財務報表附註20。

業務回顧及前景

本公司從事投資控股。附屬公司之主要業務為從事提供服飾採購以及運動服裝及服飾貿易。於回顧年度內，本集團集中於運動服裝及服飾貿易業務，此乃由於此業務之利潤較高及成本較低。然而，本集團決定盡量減低於香港、澳門及中國之服飾採購及服務貿易業務，以避免於競爭激烈之市場上因此等業務而引致進一步虧損。

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW AND PROSPECTS

(Continued)

Although the Group's apparel sourcing and apparel trading businesses in Hong Kong, Macau and PRC, faced a comprehensive challenge from the competitors, the Group will endeavor to take every step to overcome the challenge by restructuring the cost structure as well as formulating new business plans to expand revenue by entering into trading of high profit margin apparel products. The Group will continue to explore and identify investment opportunities to add into the Group's investments in order to enhance the shareholders' value by its organic growth.

DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31 March 2008 (2007: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2008, the cash and bank balances of the Group were approximately HK\$7.1 million, representing an increase of 4.4% compared to the cash and bank balances of approximately HK\$6.8 million as at the last financial year end.

The current ratio of the Group as at 31 March 2008 was 24.6% (2007: 79.3%) and the ratio of total liabilities to total assets of the Group as at 31 March 2008 was 91.4% (2007: 100.2%).

CAPITAL RAISING

On 23 April 2007, the Company entered into the underwriting agreement to raise approximately HK\$37 million, after expenses, by issuing 192,000,000 offer shares at a price of HK\$0.20 per offer share for every two shares held. The open offer was completed on 7 June 2007.

On 20 June 2007, the Company entered into the placing agreement to raise approximately HK\$65 million, after expenses, by issuing 115,200,000 placing shares at a price of HK\$0.57 each. The placing was completed on 11 July 2007.

業務回顧及前景

(續)

儘管本集團於香港、澳門及中國之服飾採購及服飾貿易業務面對競爭對手之重重挑戰，惟本集團將盡力採取各種所需行動，透過整頓成本結構、為涉足高利潤服飾產品貿易業務而制定新業務計劃開拓收益，克服挑戰。本集團將持續發掘及物色投資機會以加入本集團之投資，務求透過內部增長提高股東價值。

股息

董事並不建議就截至二零零八年三月三十一日止年度派發末期股息(二零零七年：無)。

流動資金及財務資源

於二零零八年三月三十一日，本集團之現金及銀行結餘約為7,100,000港元，較於上個財政年度年結日之現金及銀行結餘約6,800,000港元增加4.4%。

於二零零八年三月三十一日，本集團之流動比率為24.6%(二零零七年：79.3%)，而本集團於二零零八年三月三十一日之負債總值對資產總值之比率為91.4%(二零零七年：100.2%)。

集資

於二零零七年四月二十三日，本公司訂立包銷協議，透過按每持有兩股股份獲發一股發售股份之基準按每股發售股份0.20港元之價格發行192,000,000股發售股份籌集約37,000,000港元(扣除開支後)。公開發售於二零零七年六月七日完成。

於二零零七年六月二十日，本公司訂立配售協議，透過按每股0.57港元之價格發行115,200,000股配售股份籌集約65,000,000港元(扣除開支後)。配售已於二零零七年七月十一日完成。

Management Discussion and Analysis

管理層討論與分析

CAPITAL RAISING (Continued)

On 30 October 2007, the Company entered into the placing and subscription agreement to raise approximately HK\$52 million, after expenses, by issuing 69,120,000 shares at a price of HK\$0.80 per share. The placing and subscription was completed on 13 November 2007.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in Note 27 to the financial statements.

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to currency risk primarily through its investment in quoted equity securities in Birmingham City Plc. with a carrying value of approximately HK\$134.4 million (2007: HK\$ Nil) as at 31 March 2008 that are denominated in Pound Sterling (“£”), which was acquired during the current year.

PLEDGE OF GROUP'S ASSET

As at 31 March 2008, the property of Sun Tai Hing Garment Making Company Limited (“Sun Tai Hing”), a subsidiary of the Company, was charged by the plaintiff for the claim in a writ on 11 September 2007. Save as the above, the Group did not have assets charged nor pledged to secure any outstanding borrowing (2007: Nil).

HUMAN RESOURCE

The Group employs approximately 50 employees and their remuneration packages are generally structured by reference to market terms and individual merit. Salaries are normally review on an annual basis based on performance appraisals and other relevant factors.

CONTINGENT LIABILITIES

Details of contingent liabilities are set out in Note 31 to the financial statements.

SIGNIFICANT POST BALANCE SHEET EVENT

The Company entered into subscription agreement dated 7 May 2008 and supplemental agreement dated 4 June 2008 with Pacific Capital Investment Management Limited to issue convertible notes by the Company for an aggregate principal amount of HK\$200,000,000 which was approved as an ordinary resolution passed at the extraordinary general meeting of the Company on 7 July 2008.

集資 (續)

於二零零七年十月三十日，本公司訂立配售及認購協議，透過按每股0.80港元之價格發行69,120,000股股份籌集約52,000,000港元(扣除開支後)。配售及認購已於二零零七年十一月十三日完成。

股本

本公司年內之股本變動詳情載於財務報表附註27。

外匯風險

本集團主要透過其於Birmingham City Plc.之上市股本證券之投資面臨貨幣風險。於二零零八年三月三十一日，該投資之賬面值約為134,400,000港元(二零零七年：零港元)，以英鎊(「英鎊」)為單位，乃於本年內購入。

本集團之資產質押

於二零零八年三月三十一日，原告人要求就二零零七年九月十一日之令狀內之申索抵押本公司附屬公司新大興製衣有限公司(「新大興」)之物業。除上文所披露者外，本集團並無資產已抵押或質押作為任何未償還借貸之抵押品(二零零七年：無)。

人力資源

本集團僱用約50名僱員，其薪酬待遇一般參考市場條款及個人功績制定。薪金一般每年按表現評估及其他有關因素檢討。

或然負債

或然負債之詳情載於財務報表附註31。

重大結算日後事項

本公司分別於二零零八年五月七日及二零零八年六月四日與Pacific Capital Investment Management Limited訂立認購協議及補充協議，以由本公司發行本金總額200,000,000港元之可換股票據。發行可換股票據已於本公司於二零零八年七月七日舉行之股東特別大會上通過普通決議案予以批准。

Biographical Details of Directors

董事履歷

EXECUTIVE DIRECTORS

Mr. Yeung Ka Sing, Carson, aged 48, has accumulated many years of experience in international investments. He has been the Chairman of Hong Kong Rangers Football Club during 2005 to 2006. Mr. Yeung is a director of Universal Management Consultancy Limited and Universal Energy Resources Holdings Limited. He was appointed as an executive director and the Chairman of the Board of the Company on 20 July 2007.

Mr. Hui Ho Luek, Vico, aged 42, has accumulated over 20 years of experience in management of business trade and project investments. He was appointed as an executive director on 20 June 2007.

Mr. Steven McManaman, aged 36, has accumulated over 15 years of experience in football industry. He is a former English footballer of the 1990s and early 2000s, who played in a career spanning two of European Football's biggest club in Liverpool F.C. and Real Madrid F.C. Mr. McManaman has substantial experience in the management of football club and its continuing development. He was appointed as an executive director on 2 July 2007.

Mr. Fan Zhi Yi, aged 38, has accumulated over 20 years of experience in professional football, and was a member of Chinese National Football Team (the "National Team"). He was appointed as the captain of the National Team in 1996, and was awarded Mr. Football of Asia in 2002. He played in Crystal Palace Football Club in England, and became the first Chinese player who joined a professional football club in England. Mr. Fan has substantial experience in the management of football club and its continuing development, and can help promotion in the PRC market. He was appointed as an executive director on 5 November 2007.

執行董事

楊家誠先生，48歲，在國際投資方面累積多年經驗。彼於二零零五年至二零零六年曾任香港流浪足球會主席。楊先生為環球資產管理有限公司及環球能源控股有限公司董事，彼於二零零七年七月二十日獲委任為本公司執行董事及董事會主席。

許浩略先生，42歲，於商貿管理及項目投資方面累積超過20年經驗。彼於二零零七年六月二十日獲委任為執行董事。

Steven McManaman先生，36歲，於足球事業方面累積超過15年經驗，於1990年代及二零零零年代初期效力英格蘭國家足球隊，並曾加盟歐洲足球壇兩支強會——利物浦及皇家馬德里。McManaman先生在足球會管理及持續發展方面累積豐富經驗。彼於二零零七年七月二日獲委任為執行董事。

范志毅先生，38歲，在專業足球方面累積逾20年經驗，曾效力於中國國家足球隊（「國家隊」），彼於一九九六年被任命為國家隊隊長並於二零零二年獲得亞洲足球先生稱號。彼曾加盟英格蘭水晶宮隊，成為加入英國職業足球隊的首名中國球員。范先生於管理球會及其持續發展擁有豐富經驗，並能夠協助推廣中國市場。彼於二零零七年十一月五日獲委任為執行董事。

Biographical Details of Directors

董事履歷

EXECUTIVE DIRECTORS (Continued)

Mr. Lee Yiu Tung, aged 45, is a registered architect in Hong Kong with extensive working experiences related to PRC property development, project management and development consultant services. Mr. Lee is a member of Royal Institute of British Architects and Hong Kong Institute of Architects. He holds a Bachelor of Arts in Architectural Studies with Honors, a Bachelor of Architecture and a Master of Science degree in Real Estate all from the University of Hong Kong. He also holds a qualification of Real Estate Planner recognized by the Ministry of Labor and Social Security, PRC. He was appointed as an executive director on 13 June 2006.

Mr. Ip Wing Lun, aged 40, is a Certified Public Accountant (Practising) in Hong Kong. Mr. Ip is currently an independent non-executive director of China Energy Development Holdings Limited (stock code 228) which is listed on the Main Board of The Stock Exchange of Hong Kong Limited. Mr. Ip holds a Master degree of Business Administration and is a fellow member of Hong Kong Institute of Certified Public Accountants, an associate member of the Institute of Chartered Secretaries and Administrator, the Hong Kong Institute of Chartered Secretaries and the Taxation Institute of Hong Kong. He has over 15 years of experience in auditing, taxation and provision of financial consultancy services of companies in Hong Kong and the PRC. He was re-designated as an executive director on 17 July 2007. On 5 December 2006, he was appointed as an independent non-executive director and re-designated as a non-executive director on 22 May 2007. He is a spouse of Ms. Wong Po Ling, Pauline who is the executive director of the Company.

執行董事(續)

李耀東先生，45歲，香港註冊建築師，於中國房地產發展、項目管理及發展顧問服務方面擁有豐富工作經驗。李先生為Royal Institute of British Architects及香港建築師學會之會員。彼持有香港大學頒發之文學士學位(建築學榮譽畢業)、建築學學士學位及理碩士學位(房地產)。彼亦持有中國勞動和社會保障部認可之房地產規劃師資格。彼於二零零六年六月十三日獲委任為執行董事。

葉泳倫先生，40歲，香港執業會計師。葉先生現時為香港聯合交易所有限公司主板上市公司中國能源開發控股有限公司(股份代號：228)之獨立非執行董事。葉先生持有工商管理碩士學位，並為香港會計師公會資深會員、英國特許秘書及行政人員公會、香港特許秘書公會及香港稅務學會會員。彼在香港及中國公司之審核、稅務及提供財務顧問服務方面擁有逾15年經驗。彼於二零零七年七月十七日調任為執行董事。於二零零六年十二月五日，彼獲委任為獨立非執行董事，並於二零零七年五月二十二日調任為非執行董事。彼為本公司執行董事王寶玲女士之配偶。

Biographical Details of Directors

董事履歷

EXECUTIVE DIRECTORS (Continued)

Ms. Wong Po Ling, Pauline, aged 30, is an associate member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. She is also an associate member of the Institute of Chartered Secretaries and Administrator and the Hong Kong Institute of Chartered Secretaries. She holds a Master degree of Corporate Governance and a Bachelor's degree in Accountancy. Ms. Wong has more than 10 years of experience in financial accounting, management accounting and auditing, including working experience in other listed companies. She was appointed as an executive director on 29 May 2007. She is a spouse of Mr. Ip Wing Lun who is the executive director of the Company.

Ms. Bessie Siu, aged 32, has several years of experience in marketing management, general administration works and trading business. Ms. Siu holds a Bachelor degree in Science, Master of Marketing Management and Master of Business Administration. She was appointed as an executive director on 25 April 2006.

NON-EXECUTIVE DIRECTORS

Mr. Christian Lali Karembeu, aged 37, has accumulated over 20 years of experience in professional football and a member of the French National Team which won the World Cup in 1998. He played in a career spanning famous football clubs in Middlesbrough F.C., Real Madrid F.C. and Sampdoria F.C.. Mr. Karembeu has substantial experience in the management of football club and its continuing development. He was appointed as a non-executive director on 7 August 2007.

執行董事(續)

王寶玲女士，30歲，香港會計師公會以及英格蘭及威爾斯特許會計師公會會員。彼亦為英國特許秘書及行政人員公會及香港特許秘書公會會員。彼持有企業管治碩士學位及會計學學士學位。王女士於財務會計、管理會計與審計方面擁有逾10年經驗，當中包括於其他上市公司之工作經驗。彼於二零零七年五月二十九日獲委任為執行董事。彼為本公司執行董事葉泳倫先生之配偶。

蕭佩詩女士，32歲，擁有多多年市場管理、一般行政管理工作及貿易業務經驗。蕭女士持有理學士學位、市場管理碩士學位及工商管理碩士學位。彼於二零零六年四月二十五日獲委任為執行董事。

非執行董事

Christian Lali Karembeu先生，37歲，在專業足球方面累積逾20年經驗，曾效力於法國國家足球隊，該隊於一九九八年贏得世界盃。彼曾加盟著名球會——米杜士堡、皇家馬德里及森多利亞。Karembeu先生於管理球會及其持續發展方面擁有豐富經驗。彼於二零零七年八月七日獲委任為非執行董事。

Biographical Details of Directors

董事履歷

NON-EXECUTIVE DIRECTORS (Continued)

Mr. Chan Wai Keung, aged 55, is the committee member of the People's Political Consultation Committee of Lungguang, Shenzhen, the PRC since 1998. Currently, he is an executive director of China Energy Development Holdings Limited (stock code 228) which is listed on the Main Board of the Stock Exchange of Hong Kong. He is also the President of Global Resources Recovery (Canada) Inc., GRR Conception Recycling Inc. and the chief executive officer of True Product ID Technology Limited, China Fishery and Agriculture Bioenvironmental Technology (Hong Kong) Ltd. and Sure Trace Security Corporation (shares of which are listed in OTC Bulletin Board). Mr. Chan has over 25 years of experience in the operation of business development, China trade, international trade and venture capital etc. He was appointed as a non-executive director on 12 December 2007.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chang Kin Man, aged 44 is a certified public accountant in Hong Kong and a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Chang holds a Bachelor of Science degree in Economics and a Master's degree in Applied Finance. Mr. Chang has extensive experience in corporate finance and in accounting field. He worked for an international accounting firm and a number of public listed companies for more than 15 years. He is currently an independent non-executive director of China Energy Development Holdings Limited (stock code 228) and China Water Industry Group Limited (stock code 1129), both are listed companies on the Main Board of the Stock Exchange. He was appointed as an independent non-executive director on 13 July 2006.

非執行董事(續)

陳偉強先生，55歲，自一九九八年起為中華人民共和國人民政治協商會議深圳市龍崗區委員會委員。現為香港聯合交易所主板上市之中國能源開發控股有限公司(股份代號228)之執行董事。彼現亦為Global Resources Recovery (Canada) Inc.及GRR Conception Recycling Inc.總裁，以及正品身份科技有限公司、中國漁農業生物環境科技(香港)有限公司及Sure Trace Security Corporation(其股份在美國場外電子交易板上市)之首席執行官。陳先生於經營商業發展區、中國貿易、國際貿易及風險資本等方面擁有超過25年經驗。彼於二零零七年十二月十二日獲委任為非執行董事。

獨立非執行董事

鄭健民先生，44歲，香港執業會計師，英國特許公認會計師公會資深會員及香港會計師公會之會員。鄭先生持有經濟學理學士學位及應用財務學碩士學位。鄭先生於企業融資及會計方面擁有豐富經驗。彼曾任職一家國際會計師事務所及多家上市公司逾15年。彼現任中國能源開發控股有限公司(股份代號228)及中國水業集團有限公司(股份代號1129)之獨立非執行董事，該等公司均為於聯交所主板上市之公司。彼於二零零六年七月十三日獲委任為獨立非執行董事。

Biographical Details of Directors

董事履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Mr. Yau Yan Ming, Raymond, aged 40, has over 12 years of work experience in auditing, accounting, taxation, company secretarial, corporate finance and financial management, in both private and listed companies. Mr. Yau is an associate member of both the Hong Kong Institute of Certified Public Accountants and American Institute of Certified Public Accountants. He is currently an independent non-executive director of Willie International Holdings Limited (stock code: 273) which is listed on the main board of the Stock Exchange and he is currently a chairman and executive director of iMerchants Limited (stock code: 8009) which is listed on the Growth Enterprise Market of the Stock Exchange. Mr. Yau holds a Master degree in Science majoring in Japanese business studies and Bachelor degree in Business Administration majoring in accounting in the United States of America. He was appointed as an independent non-executive director on 9 October 2007.

Mr. Yip Man Ki, aged 44, has had over 19 years sales, marketing and general management experience in both HK and PRC market. He had held various sales, marketing and management positions with several multinational corporations. He was awarded Hong Kong Management Association Distinguished Marketer in 2006. Mr. Yip has obtained an EMBA degree and a BBA degree from The Chinese University of Hong Kong. He was appointed as an independent non-executive director on 22 May 2007.

獨立非執行董事 *(續)*

邱恩明先生，40歲，於私人及上市公司之核數、會計、稅務、公司秘書、企業財務及財務管理方面擁有逾12年工作經驗。邱先生為香港會計師公會及美國會計師公會會員。彼現為於聯交所主板上市之威利國際控股有限公司(股份代號273)之獨立非執行董事及於聯交所創業板上市之菱控有限公司(股份代號8009)之主席兼執行董事。邱先生持有美國理學碩士學位(主修日本商業研究)及工商管理學士學位(主修會計)。彼於二零零七年十月九日獲委任為獨立非執行董事。

葉文琪先生，44歲，在香港及中國兩地市場擁有逾19年銷售、市場推廣及一般管理經驗。彼曾於多間跨國企業出任不同銷售、市場推廣及管理職位。彼於二零零六年榮獲香港管理專業協會傑出市場策劃人獎項。葉先生持有香港中文大學行政人員工商管理碩士學位及工商管理學士學位。彼於二零零七年五月二十二日獲委任為獨立非執行董事。

Biographical Details of Directors

董事履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Mr. Zhou Han Ping, aged 38, graduated in Guangzhou Institute of Foreign Trade in 1994. Mr. Zhou was an Export & Import Manager of China National Packaging Import & Export Corporation (中國包裝進出口總公司). Mr. Zhou was a Manager of South China Region of CIMC (China International Marine Container Holding Limited) (中國國際海運集裝箱(集團)股份有限公司). He had over 10 years experience in International Trade Settlement. Now, Mr. Zhou is Managing Director of Shenzhen Miao Fang Development Company Limited (深圳市苗方科技有限公司) since 2002. He was appointed as an independent non-executive director on 28 February 2007.

獨立非執行董事 *(續)*

周漢平先生，38歲，一九九四年畢業於廣州外貿學院。周先生曾任中國包裝進出口總公司之進出口經理。周先生為中國國際海運集裝箱(集團)股份有限公司之經理。彼於國際貿易結算方面有逾10年經驗。自二零零二年起，周先生現任深圳市苗方科技有限公司之董事總經理。彼於二零零七年二月二十八日獲委任為獨立非執行董事。

Corporate Governance Report

企業管治報告

The board of directors of the Company (the “Board”) is pleased to present this Corporate Governance Report in the Company's annual report for the year ended 31 March 2008.

CORPORATE GOVERNANCE PRACTICES

The Board believes that good corporate governance is crucial to improve the efficiency and performance of the Group and to safeguard the interests of the shareholders. The Company has applied the principles of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rule”) and complied with all the applicable code provisions of the Code, except the following:

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The Company deviates from the above code provision as one of non-executive Directors (“NEDs”) and all independent non-executive Directors (“INEDs”) are not appointed for specific terms. According to the provisions of the Company's Articles of Association, however, the NEDs and INEDs are subject to retirement and re-election. The reason for the deviation is that the Company believes that the Directors ought to be committed to representing the long term interest of the Company's shareholders.

Code provision A.4.2 stipulates that all directors should be subject to retirement by rotation at least once every three years. Pursuant to the Company's Articles of Association, the chairman shall not be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. In order to ensure the smooth running and continuous adhering to the strategic view of the Company, the Company believes that the position of chairman is more practical to be maintained and not to be subject to retirement by rotation.

Code provision E1.2 stipulates that the chairman of the board (the “Chairman”) should attend the annual general meeting (the “AGM”). The Chairman was unable to attend the AGM on 3 September 2007 due to his business trip but he has designated the Executive Director and Chief Executive Officer of the Company to answer questions raised at the AGM.

本公司董事會(「董事會」)欣然提呈本公司截至二零零八年三月三十一日止年度之年報內所載之本企業管治報告。

企業管治常規

董事會相信良好企業管治對改善本集團效率與表現以及保障股東利益至為重要。本公司已應用香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之企業管治常規守則(「守則」)之原則，並遵守守則之一切適用守則條文，惟以下除外：

守則條文第A.4.1條規定非執行董事之委任應有指定任期，並須接受重選。由於其中一位非執行董事(「非執行董事」)及全部獨立非執行董事(「獨立非執行董事」)之委任並無指定任期，故本公司偏離上述守則條文。然而，根據本公司之公司組織章程細則，非執行董事及獨立非執行董事須退任及接受重選。偏離之原因乃本公司相信董事須承諾代表本公司股東之長遠利益。

守則條文第A.4.2條規定所有董事應每三年最少輪值告退一次。根據本公司之組織章程細則，主席毋須輪值告退，而於釐定每年告退之董事人數時，亦不會計入其中。為確保本公司順利營運及持續堅守本公司之策略性視野，本公司相信主席維持其職務及毋須輪值告退更切實可行。

守則條文第E1.2條規定董事會主席(「主席」)須出席股東週年大會(「股東週年大會」)。於二零零七年九月三日，主席由於公幹無法出席股東週年大會，但已委派本公司之執行董事兼首席執行官於股東週年大會解答所提出之問題。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the full set of Model Code set out in Appendix 10 of the Listing Rules as the code of the conduct for securities transactions by directors (the "Model Code"). The prohibitions on securities dealing and disclosure requirements in the Model Code apply to specified individuals including the Group's senior management and also persons who are privy to price sensitive information of the Group. Having made specific enquiry of all directors, the Board confirms that the director of the Company have complied with the Model Code regarding directors' securities transactions during the year and up to the date of publication of the Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company has a separate chairman and chief executive officer. The two positions are assumed by different persons, in order to ensure that their independence, accountability and power are clear. Mr. Yeung Ka Sing, Carson, the chairman of the Board, is responsible for the operation of the Board and the formulation of the Company's strategies and policies, Mr. Hui Ho Luek, Vico, the chief executive officer, with the assistance of other members of the Board and senior management, is responsible for the management of the Company's business, the implementation of significant policies, the daily operational decisions as well as the coordination of the overall.

BOARD OF DIRECTORS

(a) Up to the date of this Annual Report, the Board comprises a total of fourteen members including eight executive directors, two non-executive directors and four independent non-executive directors. Members of the Board have different professional and relevant industry experiences and background so as to bring in valuable contributions and advices for the development of the Group's business. Six out of fourteen of the Board is non-executive directors and independent non-executive directors and four of them are qualified accountants.

董事證券交易

本公司已採納上市規則附錄十所載之整套標準守則作為董事進行證券交易之操守守則（「標準守則」）。標準守則就證券買賣之限制及披露規定適用於特定個別人士，包括本集團之高級管理人員及其他可接觸本集團股價敏感資料之人士。經向全體董事作出特定查詢後，董事會確認於年內直至年報刊發日期，本公司董事已遵守有關董事進行證券交易之標準守則。

主席及行政總裁

本公司設有主席及行政總裁兩職。兩個職位由不同人士擔任，以確保其獨立性、問責性及權力清晰。董事會主席楊家誠先生負責董事會運作及制定本公司策略及政策。行政總裁許浩略先生在其他董事會成員及高級管理人員協助下，負責管理本公司業務、實施重大政策、作出日常營運決定以及整體協調。

董事會

(a) 截至本年報日期，董事會由合共十四名成員組成，包括八名執行董事、兩名非執行董事及四名獨立非執行董事。董事會成員具備不同專業及相關行業經驗及背景，可為本集團之業務發展提供寶貴貢獻及意見。董事會十四名成員中，六名成員為非執行董事及獨立非執行董事，而其中四名為合資格會計師。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (Continued)

- (b) The Company has received written annual confirmation from each independent non-executive director of their independence to the Group. The Group considered that all independent non-executive directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. The names of the directors and their respective biographies are set out on pages 8 to 13 of this Annual Report.
- (c) The Board holds meetings on a regular basis and will meet on other occasions when a board-level decision on a particular matter is required. The Board also monitors and controls financial performance in pursuit of the Group's strategic objectives. The names of the directors during the financial year and their individual attendance of is set out below:

董事會(續)

- (b) 本公司已接獲各獨立非執行董事就彼等之獨立性而向本集團發出之確認書。本集團認為全體獨立非執行董事符合上市規則第3.13條所載之獨立指引，且根據指引之條款屬獨立人士。董事姓名及彼等各自之履歷載於本年報第8至13頁。
- (c) 董事會定期及於有需要就個別事項作出董事會決策時舉行會議。董事會亦監察及監控本集團於達致策略性目標時之財務表現。財政年度內之董事姓名及其個別出席率載列如下：

Name of Directors	董事姓名	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會
Executive:	執行董事：			
Mr. Yeung Ka Sing, Carson (<i>Chairman</i>) (appointed on 20 July 2007)	楊家誠先生(主席) (於二零零七年七月二十日獲委任)	12/42	N/A 不適用	N/A 不適用
Mr. Hui Ho Luek, Vico (appointed on 20 June 2007)	許浩略先生 (於二零零七年六月二十日獲委任)	29/42	N/A 不適用	N/A 不適用
Mr. Steven McManaman (appointed on 2 July 2007)	Steven McManaman 先生 (於二零零七年七月二日獲委任)	8/42	N/A 不適用	N/A 不適用
Mr. Fan Zhi Yi (appointed on 5 November 2007)	范志毅先生 (於二零零七年十一月五日獲委任)	1/42	N/A 不適用	N/A 不適用
Mr. Lee Yiu Tung	李耀東先生	25/42	N/A 不適用	N/A 不適用
Mr. Ip Wing Lun (re-designated as non-executive director on 22 May 2007 and re-designated as executive director on 17 July 2007)	葉泳倫先生 (於二零零七年五月二十二日調任為 非執行董事及於二零零七年七月十七日 調任為執行董事)	22/42	N/A 不適用	N/A 不適用
Ms. Wong Po Ling, Pauline (appointed on 29 May 2007)	王寶玲女士 (於二零零七年五月二十九日獲委任)	37/42	N/A 不適用	N/A 不適用
Ms. Bessie Siu	蕭佩詩女士	2/42	N/A 不適用	N/A 不適用

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (Continued)

董事會(續)

Name of Directors	董事姓名	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會
Non-executive:	非執行董事			
Mr. Christian Lali Karembeu (appointed on 7 August 2007)	Christian Lali Karembeu 先生 (於二零零七年八月七日獲委任)	1/42	N/A 不適用	N/A 不適用
Mr. Chan Wai Keung (appointed on 12 December 2007)	陳偉強先生 (於二零零七年十二月十二日獲委任)	1/42	N/A 不適用	N/A 不適用
Mr. Fu Wing Kwok, Ewing (retired on 3 September 2007)	傅榮國先生 (於二零零七年九月三日退任)	0/42	N/A 不適用	N/A 不適用
Independent non-executive:	獨立非執行董事：			
Mr. Chang Kin Man	鄭健民先生	8/42	6/6	3/3
Mr. Yau Yan Ming, Raymond (appointed on 9 October 2007)	邱恩明先生 (於二零零七年十月九日獲委任)	1/42	2/6	2/3
Mr. Yip Man Ki (appointed on 22 May 2007)	葉文琪先生 (於二零零七年五月二十二日獲委任)	1/42	6/6	3/3
Mr. Zhou Han Ping	周漢平先生	0/42	0/6	0/3

(d) The Board is responsible for the leadership and control of the Company, oversee the Group's businesses and evaluate the performance of the Group. The Board also focuses on overall strategies and policies with particular attention paid to the growth and financial performance of the Group.

(d) 董事會負責本公司之領導及監控、監督本集團之業務及評估本集團之表現。董事會亦集中制定整體策略及政策，尤其關注本集團之增長及財務表現。

(e) The Board delegates day-to-day operations of the Group to Executive Directors and senior management, while reserving certain key matters for its approval. When the Board delegates aspects of its management and administration functions to Management, it has given clear directions as to the powers of the Management, in particular, with respect to the circumstances where Management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

(e) 董事會授權執行董事及高級管理人員處理本集團日常運作，同時保留批准若干關鍵事項之權力。董事會將其管理及行政職能授予管理層時，已就管理層之權力給予清晰指引，尤其是涉及管理層在何種情況下須作出匯報，及於代表本公司作出決定或作出任何承諾前須取得董事會之事先批准。

Corporate Governance Report

企業管治報告

NON-EXECUTIVE DIRECTORS

The Board appointed two directors Mr. Christian Lali Karembeu and Mr. Chan Wai Keung, as Non-executive Directors on 7 August 2007 and 12 December 2007 respectively. They are subject to retirement and eligible for election in annual general meeting in accordance with the Articles of Association of the Company.

NOMINATION COMMITTEE

The Board established a Nomination Committee which comprises four independent non-executive directors, Mr. Chang Kin Man, Mr. Yau Yan Ming, Raymond, Mr. Yip Man Ki and Mr. Zhou Han Ping. It is chaired by Mr. Chang Kin Man. The terms of reference of the Nomination Committee have been reviewed with reference to the Code. The nomination committee is responsible for reviewing the Board composition, developing and formulating relevant procedures for nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessment of the independence of the independent non-executive directors. The nomination committee carries out the process of selecting and recommending candidates for directorships by making reference to the skills, experience, professional knowledge and personal integrity of such individuals, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary. The nomination committee is also responsible for considering and approving the appointment of its members and making recommendations to shareholders on directors standing for re-election, providing sufficient biographical details of directors to enable shareholders to make an informed decision on the re-election and where necessary, nominate and appoint directors to fill casual vacancies. The chairman may in conjunction with the other directors from time to time review the composition of the Board with particular regard to ensuring that there is an appropriate number of directors on the Board independent of management.

非執行董事

董事會分別於二零零七年八月七日及二零零七年十二月十二日委任兩名董事Christian Lali Karembeu先生及陳偉強先生為非執行董事。彼等須根據本公司之公司組織章程細則輪席退任及符合資格於股東週年大會接受重選。

提名委員會

本公司設有提名委員會，而提名委員會成員包括鄭健民先生、邱恩明先生、葉文琪先生及周漢平先生，由鄭健民先生擔任主席。提名委員會之職權範圍已參考守則作出檢討。提名委員會負責檢討董事會組成、發展及制定提名及委任董事之有關程序、就董事之委任及繼任計劃為董事會提供推薦意見，以及評估獨立非執行董事之獨立性。提名委員會參照候選人之技能、經驗、專業知識、個人誠信、本公司之需要，以及其他有關法定要求及法規，挑選及推薦候選人出任董事。本公司於有需要時或會委任外界人事顧問公司進行招聘及挑選工作。提名委員會亦負責考慮及批准其成員之委任，並就擬重選之董事向股東提供推薦意見，提供足夠董事履歷詳情，以便股東就重選作出知情決定，並於有需要時提名及委任董事填補臨時空缺。主席可不時聯同其他董事檢討董事會組成，特別要確保董事會內有足夠董事人數獨立於管理人員。

REMUNERATION COMMITTEE

The Board established a Remuneration Committee which comprises four independent non-executive directors, namely Mr. Chang Kin Man, Mr. Yau Yan Ming, Raymond, Mr. Yip Man Ki and Mr. Zhou Han Ping. Mr. Chang Kin Man is the chairman of the Committee.

The primary objectives of the remuneration committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive directors and the senior management. The remuneration committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The remuneration committee normally meets annually for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the executive directors and the senior management and other related matters. The remuneration committee shall consult the Board about these recommendations on remuneration policy and structure and remuneration packages.

The remuneration committee held 3 meetings during the year ended 31 March 2008 and reviewed the remuneration policy and structure of the Company and remuneration packages of the executive directors and the senior management for the year under review.

薪酬委員會

本公司設有薪酬委員會，薪酬委員會及提名委員會成員包括鄭健民先生、邱恩明先生、葉文琪先生及周漢平先生。鄭健民先生為委員會之主席。

薪酬委員會主要目標包括就薪酬政策及架構及執行董事及高級管理人員之薪酬組合作出建議及批准薪酬政策及架構及執行董事及高級管理人員之薪酬組合。薪酬委員會亦負責就制定薪酬政策及架構設立具透明度之程序，以確保董事或其任何聯繫人士並無參與其本身薪酬之決定，其薪酬會參考個人及本公司表現及市場慣例及狀況釐定。

薪酬委員會一般會為檢討薪酬政策及架構及釐定執行董事及高級管理人員之年度酬金組合及其他相關事項而進行會晤。薪酬委員會須就其對薪酬政策及架構及薪酬組合之推薦意見諮詢董事會之意見。

薪酬委員會於截至二零零八年三月三十一日止年度內舉行3次會議，並檢討回顧年度之本公司薪酬政策及架構及執行董事及高級管理人員之酬金組合。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE (Continued)

Emolument Policy

The directors are paid fees in line with market practice. The Group adopted the following main principles of determining the directors' remuneration:

- No individual should determine his or her own remuneration;
- Remuneration should be broadly aligned with companies with whom the Group competes for human resources;
- Remuneration should reflect performance.

In addition to the basic salaries, a share option scheme is adopted for rewarding good performers as well as retaining talented staff for the continual operation and development of the Group.

AUDIT COMMITTEE

The audit committee comprises of four independent non-executive directors, namely Mr. Chang Kin Man (Chairman of the Audit Committee), Mr. Yau Yan Ming, Raymond, Mr. Yip Man Ki and Mr. Zhou Han Ping. Mr. Chang and Mr. Yau both are certified public accountants.

The main duties of the audit committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, compliance officer or external auditors before submission to the Board;
- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors;

薪酬委員會(續)

酬金政策

董事獲支付之袍金符合市場慣例。本集團採納以下釐定董事酬金之主要原則：

- 任何個別人士不得釐定本身之酬金；
- 酬金須與本集團爭取人力資源之公司配合；
- 酬金應反映表現。

除基本薪金外，本公司亦採納購股權計劃，就本集團之持續經營及發展獎勵優秀員工及挽留才幹職員。

審核委員會

審核委員會由四名獨立非執行董事組成，包括鄭健民先生(審核委員會主席)、邱恩明先生、葉文琪先生及周漢平先生。鄭先生及邱先生均為執業會計師。

審核委員會主要職責包括下列各項：

- 審閱財務報表及報告，並於呈交董事會之前考慮合資格會計師、循規主任或外聘核數師提出之任何重大或非尋常項目；
- 參考核數師所進行之工作、其酬金及受聘年期檢討與外聘核數師之關係，並就委聘、續聘及撤除外聘核數師向董事會提供建議；

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE (Continued)

- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The audit committee held 6 meetings during the year ended 31 March 2008 including the review the financial results and reports, financial reporting and compliance procedures, and the re-appointment of the external auditors.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. The Board has not taken any different view from that of the audit committee regarding the selection, appointment, resignation or dismissal of external auditors.

The Company's annual results for the year ended 31 March 2008 reviewed by the audit committee.

AUDITOR'S REMUNERATION

An amount of approximately HK\$600,000 was charged to the Group's consolidated financial statement for the year ended 31 March 2008 for the auditing services provided by Shu Lun Pan Horwath Hong Kong CPA Limited, the existing auditor who was appointed on 3 September 2007. There is no significant non-audit service assignment provided by Shu Lun Pan Horwath Hong Kong CPA Limited during the year.

INTERNAL CONTROLS

The Board had conducted a review of the effectiveness of the system of internal control of the Group. The Group's internal control system includes a defined management structure with limits of authority, is designed to help the achievement of business objectives, safeguard assets against unauthorized use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operation systems and achievement of the Group's objectives. The Board throughout the Group maintains and monitors the internal control systems on an ongoing basis.

審核委員會(續)

- 檢討本公司財務申報制度、內部控制制度及風險管理制度及相關程序之足夠性及有效性。

審核委員會於截至二零零八年三月三十一日止年度內舉行6次會議，其工作包括審閱財務業績及報告、財務申報及循規程序以及續聘外聘核數師。

本公司並不存在有關可能對其持續經營之能力產生重大疑問之事件或情況之重大不確定性。就選擇、委聘、辭退或解聘外聘核數師而言，董事會與審核委員會之意見並無分歧。

審核委員會已審閱本公司截至二零零八年三月三十一日止年度之全年業績。

核數師酬金

約600,000港元之款項已就香港立信浩華會計師事務所有限公司(於二零零七年九月三日獲委任之現任核數師)提供之審核服務自本集團截至二零零八年三月三十一日止年度之綜合財務報表扣除。於年內，香港立信浩華會計師事務所有限公司並無提供任何重大非審核服務工作。

內部控制

董事會已檢討本集團內部控制制度之成效。本集團之內部控制制度包括具有權限之界定管理架構，乃為協助達成業務目標、保管資產以防未經授權之使用或處理、確定適當之會計紀錄得以保存並可提供可靠之財務資料供內部使用或對外發放，並確保符合相關法例與規則而設。該制度旨在合理地(惟非絕對地)保證並無重大失實陳述或損失，並管理(而非減低)本集團之營運系統以達成本集團之業務目標。董事會於本集團內持續維持及監察內部控制制度。

Report of the Directors

董事會報告

The Board of Directors (the "Board") have pleasure in submitting their report together with the audited financial statements of Grandtop International Holdings Limited (hereinafter referred as to the "Company") and its subsidiaries (hereinafter collectively referred as to the "Group") for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are engaged in provision of apparel sourcing and sportswear & apparel trading. The activities and other particulars of the subsidiaries are set out in Note 19 to the financial statements.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31 March 2008 are set out in the consolidated income statement on page 38.

The state of affairs of the Group and the Company as at 31 March 2008 are set out in the consolidated and Company's balance sheets on page 39 and 40 respectively.

The directors do not recommend the payment of a final dividend nor transfer of any amount to reserves in respect of the year ended 31 March 2008 (2007: HK \$ Nil).

SEGMENT INFORMATION

An analysis of the Group's turnover and contribution to the results by principal activities for the year ended 31 March 2008 is set out in Note 5 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group and of the Company during the year are set out in Note 16 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the Company's share capital and share options during the year are set out in Notes 27 and 32 to the financial statements respectively.

董事會(「董事會」)謹此欣然提呈截至二零零八年三月三十一日止年度之報告連同泓鋒國際控股有限公司(以下稱為「本公司」)及其附屬公司(以下統稱「本集團」)之經審核財務報表。

主要業務

本公司之主要業務為投資控股。其附屬公司之主要業務為提供服裝採購服務及運動服裝及服飾貿易。附屬公司之業務及其他資料載於財務報表附註19。

業績及分配

本集團截至二零零八年三月三十一日止年度之業績載於第38頁之綜合損益表。

於二零零八年三月三十一日，本集團及本公司之財務狀況分別載於第39頁之綜合資產負債表及第40頁之本公司資產負債表。

董事會建議不派發截至二零零八年三月三十一日止年度之末期股息或轉撥任何金額至儲備(二零零七年：零港元)。

分類資料

本集團截至二零零八年三月三十一日止年度按主要業務劃分之營業額及業績貢獻分析載於財務報表附註5。

物業、廠房及設備

年內，本集團及本公司物業、廠房及設備之變動詳情載於財務報表附註16。

股本及購股權

本公司年內之股本及購股權變動詳情分別載於財務報表附註27及32。

Report of the Directors

董事會報告

RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 41 and Note 28 to the financial statements.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 116.

DIRECTORS

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

Executive Directors

Mr. Yeung Ka Sing, Carson
(appointed on 20 July 2007)
Mr. Hui Ho Luek, Vico
(appointed on 20 June 2007)
Mr. Steven McManaman
(appointed on 2 July 2007)
Mr. Fan Zhi Yi
(appointed on 5 November 2007)
Mr. Lee Yiu Tung
Mr. Ip Wing Lun
(re-designated as non-executive director on 22 May 2007 and re-designated as executive director on 17 July 2007)

Ms. Wong Po Ling, Pauline
(appointed on 29 May 2007)
Ms. Bessie Siu

Non-Executive Director

Mr. Christian Lali Kaembeu
(appointed on 7 August 2007)
Mr. Chan Wai Keung
(appointed on 12 December 2007)
Mr. Fu Wing Kwok, Ewing
(retired on 3 September 2007)

Independent Non-executive Directors

Mr. Chang Kin Man
Mr. Yau Yan Ming, Raymond
(appointed on 9 October 2007)
Mr. Yip Man Ki
(appointed on 22 May 2007)
Mr. Zhou Han Ping

儲備

本集團及本公司於年內之儲備變動詳情載於第41頁之綜合權益變動表及財務報表附註28。

五年財務資料概要

本集團過去五個財政年度之業績及資產與負債概要載於第116頁。

董事

於本財政年度內及截至本報告日期，本公司之董事如下：

楊家誠先生
(於二零零七年七月二十日獲委任)
許浩略先生
(於二零零七年六月二十日獲委任)
Steven McManaman 先生
(於二零零七年七月二日獲委任)
范志毅先生
(於二零零七年十一月五日獲委任)
李耀東先生
葉泳倫先生
(於二零零七年五月二十二日調任為非執行董事及於二零零七年七月十七日調任為執行董事)
王寶玲女士
(於二零零七年五月二十九日獲委任)
蕭佩詩女士

非執行董事

Christian Lali Karembeu 先生
(於二零零七年八月七日獲委任)
陳偉強先生
(於二零零七年十二月十二日獲委任)
傅榮國先生
(於二零零七年九月三日退任)

獨立非執行董事

鄭健民先生
邱恩明先生
(於二零零七年十月九日獲委任)
葉文琪先生
(於二零零七年五月二十二日獲委任)
周漢平先生

Report of the Directors

董事會報告

DIRECTORS (Continued)

In accordance with Article 87(1) of the Company's Articles of Association, Mr. Yeung Ka Sing, Carson, the Chairman of the Company, shall not be subject to retirement by rotation at the annual general meeting.

In accordance with Articles 87(1) and 86(3) of the Company's Articles of Association, Mr. Fan Zhi Yi, Mr. Chan Wai Keung, Mr. Yau Yan Ming, Raymond, Mr. Lee Yiu Tung, Mr. Zhou Han Ping and Mr. Chang Kin Man shall retire from office at the forthcoming annual general meeting ("AGM") and shall be eligible for re-election. Ms. Bessie Siu will retire at the AGM in accordance with article 87(1) but does not offer herself for re-election at the AGM for personal reasons.

DIRECTORS' BIOGRAPHICAL DETAILS

Biographical details of the directors of the Company are set out on page 8 to 13 of the annual report.

DIRECTORS' SERVICES CONTRACTS

Mr. Steven McManaman, an executive Director, has entered into a service agreement with the Company for an initial fixed term of 3 years commencing from 2 July 2007 which is subject to termination with six months' notice in writing served by either party to the other party or payment in lieu of notice. Mr. McManaman is entitled to a monthly director's salary of HK\$100,000 which was determined by the Board on the basis of his qualification, experience and level of responsibilities and by reference to market benchmark. He is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's articles of association.

Mr. Christian Lali Karembeu, a non-executive Director, has entered into a service agreement with the Company for an initial fixed term of 3 years commencing from 7 August 2007 which is subject to termination with six months' notice in writing served by either party to the other party or payment in lieu of notice. Mr. Karembeu is entitled to a monthly director's salary of HK\$100,000 which was determined by the Board on the basis of his qualification, experience and level of responsibilities and by reference to market benchmark. He is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's articles of association.

Save as the above, none of the directors has a services contract with Company and of its subsidiaries which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事 (續)

根據本公司組織章程細則第87(1)條，本公司主席楊家誠先生毋須於股東週年大會上輪值退任。

根據本公司組織章程細則第87(1)條及86(3)條，范志毅先生、陳偉強先生、邱恩明先生、李耀東先生、周漢平先生及鄭健民先生將退任並符合資格於應屆股東週年大會（「股東週年大會」）上膺選連任。蕭佩詩女士將根據細則第87(1)條退任，惟因個人理由將不會於股東週年大會上膺選連任。

董事履歷詳情

本公司董事之履歷詳情載於年報第8至第13頁。

董事之服務合約

執行董事Steven McManaman先生已與本公司訂立服務協議，初步固定任期由二零零七年七月二日起，為期三年，直至任何一方向另一方發出六個月之書面通知或等額之代通知金為止。McManaman先生有權獲取董事薪金每月100,000港元，乃由董事會根據其資歷、經驗及責任水平參考市場標準釐定。彼將根據本公司之組織章程細則於本公司之股東週年大會上輪值退任及接受重選。

非執行董事Christian Lali Karembeu先生已與本公司訂立服務協議，初步固定任期由二零零七年八月七日起，為期三年，直至任何一方向另一方發出六個月之書面通知或等額之代通知金為止。Karembeu先生有權獲取董事薪金每月100,000港元，乃由董事會根據其資歷、經驗及責任水平參考市場標準釐定。彼將根據本公司之組織章程細則於本公司之股東週年大會上輪值退任及接受重選。

除上述者外，概無董事與本公司及其附屬公司訂立本公司不可於一年免付賠償（法定賠償除外）予以終止之服務合約。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2008, the interests and short positions of the Directors and chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests which they are taken or deemed to have under Section 344 of the SFO) or which are required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

(i) Shares

Name of directors 董事姓名	Nature of interest 權益性質	Note 附註	Number of issued ordinary shares held 所持已發行 普通股數目		Percentage of the issued share capital of the Company 佔本公司 已發行 股本百分比
Mr. Yeung Ka Sing, Carson 楊家誠先生	Held by controlled corporation 以受控制公司持有	(1)	115,200,000	(L)	15.15%
	Personal interest 個人權益		23,520,000	(L)	3.09%
			<u>138,720,000</u>		<u>18.24%</u>

董事之合約權益

本公司、其控股公司或其任何附屬公司於年終或年內任何時間概無訂立本公司董事直接或間接擁有重大權益而對本集團業務影響重大之任何合約。

董事之證券權益

於二零零八年三月三十一日，董事及高級行政人員與彼等之聯繫人士於本公司或其任何關聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中所持證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所之權益(包括證券及期貨條例第344條所當作或視為之權益)，或證券及期貨條例第352條規定須載入該條例所指之記錄冊之權益，或董事進行證券交易之標準守則規定須知會本公司或聯交所之權益如下：

(i) 股份

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN SECURITIES (Continued)

(i) Shares (Continued)

董事之證券權益(續)

(i) 股份(續)

Name of directors 董事姓名	Nature of interest 權益性質	Note 附註	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司 已發行 股本百分比
Mr. Hui Ho Luek, Vico 許浩略先生	Held by controlled corporation 以受控制公司持有	(2)	96,000,000 (L)	12.63%
	Family interest 家族權益	(3)	18,975,000 (L)	2.50%
			114,975,000	15.13%
Ms. Bessie Siu 蕭佩詩女士	Held by trust 以信託持有	(4)	96,000,000 (L)	12.63%

The letter "L" denotes a long position in shares of the Company.

「L」代表於本公司股份之好倉。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN SECURITIES (Continued)

(i) Shares (Continued)

Notes:

- (1) These Shares were held by Great Luck Management Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Yeung Ka Sing, Carson.
- (2) These Shares were held by Premier Rise Investments Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Hui Ho Luek, Vico.
- (3) These Shares were held by Ms. Leung Choi Fan, the spouse of Mr. Hui Ho Luek, Vico.
- (4) These Shares were held by Huge Gain Development Limited which is wholly owned by Nerine Trust Company Limited ("Nerine Trust"). Nerine Trust is the trustee of SB Unit Trust and holds properties for the benefit of holders of units issued by SB Unit Trust. All the units issued by SB Unit Trust were held by the family members of Mr. Siu Ban, co-founder of the Group and the discretionary objects. Ms. Bessie Siu is one of the beneficiaries of the trust.

董事之證券權益(續)

(i) 股份(續)

附註:

- (1) 該等股份由鴻祥管理有限公司持有，該公司乃於英屬處女群島註冊成立，並由楊家誠先生全資擁有。
- (2) 該等股份由致尊投資有限公司持有，該公司乃於英屬處女群島註冊成立，並由許浩略先生全資擁有。
- (3) 該等股份由許浩略先生之配偶梁彩芬女士持有。
- (4) 該等股份由Nerine Trust Company Limited(「Nerine Trust」)全資擁有之Huge Gain Development Limited持有。Nerine Trust是SB Unit Trust之受託人，並為SB Unit Trust所發行單位之持有人之利益持有財產。SB Unit Trust所發行之全部單位由本集團之共同創辦人蕭彬先生之家族成員及全權信託之受益人持有。蕭佩詩女士為該信託之其中一名受益人。

DIRECTORS' INTERESTS IN SECURITIES (Continued)

(i) Shares (Continued)

Save as disclosed herein, none of the Directors and chief executives and their associates has any interests in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests which they are taken or deemed to have under section 344 of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

(ii) Share options

Name of Directors 董事姓名	Date of Grant 授出日期	Number of options held 所持購股權數目	Exercise price per Share 每股股份行使價 HK\$ 港元	Expiry Date 屆滿日期
Lee Yiu Tung 李耀東	21 August 2007 二零零七年八月二十一日	6,912,000	1.126	20 August 2017 二零一七年八月二十日
Ip Wing Lun 葉泳倫	21 August 2007 二零零七年八月二十一日	6,912,000	1.126	20 August 2017 二零一七年八月二十日
Wong Po Ling, Pauline 王寶玲	21 August 2007 二零零七年八月二十一日	6,912,000	1.126	20 August 2017 二零一七年八月二十日
Steven McManaman	21 August 2007 二零零七年八月二十一日	2,000,000	1.126	20 August 2017 二零一七年八月二十日
		22,736,000		

董事之證券權益(續)

(i) 股份(續)

除本文所披露者外，董事及高級行政人員與彼等之聯繫人士並無於本公司或其任何關聯法團(定義見證券及其貨條例第XV部)之股份、相關股份債券中持有證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所之權益(包括證券及期貨條例第344條所當作或視為之權益)，或證券及期貨條例第352條規定須載入該條例所指之記錄冊之權益，或董事進行證券交易之標準守則規定須知會本公司或聯交所之權益。

(ii) 購股權

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2008, the following interests and short positions of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO.

主要股東

於二零零八年三月三十一日，於根據本公司遵照證券及期貨條例第336條存置之權益登記冊顯示下列佔本公司已發行股本5%或以上之權益及淡倉。

Name of shareholders 股東名稱	Capacity 身份	Notes 附註	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
Great Luck Management Limited 鴻祥管理有限公司	Beneficial owner 實益擁有人	1	115,200,000	15.15%
Premier Rise Investments Limited 致尊投資有限公司	Beneficial owner 實益擁有人	2	96,000,000	12.63%
Huge Gain Development Limited	Beneficial owner 實益擁有人	3	96,000,000	12.63%
Nerine Trust Company Limited	Trustee of trust 信託之受託人	3	96,000,000	12.63%

Notes:

- Great Luck Management Limited is wholly owned by Mr. Yeung Ka Sing, Carson, who is also a director of Great Luck Management Limited and the Company.
- Premier Rise Investments Limited is wholly owned by Mr. Hui Ho Luek, Vico, who is also a director of Premier Rise Investments Limited and the Company.
- Huge Gain Development Limited is wholly owned by Nerine Trust. Nerine Trust is the trustee of SB Unit Trust and holds properties for the benefit of holders of unites issued by SB Unit Trust. All the units issued by SB Unit Trust were held by the family members of Mr. Siu Ban, co-founder of the Group and the discretionary objects. Both of Ms. Bessie Siu and Ms. Tsai Lai Wa, Jenny are the beneficiaries of the trust.

附註:

- 鴻祥管理有限公司由楊家誠先生全資擁有，彼亦為鴻祥管理有限公司及本公司之董事。
- 致尊投資有限公司由許浩略先生全資擁有，彼亦為致尊投資有限公司及本公司之董事。
- Huge Gain Development Limited由Nerine Trust全資擁有。Nerine Trust是SB Unit Trust之信託人，並為SB Unit Trust所發行單位之持有者之利益持有財產。SB Unit Trust所發行之全部單位由本集團之共同創辦人蕭彬先生之家族成員及全權信託之受益人持有。蕭佩詩女士及蔡麗華女士均為該信託之受益人。

SUBSTANTIAL SHAREHOLDERS

(Continued)

Save as disclosed above, as at 31 March 2008, no person had registered any interests or short positions of 5% or more the issued share capital of the Company that was required under Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its shares during the year. Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year and up to date of this report, no director of the Company or any of its subsidiaries is considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, pursuant to the Listing Rules, other than those business of which the directors were appointed as directors to represent the interest of the Company and/or the Group.

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, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to its existing shareholders.

主要股東(續)

除上文所披露者外，於二零零八年三月三十一日，概無人士已根據證券及期貨條例第336條之規定登記本公司已發行股本5%或以上之任何權益或淡倉。

購買、贖回或出售本公司之上市證券

年內，本公司並無贖回其任何股份。年內，本公司或其任何附屬公司並無購買、贖回或出售本公司之任何上市證券。

董事於競爭性業務之權益

於本年內及截至本報告日期，本公司或其任何附屬公司之董事概無被視為擁有(根據上市規則)與本集團業務構成直接或間接競爭或可能構成競爭之業務中擁有權益，惟董事獲委任為代表本公司及/或本集團權益而參與之業務則除外。

優先購股權

本公司之公司章程或開曼群島(本公司註冊成立所在之司法權區)法例概無載列有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "SHARE OPTION SCHEME" below, at no time during the year was the Company, its holding company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate. None of the directors, or their spouses or their children under the age of 18, had any right to subscribe for the shares of the Company, or had exercised any such rights during the year.

SHARE OPTION SCHEME

Under the old share option scheme and new share option scheme adopted by the Company on 22 October 2002 and 30 July 2007 respectively, the board of directors of the Company may, at its discretion, grant options to eligible participants to subscribe for share in the Company. The details of share option scheme are set out in Note 32 to the financial statements.

董事認購股份或債券之權利

除下文「購股權計劃」所披露者外，本公司、其控股公司或其任何附屬公司於年內任何時間並無參與任何安排，致使本公司之董事藉購入本公司或任何其他法團之股份或債券而獲取利益。董事或彼等之配偶或未滿十八歲之子女於年內概無擁有認購本公司股份之任何權利或已行使任何有關權利。

購股權計劃

據本公司分別於二零零二年十月二十二日及二零零七年七月三十日採納舊購股權計劃及新購股權計劃，本公司董事可全權決定向合資格參加者授出購股權以認購本公司股份。購股權計劃詳情載於財務報表附註32。

Report of the Directors

董事會報告

SHARE OPTION SCHEME (Continued)

Details of the movements of share options granted under the Old Scheme and New Scheme during the year are set out below:

購股權計劃(續)

年內，本公司根據舊購股權計劃及新購股權計劃授出購股權之變動如下：

	Date of grant 授出日期	Outstanding as at 1 April 2007 於二零零七年 四月一日 尚未行使	Granted during the year 於年內授出	Lapsed during the year 於年內失效	Outstanding as at 31 March 2008 於二零零八年 三月三十一日 尚未行使	Exercise price 行使價
Directors: 董事:						
Lee Yiu Tung 李耀東	21 August 2007 二零零七年 八月二十一日	—	6,912,000	—	6,912,000	1.126
Ip Wing Lun 葉泳倫	21 August 2007 二零零七年 八月二十一日	—	6,912,000	—	6,912,000	1.126
Wong Po Ling, Pauline 王寶玲	21 August 2007 二零零七年 八月二十一日	—	6,912,000	—	6,912,000	1.126
Steven McManaman	21 August 2007 二零零七年 八月二十一日	—	2,000,000	—	2,000,000	1.126
Sub-total 小計		—	22,736,000	—	22,736,000	
Employees: 僱員:						
	7 June 2007 二零零七年 六月七日	—	24,000,000	—	24,000,000	0.500
	21 August 2007 二零零七年 八月二十一日	—	24,384,000	—	24,384,000	1.126
Sub-total 小計		—	48,384,000	—	48,384,000	
Others: 其他:						
	21 August 2007 二零零七年 八月二十一日	—	22,000,000	(22,000,000)	—	1.126
Sub-total 小計		—	22,000,000	(22,000,000)	—	
Grand total 總和		—	93,120,000	(22,000,000)	71,120,000	

Report of the Directors

董事會報告

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on page 14 to 21 to this Annual Report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry to all the directors of the Company, all the directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding the Model Code adopted by the Company.

AUDIT COMMITTEE

The Company has an Audit Committee which was established on 22 October 2002 in accordance with the requirements of the Code of Best Practices set out in Appendix 14 to the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises four independent non-executive directors of the Company.

During the year, the Audit Committee met with the Group's executive directors, senior management and the external auditors to consider and review the Group's financial statements, the nature and scope of audit reviews, and the effectiveness of the system of internal control and compliance. The Audit Committee held 6 meetings during the year. The Audit Committee had reviewed the unaudited interim accounts and the audited annual financial statements for the year ended 31 March 2008 and communicated with external auditors before recommending them to the Board of Directors for approval.

企業管治

本公司之企業管治原則及常規載於本年報第14至21頁企業管治報告內。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之上市公司董事進行證券交易的標準守則(「標準守則」)。於向本公司全體董事作出特定查詢後，全體董事已確認彼等已遵守本公司採納有關標準守則之所需交易標準及操守守則。

審核委員會

於二零零二年十月二十二日，本公司已根據上市規則附錄十四所載之最佳應用守則成立審核委員會，負責檢討及監督本集團之財務申報過程及內部監控。審核委員會由本公司三名獨立非執行董事組成。

年內，審核委員會已會晤本集團之執行董事、高級管理層及外聘核數師，以考慮及審閱本集團之財務報表、檢討核數之性質及範圍以及內部監控及遵例制度之成效。審核委員會於年內舉行六次會議。審核委員會先行審閱截至二零零八年三月三十一日止年度未經審核中期賬目及經審核全年財務報表並與外聘核數師進行商討後，始建議董事會批准該等賬目及財務報表。

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 of the Company as at date of this report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITOR

Shu Lun Pan Horwath Hong Kong CPA Limited was appointed as the new auditor of the Company in succession to M. C. Ng & Co. who resigned from office on 3 September 2007.

The financial statements for the year ended 31 March 2008 have been audited by Shu Lun Pan Horwath Hong Kong CPA Limited who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Ip Wing Lun

Executive Director and Chief Financial Officer

Hong Kong, 28 July 2008

公眾持股量之充足性

根據本公司可公開取得之資料及就本公司董事於本報告日期所知，本公司已維持上市規則所規定之公眾持股量。

核數師

香港立信浩華會計師事務所有限公司已獲委任為本公司新核數師，以接替於二零零七年九月三日辭任之吳文仲會計師行。

截至二零零八年三月三十一日止年度之財務報表已經香港立信浩華會計師事務所有限公司審核，其即將告退，惟符合資格並願接受續聘。

代表董事會

執行董事兼首席財務官

葉泳倫

香港，二零零八年七月二十八日

Independent Auditor's Report

獨立核數師報告



Shu Lun Pan Horwath Hong Kong CPA Limited
香港立信浩華會計師事務所有限公司
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TO THE SHAREHOLDERS OF GRANDTOP INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements of Grandtop International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 38 to 115, which comprise the consolidated and company balance sheets as at 31 March 2008, the consolidated income statement, consolidated statement of changes in equity and 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 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.

致泓鋒國際控股有限公司各股東 *(於開曼群島註冊成立之有限公司)*

吾等已完成審核列載於第38至115頁泓鋒國際控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之財務報表，此綜合財務報表包括於二零零八年三月三十一日之綜合及公司資產負債表與截至該日止年度之綜合損益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔之責任

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製及真實而公平地呈列該等財務報表。該責任包括設計、實施及維護與編製及真實而公平地呈列財務報表相關之內部監控，以使該等財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇及應用適當之會計政策；及按情況作出合理之會計估計。

Independent Auditor's Report

獨立核數師報告

Auditor's responsibility

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

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

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

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

核數師之責任

吾等之責任是根據吾等之審核，對該等財務報表作出意見，並僅根據吾等同意之委聘條款向整體股東報告，除此之外本報告別無其他目的。吾等不會就本報告之內容向任何其他人士負上或承擔任何責任。

吾等已根據香港會計師公會頒佈之香港審核準則進行審核。該等準則要求吾等遵守道德規範，並規劃及執行審核，合理地確定財務報表是否不存在任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載數額及披露資料所需之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致財務報表存在重大錯誤陳述之風險。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呈列財務報表相關之內部監控，以設計適當之審核程序，但並非為對該公司之內部監控效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價財務報表之整體呈列方式。

吾等相信，吾等所獲取之審核憑證是充足及適當地為吾等之審核意見提供基礎。

Independent Auditor's Report

獨立核數師報告

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 loss and cash flows of the Group 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.

SHU LUN PAN HORWATH HONG KONG CPA LIMITED

Certified Public Accountants

28 July 2008

Choi Man On

Practising Certificate number P02410

20th Floor, Central Plaza

18 Harbour Road

Wanchai

Hong Kong

意見

吾等認為，財務報表已根據香港財務報告準則真實而公平地反映 貴集團於二零零八年三月三十一日之財務狀況及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露要求妥為編製。

香港立信浩華會計師事務所有限公司

執業會計師

二零零八年七月二十八日

蔡文安

執業證書編號 P02410

香港

灣仔

港灣道 18 號

中環廣場 20 樓

Consolidated Income Statement

綜合損益表

For the 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 千港元	2007 二零零七年 HK\$'000 千港元
Turnover	營業額	6	20,595	42,813
Cost of sales	銷售成本		(17,574)	(36,597)
Gross profit	毛利		3,021	6,216
Other revenue and gain	其他收益及盈利	7	404	24
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	16	(1,919)	(909)
Impairment loss on available-for-sale financial assets	可供出售金融資產之減值虧損	20	(110,923)	(1,320)
(Impairment loss)/reversal of impairment loss on trade receivables	應收貿易賬款之(減值虧損)/減值虧損撥回	22(ii)	(1,745)	3,076
Loss on disposal of subsidiaries	出售附屬公司之虧損	29	—	(329)
Selling expenses	銷售開支		(790)	(1,924)
Administrative expenses	行政開支		(29,563)	(15,836)
Share-based payments	以股份支付之款項		(10,200)	—
Finance costs	融資成本	8	—	(48)
Loss before taxation	除稅前虧損	9	(151,715)	(11,050)
Taxation	稅項	10	(418)	—
Loss for the year attributable to equity holders of the Company	本公司股權持有人應佔本年度虧損	13	(152,133)	(11,050)
Dividend	股息	14	—	—
Loss per share	每股虧損	15		
— Basic (HK\$ cents)	— 基本(港仙)		(22.47)	(2.69)
— Diluted	— 攤薄		N/A 不適用	N/A 不適用

The accompanying notes form part of these financial statements.

隨附之附註為本財務報表之一部份。

Consolidated Balance Sheet

綜合資產負債表

At 31 March 2008

於二零零八年三月三十一日

	Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Non-current assets			
Property, plant and equipment	16	2,780	4,594
Prepaid land lease expenses	17	—	289
Investment property	18	1,250	—
Available-for-sale financial assets	20	134,364	—
		138,394	4,883
Current assets			
Inventories	21	—	3,656
Prepaid land lease expenses	17	289	431
Trade receivables	22	1,099	5,613
Deposits, prepayments and other receivables	22	544	1,835
Cash and cash equivalents	23	7,055	6,757
		8,987	18,292
Total assets		147,381	23,175
Equity			
Reserves	28(a)	5,043	(3,895)
Share capital	27	7,603	3,840
Total equity		12,646	(55)
Non-current liabilities			
Amounts due to directors	25	97,982	—
Deferred tax liabilities	26	167	167
		98,149	167
Current liabilities			
Trade payables, accruals and other payables	24	5,588	3,066
Taxation payable		20,415	19,997
Amounts due to directors	25	10,583	—
		36,586	23,063
Total liabilities		134,735	23,230
Total equity and liabilities		147,381	23,175
Net current liabilities		(27,599)	(4,771)
Total assets less current liabilities		110,795	112
Net assets/(liabilities)		12,646	(55)

These financial statements were approved and authorised for issue by the board of directors on 28 July 2008.

本財務報表經董事會於二零零八年七月二十八日批准及授權刊發。

Mr. Yeung Ka Sing, Carson
楊家誠先生
Director
董事

Mr. Ip Wing Lun
葉泳倫先生
Director
董事

The accompanying notes form part of these financial statements.

隨附之附註為本財務報表之一部份。

Balance Sheet

資產負債表

At 31 March 2008
於二零零八年三月三十一日

	Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Non-current assets			
Property, plant and equipment	16	1,007	115
Investments in subsidiaries	19	5,774	6,274
Available-for-sale financial assets	20	134,364	—
		141,145	6,389
Current assets			
Deposits, prepayments and other receivables		544	105
Amounts due from subsidiaries	19	1,132	—
Cash and cash equivalents	23	6,941	1,206
		8,617	1,311
Total assets		149,762	7,700
Equity			
Reserves	28(b)	22,344	(3,326)
Share capital	27	7,603	3,840
Total equity		29,947	514
Non-current liabilities			
Amounts due to directors	25	97,982	—
Current liabilities			
Accruals and other payables	24	5,559	1,945
Amounts due to subsidiaries	19	5,691	5,241
Amounts due to directors	25	10,583	—
		21,833	7,186
Total liabilities		119,815	7,186
Total equity and liabilities		149,762	7,700
Net current liabilities		(13,216)	(5,875)
Total assets less current liabilities		127,929	514
Net assets		29,947	514

These financial statements were approved and authorised for issue by the board of directors on 28 July 2008.

本財務報表經董事會於二零零八年七月二十八日批准及授權刊發。

Mr. Yeung Ka Sing, Carson
楊家誠先生
Director
董事

Mr. Ip Wing Lun
葉泳倫先生
Director
董事

The accompanying notes form part of these financial statements.

隨附之附註為本財務報表之一部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 March 2008
截至二零零八年三月三十一日止年度

Group

本集團

		Share capital	Contribution surplus	Share premium	Share option reserve	Accumulated losses	Total
		股本	撥入盈餘	股份溢價	購股權儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
		(Note 27)	(Note 28(a))	(Note 28(a))	(Note 28(a))	(Note 28(a))	
		(附註27)	(附註28(a))	(附註28(a))	(附註28(a))	(附註28(a))	
At 1 April 2006	於二零零六年四月一日	3,200	(85)	25,146	—	(25,010)	3,251
Loss for the year and total recognised expense for the year	本年度虧損及本年度已確認開支總額	—	—	—	—	(11,050)	(11,050)
Placing of shares	配售股份	640	—	7,104	—	—	7,744
At 31 March 2007	於二零零七年三月三十一日	3,840	(85)	32,250	—	(36,060)	(55)
Loss for the year and total recognised expenses for the year	本年度虧損及本年度已確認開支總額	—	—	—	—	(152,133)	(152,133)
Open offer of shares	公開發售股份	1,920	—	35,120	—	—	37,040
Placing of shares	配售股份	1,843	—	115,751	—	—	117,594
Recognition of equity-settled share-based payments (Note 32)	確認以權益結算之 以股份支付之 款項(附註32)	—	—	—	10,200	—	10,200
Lapse of share options	已失效購股權	—	—	—	(2,828)	2,828	—
At 31 March 2008	於二零零八年三月三十一日	7,603	(85)	183,121	7,372	(185,365)	12,646

The accompanying notes form part of these financial statements.

隨附之附註為本財務報表之一部份。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 March 2008
截至二零零八年三月三十一日止年度

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流量		
Loss before taxation	除稅前虧損	(151,715)	(11,050)
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,054	1,226
Release of prepaid land lease expenses	預付土地租金開支解除	431	450
Write-off of property, plant and equipment	物業、廠房及設備撇銷	115	—
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	1,919	907
Loss on disposal of subsidiaries	出售附屬公司之虧損	—	329
Charge for/(Write-back of) provision for obsolete inventories	過時存貨撥備計提／(撥回)	927	(2,597)
Impairment loss/(reversal of impairment loss) on available-for-sale financial assets	可供出售金融資產之減值虧損／(減值虧損)撥回	110,923	1,320
Interest income	利息收入	(93)	(24)
Interest expenses	利息支出	—	48
Impairment loss/(reversal of impairment loss) on trade receivables	應收貿易賬款之減值虧損／(減值虧損)撥回	1,745	(3,076)
Fair value gain on investment property	投資物業之公平值收益	(213)	—
Share-based payments	以股份支付之款項	10,200	—
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	(24,707)	(12,467)
Decrease in inventories	存貨減少	2,729	7,892
Decrease/(increase) in trade receivables	應收貿易賬款減少／(增加)	2,769	(211)
Decrease in deposits, prepayments and other receivables	按金、預付款項及其他應收款項減少	1,291	5,582
Increase/(decrease) in trade payables, accruals and other payables	應付貿易賬款、應計款項及其他應付款項增加／(減少)	2,522	(279)
Cash (used in)/generated from operations	經營業務(耗用)／產生之現金	(15,396)	517
Profits tax paid	已付利得稅	—	(453)
Interest expenses	利息支出	—	(48)
Interest received	已收利息	93	24
Net cash (used in)/generated from operating activities	經營業務(耗用)／產生之現金淨額	(15,303)	40

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 March 2008
截至二零零八年三月三十一日止年度

		Note 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Investing activities	投資活動			
Payments to acquire property, plant and equipment	收購物業、廠房及設備之款項		(1,274)	(286)
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	29	—	105
Acquisition of available-for-sale financial assets	收購可供出售金融資產		(245,287)	—
Acquisition of investment property	收購投資物業		(1,037)	—
Net cash used in investing activities	投資活動耗用之現金淨額		(247,598)	(181)
Financing activities	融資活動			
Issue of shares by open offer and placements	透過公開發售及配售發行股份		154,634	7,744
Repayment of mortgage loan	償還按揭貸款		—	(46)
Advances from directors	董事之墊款		108,565	—
Repayment of advance from a director	償還董事之墊款		—	(3,288)
Net cash generated from financing activities	融資活動產生之現金淨額		263,199	4,410
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額		298	4,269
Cash and cash equivalents at beginning of year	年初之現金及現金等值項目		6,757	2,488
Cash and cash equivalents at end of year	年終之現金及現金等值項目		7,055	6,757
Analysis of the balances of cash and cash equivalents	現金及現金等值項目結餘分析			
Cash at bank and in hand	銀行現金及手頭現金		7,055	6,757

The accompanying notes form part of these financial statements.

隨附之附註為本財務報表之一部份。

Notes to the Financial Statements

財務報表附註

31 March 2008
二零零八年三月三十一日

1. ORGANISATION AND OPERATIONS

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and has its registered office at Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and principal place of business at Unit 3008, 30/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. In the opinion of the directors, the holding company of the Company is Huge Gain Development Limited, which is incorporated in the British Virgin Islands (“BVI”).

The Company engages in investment holding. The principal activities of its subsidiaries are set out in Note 19 to the financial statements.

These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2. ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Group has adopted all of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are relevant to its operations and effective for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group’s accounting policies.

The impact of the adoption of HKFRS 7 “Financial Instruments: Disclosures” and HKAS 1 Amendments “Capital Disclosures” has been to expand the disclosures provided in these financial statements regarding the Group’s financial instruments and management of capital.

1. 組織及管理

本公司在開曼群島註冊成立為獲豁免有限公司，其註冊辦事處位於 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，而主要營業地點為香港干諾道中 168-200 號信德中心西座 30 樓 3008 室。董事認為，本公司之控股公司為於英屬處女群島（「英屬處女群島」）註冊成立之 Huge Gain Development Limited。

本公司從事投資控股業務。其附屬公司之主要業務載於財務報表附註 19。

除另有說明者外，此等綜合財務報表以港元呈報，而所有數值均調整至最接近之千元金額。

2. 採納新訂及經修訂之準則

於本年度，本集團已採納由香港會計師公會（「香港會計師公會」）頒佈、與本集團營運有關及於本集團及本公司之本會計期間生效之所有新訂及經修訂香港財務報告準則（「香港財務報告準則」），包括所有適用個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋。採納此等新訂及經修訂香港財務報告準則並無對本集團之會計政策造成重大變動。

採納香港財務報告準則第 7 號「金融工具：披露」及香港會計準則第 1 號修訂本「資本披露」之影響為擴大此等財務報表中提供有關本集團金融工具及資本管理之披露。

Notes to the Financial Statements

財務報表附註

31 March 2008
二零零八年三月三十一日

2. ADOPTION OF NEW AND REVISED STANDARDS (Continued)

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

2. 採納新訂及經修訂之準則 (續)

於此等財務報表獲批准日期，以下準則及詮釋已頒佈但尚未生效：

		Effective for annual periods beginning on or after 於以下日期或以後開始之年度期間生效
HKAS 1 (Revised) 香港會計準則第1號(經修訂)	Presentation of financial statements 財務報表之呈列	1 January 2009 二零零九年一月一日
HKAS 23 (Revised) 香港會計準則第23號(經修訂)	Borrowing costs 借貸成本	1 January 2009 二零零九年一月一日
HKAS 27 (Revised) 香港會計準則第27號(經修訂)	Consolidated and separate financial statements 綜合及獨立財務報表	1 July 2009 二零零九年七月一日
HKASs 32 & 1 (Amendments) 香港會計準則第32號及第1號(修訂本)	Puttable financial instruments and obligations arising on liquidation 可認沽金融工具及清盤時產生之責任	1 January 2009 二零零九年一月一日
HKFRS 2 (Amendment) 香港財務報告準則第2號(修訂本)	Share-based payment-vesting conditions and cancellation 以股份支付之款項 — 歸屬條件及註銷	1 January 2009 二零零九年一月一日
HKFRS 3 (Revised) 香港財務報告準則第3號(經修訂)	Business combinations 業務合併	1 July 2009 二零零九年七月一日
HKFRS 8 香港財務報告準則第8號	Operating segments 營運分部	1 January 2009 二零零九年一月一日
HK(IFRIC) – Int 12 香港(國際財務報告詮釋委員會) — 詮釋第12號	Service concession arrangements 服務專營權安排	1 January 2008 二零零八年一月一日
HK(IFRIC) – Int 13 香港(國際財務報告詮釋委員會) — 詮釋第13號	Customer loyalty programmes 客戶忠誠計劃	1 July 2008 二零零八年七月一日
HK(IFRIC) – Int 14 香港(國際財務報告詮釋委員會) — 詮釋第14號	HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction 香港會計準則第19號 — 對界定福利資產之限制、最低資金要求及其互相影響	1 January 2008 二零零八年一月一日

The Group is in the process of making an assessment of what the impact of the above standards or interpretations is expected to be in the period of their initial application.

本集團正在評估上述準則或詮釋於其首次應用期間之影響。

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3. PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standard, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

(b) Basis of preparation of financial statements

These financial statements have been prepared under the historical cost convention, as modified for revaluation of investment property and available-for-sale financial assets which are carried at fair value.

(c) Basis of consolidation

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

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

All significant intercompany transactions, balances and unrealised gains on transactions between group enterprises are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment on the asset transferred.

3. 主要會計政策

(a) 遵例聲明

此等財務報表乃按照所有適用香港財務報告準則、香港公認會計原則及香港公司條例之披露規定編製。此等財務報表亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。

(b) 財務報表之編製及呈列基準

此等財務報表乃按歷史成本法編製，並就投資物業重估及按公平值列賬之可供出售金融資產作出調整。

(c) 綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。

年內所收購及售出附屬公司之業績，乃由收購生效當日起計或計至出售生效日期止(如適用)計入綜合收益表。

集團內公司間之所有重大交易、結餘及集團內公司間之交易之未變現溢利乃於綜合賬目時全數對銷。除非交易提供證據證明所轉移資產出現減值，否則未變現虧損亦予以對銷。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(c) Basis of consolidation (Continued)

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

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

(d) Business combinations

Acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date.

3. 主要會計政策(續)

(c) 綜合基準(續)

如有必要，附屬公司之財務報表須作出調整，令有關會計政策與本集團其他成員公司所採用者一致。

已綜合附屬公司淨資產(不包括商譽)中之少數股東權益乃於本集團於當中之權益分開識別。少數股東權益包括於原定業務合併日期該等權益之金融及少數股東之應佔權益變動。超出少數股東於附屬公司權益之少數股東虧損，會與本集團之權益之間進行分配，惟少數股東具約束力責任，並可作額外投資補足虧損則除外。

(d) 業務合併

本集團收購附屬公司乃以購買會計法處理。收購成本乃按互換日期所提供資產、所產生或本集團為換取被收購公司之控制權所承擔負債之公平值總額，另加業務合併直接引致之任何成本計算。被收購公司之可識別資產、負債及或然負債乃按其於收購日期之公平值確認。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) Business combinations (Continued)

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

(e) Subsidiaries

Subsidiaries are entities in which the Group has the power to govern the financial and operating policies, so as to obtain benefits from their activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are included in the Company's balance sheet at cost less any impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

3. 主要會計政策(續)

(d) 業務合併(續)

收購產生之商譽乃確認為資產並初步按成本計量，即業務合併成本超出本集團於已確認可識別資產、負債及或然負債之公平值之權益之差額。倘於重估後，本集團於被收購公司之可識別資產、負債及或然負債超出業務合併之成本，則該差額即時於損益確認。

(e) 附屬公司

附屬公司指本集團有權管理其財務及營運政策以從其業務中獲利之實體。於評估控制權時會考慮現時可行使之潛在投票權。

於附屬公司之投資按成本減任何減值虧損計入本公司之資產負債表。本公司按已收及應收股息基準將附屬公司之業績入賬。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the asset has been put into operation, such as repairs and maintenance and overhaul costs, is charged to 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 the assets, the expenditure is capitalised as an additional cost of the asset.

Depreciation is charged so as to write off the cost of asset over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates are as follows:

Buildings	2.5%, or over the terms of the leasehold land, if shorter
Leasehold improvements	20%, or over the terms of the lease if shorter
Furniture and fixtures	20%
Office equipment	20%
Motor vehicles	20%

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 主要會計政策(續)

(f) 物業、廠房及設備

物業、廠房及設備乃按歷史成本減累計折舊及任何累計減值虧損列賬。資產成本包括其購買價及任何令該資產達致現時運作狀況及地點作擬定用途之直接應計成本。資產投入運作後產生之支出(如維修、保養及翻新費用等)，會於其產生期間自收益表扣除。假若可清楚顯示該等費用能增加預期因使用資產獲得之日後經濟效益，該等費用則撥充為資本，作為資產之額外成本。

折舊予以扣除，於估計可使用年期以直線法撇銷成本計算。估計可使用年期、剩餘價值及折舊法於每個結算日予以檢討，估計變動之影響按預測基準入賬。主要年率如下：

樓宇	2.5% 或租賃土地之剩餘年期(以較短者為準)
租賃物業裝修	20% 或租賃之剩餘年期(以較短者為準)
傢俬及裝置	20%
辦公室設備	20%
汽車	20%

出售或棄用物業、廠房及設備項目所產生盈虧乃按出售所得款項資產賬面值之差額計算，並於損益確認。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(g) Investment property

Investment property, which is a property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in fair value of investment property are included in profit or loss for the period in which they arise.

(h) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

The prepaid land lease expenses are stated at cost less accumulated releases to profit or loss and any impairment loss, which are released to profit or loss on a straight-line basis over the period of the lease term.

3. 主要會計政策(續)

(g) 投資物業

投資物業為持作賺取租金及／或作資本增值之物業，初步按其成本(包括交易成本)計量。於初步確認後，投資物業按公平值計量。投資物業公平值變動產生之盈虧計入產生期間之損益。

(h) 經營租約

倘出租人仍擁有資產擁有權之絕大部份回報及風險，則有關租約列作經營租約。

經營租約之應付租金按有關租期以直線法自損益表扣除。作為訂立經營租約獎勵之已收及應收利益亦於租期內按直線法攤分。

預付土地租金按成本減累計損益解除及任何減值虧損列賬，並以直線法於租期內於損益解除。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(i) Impairment of assets excluding financial assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)

(i) 資產(不包括金融資產)減值

本集團在每個結算日檢討其資產之賬面值，以釐定是否有跡象顯示該等資產出現減值虧損。倘有任何此等跡象存在，則會估計資產之可收回金額，以釐定減值虧損(如有)之程度。倘未能估計個別資產之可收回金額，則本集團將估計該資產所屬現金產生單位之可收回金額。倘有合理及一致之分配基準，集團資產會分配至個別現金產生單位，或以該合理一致之分配基準把分配至最小之集團現金產生單位。

可收回金額為公平值減銷售成本與使用價值兩者之較高者。於評估使用價值時，估計日後現金流量以除稅前貼現率貼現至現值，以反映現時市場對貨幣時間值以及估計日後現金流量未被調整之資產之特定風險評估。

倘資產(或現金產生單位)之可收回金額估計少於其賬面值，則資產(或現金產生單位)之賬面值將減至其可收回金額。減值虧損隨即於損益確認。

Notes to the Financial Statements

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(i) Impairment of assets excluding financial assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, including an appropriate portion of fixed and variable overhead expenses, is assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

3. 主要會計政策(續)

(i) 資產(不包括金融資產)減值(續)

倘其後撥回減值虧損，資產(或現金產生單位)之賬面值將增至其可收回金額之經修訂估計，惟已增加賬面值不得超出於過往年度並無就資產(或現金產生單位)確認減值虧損而應已釐定之賬面值。減值虧損之撥回隨即於損益確認。

(j) 存貨

存貨乃按成本及可變現淨值兩者中之較低者入賬。成本(包括固定及可變間接成本)按最適合存貨之特定分類方式分配至存貨，其中大部份按先入先出基準計值。可變現淨值指存貨之估計售價減所有估計完工成本及進行銷售必需之成本。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Financial assets

Financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. During the year, the Group's financial assets are loans and receivables and available-for-sale financial assets, which are subsequently accounted for as follows, depending on their classification:

(i) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3. 主要會計政策(續)

(k) 金融資產

根據合約(有關條款規定該項投資須於相關市場制訂之時限內交付)買賣金融資產時，金融資產會於交易日確認或終止確認。金融資產首先按公平值加交易成本計算，惟分類為按公平值計入損益表之金融資產則初步按公平值計量。年內，本集團之金融資產為貸款及應收款項以及可供出售金融資產，該等金融資產其後按其分類入賬如下：

(i) 貸款及應收款項

有定額或可釐定付款且並無在活躍市場報價之應收貿易賬款、貸款及其他應收款項分類為貸款及應收款項。貸款及應收款項採用實際利息法按攤銷成本扣除任何減值計算。利息收入以實際利率確認，惟利息甚微之短期應收款項除外。

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財務報表附註

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Financial assets (Continued)

(ii) Available-for-sale financial assets

Investments in securities which do not fall into any of the other categories of financial assets are classified as available-for-sale financial assets and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity in the available-for-sale financial asset revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale financial asset revaluation reserve is included in profit or loss for the period.

Dividends on available-for-sale financial assets are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of available-for-sale financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

3. 主要會計政策(續)

(k) 金融資產(續)

(ii) 可供出售金融資產

並不屬於任何其他金融資產類別之證券投資乃分類為可供出售金融資產，並按公平值列賬。公平值變動所產生之盈虧直接於權益內之可供出售金融資產重估儲備確認，惟直接於損益表確認之減值虧損、按實際利率法計算之利息及金融資產之匯兌盈虧除外。當投資獲出售或釐定為已減值時，以過於可供出售金融資產重估儲備確認之累計盈虧計入該期間之損益表。

當本集團收取股息之權利確立時，可供出售金融資產之股息於損益表確認。

以外幣為單位之可供銷售金融資產之公平值按該外幣釐定，並按結算日之現率匯率換算。資產攤銷成本變動所產生之匯算差額應佔之公平值變動於損益表確認，其他變動權益確認。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Financial assets (Continued)

(iii) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For equity securities, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

3. 主要會計政策(續)

(k) 金融資產(續)

(iii) 金融資產減值

於各結算日評估金融資產有否減值跡象，惟以公平值計及在損益表中處理者除外。倘有客觀證據顯示金融資產因首次確認後發生之一項或多項事件影響相關投資之估計未來現金流量，則金融資產屬已減值。

就股本證券而言，證券之公平值大幅或長期減少至低於其成本會被視為減值之客觀證據。

就所有其他金融資產而言，減值之客觀證據可包括：

- 發行人或交易對手出現重大財政困難；或
- 拖欠或欠付利息及本金付款；或
- 借款人很可能破產或進行財務重組；或
- 技術、市場、經濟或法律環境出現對債務人不利之重大轉變。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Financial assets (Continued)

(iii) Impairment of financial assets

(Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

3. 主要會計政策(續)

(k) 金融資產(續)

(iii) 金融資產減值(續)

倘出現任何該等證據，則減值虧損按下列方式釐定及確認：

- 就應付貿易賬款及其他應付款項以及其他按攤銷成本列賬之金融資產而言，減值虧損按資產之賬面值與按金融資產原有實際利率(倘貼現影響屬重大)貼現之估計未來現金流量現值之差額計量。倘按攤銷成本列賬之金融資產具備類似風險特徵，例如類似之逾期情況及不曾單獨評估為減值，則有關評估會共同進行。共同評估有否減值之金融資產未來現金流量會根據與整個組合所持具有類似信貸風險特徵之資產之過往虧損情況評估。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Financial assets (Continued)

(iii) Impairment of financial assets

(Continued)

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

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

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

3. 主要會計政策(續)

(k) 金融資產(續)

(iii) 金融資產減值(續)

倘減值虧損金額其後減少，且該等減少客觀與確認減值虧損後發生之事件相關，則減值虧損將透過損益賬撥回。撥回減值虧損不得導致資產賬面值超過假設於以往年度從未確認減值虧損而應釐定之資產賬面值。

- 就可供出售證券而言，已於權益直接確認之累計虧損須從權益移除，並在損益表確認。在損益表確認之累計虧損金額為收購成本及當時之公平值，減去過往於損益內確認之任何減值虧損。

於損益確認之可供出售股本證券減值虧損不得透過損益賬撥回。該資產公平值之任何其後增加直接於權益內確認。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Financial assets (Continued)

(iii) Impairment of financial assets

(Continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade and other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other charges in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period.

3. 主要會計政策(續)

(k) 金融資產(續)

(iii) 金融資產減值(續)

減值虧損直接於相關資產撇減，惟可收回情況存疑但並非渺茫之應收貿易賬款及其他應收款項確認之減值虧損除外。在此情況下，呆賬減值虧損會於撥備賬記錄。倘本集團信納收回情況極微，則被視為不可收回之金額將直接從應收貿易賬款及其他應收款項中撇銷，並撥回在撥備賬中有關該債務之任何金額。倘過往自撥備賬扣除之款項其後收回，則有關款項於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項均於損益表確認。

(iv) 實際利息法

實際利息法為計算金融資產攤銷成本及於有關期間內分配利息收入之方法。實際利率為於金融資產預計年期或於較短期間(如適用)內實際折現估計未來現金收入之利率。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Financial assets (Continued)

(v) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(l) Financial liabilities and equity instrument issued by the Group

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement.

3. 主要會計政策(續)

(k) 金融資產(續)

(v) 終止確認金融資產

倘本集團自資產獲得現金流量之合約權利屆滿或倘向另一實體轉讓金融資產及該資產所有權的絕大部分風險及回報，則會終止確認該項金融資產。倘本集團既無轉讓亦無保留所轉讓資產所有權的絕大部分風險及回報並繼續控制該資產，則本集團會確認於該資產的保留權益及可能須支付的相關負債。倘本集團保留所轉讓金融資產所有權之絕大部分風險及回報，則本集團會繼續確認該項金融資產，亦會就所收取之所得款項確認附屬借貸。

(l) 本集團之金融負債及所發行股本工具

(i) 分類為債務或權益

債務及股本工具根據合約安排內容分類為金融負債或權益。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(I) Financial liabilities and equity instrument issued by the Group (Continued)

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

(iii) Financial liabilities

The Group's financial liabilities are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

(iv) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3. 主要會計政策(續)

(I) 本集團之金融負債及所發行股本工具(續)

(ii) 股本工具

股本工具乃證明公司於資產所擁有剩餘權益(已扣減所有負債)之合同。本集團所發行股本工具按所得款項減直接發行成本列賬。

(iii) 金融負債

本集團之金融負債初步按公平值扣除交易成本計量，其後使用實際利息法按攤銷成本計，而利息開支則按實際收益基準確認。

實際利息法為計算金融負債攤銷成本及於有關期間內分配利息開支之方法。實際利率為於金融負債預計年期或於較短期間(如適用)內實際折現估計未來現金支付之利率。

(iv) 終止確認金融負債

本集團僅會於集團責任遭解除、註銷或屆滿時終止確認金融負債。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(n) Taxation

Income tax expense represents the sum of the current tax and deferred tax.

(i) Current tax

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

3. 主要會計政策(續)

(m) 現金及現金等值項目

現金及現金等值項目包括手頭現金、銀行活期存款以及原定到期日為三個月或以下，且隨時可轉換為已知數額現金及價值變動風險不大之其他短期高流動性投資。須應要求償還並屬於本集團現金管理其中一部份之銀行透支亦作為綜合現金流量表內現金及現金等值項目之組成部分。

(n) 稅項

所得稅開支乃即期稅項與遞延稅項之總和。

(i) 即期稅項

現時應付稅項根據本年度應課稅溢利計算。應課稅溢利與收益表所呈報溢利不同，原因為應課稅溢利不包括於其他年度應課稅或可扣稅之收入或開支項目，亦不包括從未課稅或扣稅之項目。本集團之即期稅項責任乃按結算日已頒佈或實質頒佈之稅率計算。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(n) Taxation (Continued)

(ii) Deferred tax

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

3. 主要會計政策(續)

(n) 稅項(續)

(ii) 遞延稅項

遞延稅項乃按財務報表內資產及負債之賬面值與計算應課稅溢利所用相應稅基之差額確認，並以資產負債表負債法列賬。遞延稅項負債一般就所有應課稅暫時差額確認，而所有可扣稅暫時差額之遞延稅項資產則以很可能獲得能利用可扣稅暫時差額抵扣之應課稅溢利者為限予以確認。倘於一項交易中因業務合併以外原因初步確認其他資產及負債而引致之暫時差額既不影響應課稅溢利亦不影響會計溢利，則有關資產及負債不予確認。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(n) Taxation (Continued)

(ii) Deferred tax (Continued)

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

3. 主要會計政策(續)

(n) 稅項(續)

(ii) 遞延稅項(續)

任何遞延稅項資產之賬面值於每個結算日進行檢討，並予以調減，惟以不再可能具備足夠應課稅溢利以收回全部或部分資產者為限。

遞延稅項負債就於附屬公司之投資產生之應課稅暫時差額確認，惟暫時差額之撥回可由本集團控制及暫時差額很大可能不會於可見將來撥回者則除外。因與有關投資及權益相關之可扣減暫時差額而產生之遞延稅項資產僅在可能產生足夠應課稅溢利以動用暫時差額利益並預期可在可見將來撥回時確認。

遞延稅項資產及負債乃按償付負債或變現資產期內預期適用之稅率(根據結算日已實施或大致上已實施之稅率(及稅法))計算。遞延稅項負債及資產之計算反映按照本集團所預期方式於報告日收回或清償其資產及負債賬面值之稅務後果。

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31 March 2008
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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(n) Taxation (Continued)

(ii) Deferred tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(o) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. 主要會計政策(續)

(n) 稅項(續)

(ii) 遞延稅項(續)

遞延稅項資產及負債於有法律權力以即期稅項資產抵銷即期稅項負債時，及於與同一稅務機關徵收之所得稅有關以及本集團擬按淨額基準結清其即期稅項資產與負債時予以抵銷。

(o) 撥備及或然負債

當本集團因過往事件而承擔現有法定或推定責任，而本集團有可能須履行有關責任，且能夠可靠估計有關責任金額，則會確認撥備。

已確認為撥備之款項為考慮有關責任之風險及不確定因素後，於結算日履行現有責任所需代價之最佳估計數額。倘撥備以預計履行現有責任之現金流量計量，則其賬面值為現金流量之現值。

倘結算撥備所需之部份或全部經濟利益預計可自第三方收回，且幾乎肯定能收回償付金額及應收款項能可靠計量，則應收款項確認為資產。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(o) Provisions and contingent liabilities

(Continued)

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

(p) Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates ("functional currency"). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in Hong Kong dollar which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period.

3. 主要會計政策(續)

(o) 撥備及或然負債(續)

倘可能毋需流出經濟利益或未能可靠地估計款額，則該責任會披露為或然負債，除非出現經濟利益流出之可能性極微。可能出現之責任(僅由發生或不發生一項或多項未來事件而確定)亦披露為或然負債，除非出現經濟利益流出之可能性極微。

(p) 外幣

本集團實體各自之個別財務報表以有關以有關實體經營業務所在之主要經濟環境之貨幣(「功能貨幣」)呈列。就綜合財務報表而言，本集團各實體之業績及財務狀況以港元列示，港元為本公司之功能貨幣及綜合財務報表之呈列貨幣。

於編製個別實體之財務報表時，以實體之功能貨幣以外之貨幣(「外幣」)進行之交易按交易日期之適用匯率記錄。於每個結算日，以外幣為單位之貨幣項目按於結算日之適用匯率重新換算。以外幣為單位並按公平值列賬之非貨幣項目按釐定公平值之日之適用匯率重新換算。

匯兌差額於產生期間在損益確認。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(q) Employees' benefits

(i) Short term benefits

Salaries, annual bonuses and paid annual leaves are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present value.

(ii) Pension obligations

Contributions to the Mandatory Provident Fund scheme as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are charged to profit or loss when incurred. The Group has no further payment obligations once the contribution has been made.

(r) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share option reserve.

3. 主要會計政策(續)

(q) 僱員福利

(i) 短期福利

薪金、年度花紅及有薪年假於僱員提供相關服務年度內應計。當付款或結算遞延而影響屬重大，則該等金額按現值列賬。

(ii) 退休金責任

香港強制性公積金計劃條例規定之強制性公積金計劃供款於產生時在損益表扣除。本集團於作出供款後即無進一步付款責任。

(r) 以股份支付之款項

向僱員及提供類似服務之其他人士作出以股本結算以股份支付之款項按授出日期股本工具之公平值計量。

以股本結算以股份支付款項於授出日期之公平值以直線法於歸屬期內按本公司對最終歸屬之股本工具之估計支銷。於每個結算日，本集團修訂其對預期將歸屬之股本工具數目之估計。修訂原有估計之影響(如有)於餘下歸屬期內在損益表確認，並對購股權儲備作出相應調整。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(r) Share-based payments (Continued)

Equity-settled share-based payments transactions with other parties are measured at the fair value of the services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the counterparty renders the service.

(s) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(t) Related parties

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

3. 主要會計政策(續)

(r) 以股份支付之款項(續)

向其他方作出之股本結算以股份支付之款項按收取服務之公平值計量，惟倘公平值無法可靠計量，在此情況下，則按所授出股本工具之公平值按對手方提供服務之日期計量。

(s) 借貸成本

所有借貸成本均於其產生期間在損益表中確認。

(t) 關連人士

倘一方有能力直接或間接控制另一方或於另一方作出財務及經營決策時對其行使重大影響力，則被視為有關連。當雙方受共同控制或受制於共同重大影響力，則其亦被視為有關連。有關連人士可為個人(即主要管理人員、主要股東及／或彼等之直系家屬)或其他實體，並包括受本集團有關連方(屬個別人士)重大影響之實體，及以本集團或與本集團有關連之任何實體為其僱員利益而設之離職後福利計劃。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances and exclude value added tax or other sales related taxes.

- (i) Revenue from the sale of products is recognised when the Group entity has delivered products to the customers, the customer has accepted the products and collectibility of the related receivable is reasonably assured.
- (ii) Interest income is accrued on a time-apportioned basis by reference to the principal outstanding using the effective interest method.
- (iii) Rental income from operating lease is recognised in equal instalments over the accounting periods covered by the lease term.

(v) Segment reporting

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

In respect of geographical segment reporting, revenue is based on the country where the customer is located, and total assets and capital expenditure are where the assets are located.

3. 主要會計政策(續)

(u) 收益確認

收益按已收或應收代價之公平值計量。收入已就估計客戶退貨、回扣及其他類似津貼作出扣減，且不包括增值稅或其他有關銷售稅。

- (i) 銷售產品之收益在本集團實體將商品送達客戶，而客戶接收產品，且可合理確保可收回有關應收款項時確認。
- (ii) 利息收入按時間比例基準，經參考未償還本金以實際利息法累計。
- (iii) 營租約之租金收入於租期涵蓋之會計期間以等額分期確認。

(v) 分類報告

根據本集團之內部財務報告，本集團已決定業務分部呈列為主要報告格式，而地區分部則呈列為次要報告格式。

就地區分部報告而言，收益乃按客戶所在國家劃分，而資產總值及資本開支則按資產所在地劃分。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

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

The following are the critical judgments that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect of the amounts recognised in financial statements.

(i) Estimated useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges of its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimates lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. 重大會計判斷及主要估計不明朗因素

於應用本集團之會計政策時，本公司董事須就其他來源並不明顯之資產及負債之賬面值所作出判斷、估計及假設。估計及相關假設乃以過往經驗及其他被認為有關之因素為基礎。實際結果可能與此等估計不同。

本集團持續審閱估計和相關假設。倘會計估計之修訂僅對該期間有影響，則有關修訂在該期間內確認；倘修訂對本期間及未來期間均有影響，則在作出修訂之期間及未來期間確認。

以下為董事於應用本集團之會計政策之過程中所作出，且對於財務報表確認之金額有最大影響之重大判斷。

(i) 物業、廠房及設備之估計可使用年期

本集團之管理層釐定其物業、廠房及設備之估計可使用年期及有關折舊開支。此估計乃按類似性質及用途之物業、廠房及機器之實體可使用年期之過往經驗而作出。倘可使用年期少於過往估計之年期，則管理層將增加折舊開支，或撤銷或撇減技術上過時、或已棄用或出售之非策略性資產。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

(ii) Impairment of available-for-sale financial assets

The Group followed HKAS 39 in determining when an investment was impaired. This determination required significant judgments. In making these judgments, the Group evaluated, among other factors, the duration and extent to which the fair value of an investment mainly based on the quoted price, where the investment is listed, was below its cost.

(iii) Fair value estimation of share options

Equity-settled share-based payments recognised in profit or loss are subject to the limitations of the option pricing models adopted and the uncertainty in estimates used by management in the assumptions. Should the estimates including limited early exercise behaviour, expected interval and frequency of open exercise periods in the share option life and the relevant parameters of the share option model be changed, there would be material changes in the amount of share option benefits recognised in the income statement and share option reserve.

(iv) Write down of inventories

The Group performs regular review of the carrying amounts of inventories with reference to aged inventories analysis, expected future consumption and management judgment. Based on this review, write down of inventories will be made when the carrying amount of the inventories decline below the estimated net realisable value. However, actual consumption may be different from estimation and profit or loss could be affected by differences in this estimation.

4. 重大會計判斷及主要估計不明朗因素(續)

(ii) 可供出售金融資產之減值

本集團根據香港會計準則第39號釐定投資何時出現減值。釐定時須作出重大判斷。於作出該等判斷時，本集團主要根據所報價格(倘投資屬上市)評估(其中包括)投資之公平值低於其成本之時間及程度。

(iii) 購股權之公平值估計

於損益中確認以權益結算之以股份支付之款項受所採納期權定價模式之限制及管理層於作出假設時使用估計之不確定性所規限。倘估計(包括有限提早行使行為、購股權年內公開行使期之預期間距及頻密程度，以及購股權模式之相關參數)改變，則將對損益表及購股權儲備中確認之購股權福利金額造成重大變動。

(iv) 存貨撇減

本集團參考貨齡分析、預期未來消費及管理層之判斷定期檢討存貨之賬面值。根據該檢討，倘存貨之賬面值跌至低於其估計可變現淨值，則將對存貨進行撇減。然而，實際消費可能有別於估計，且本估計之差額可能影響盈虧。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

(v) Impairment of property, plant and equipment

If the circumstances indicate that the carrying values of property, plant and equipment may not be recoverable, the assets may be considered “impaired”, and an impairment loss may be recognised in accordance with HKAS 36 “Impairment of assets”. Under HKAS 36, these assets are tested for impairment whenever events or changes in circumstances indicate that the recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the higher of the net selling price and the value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to level of sale volume, selling price and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sale volume, selling price and amount of operating costs. However, actual sale volume, selling price and operating costs may be different from assumptions which may require a material adjustment to the carrying amount of the assets affected.

4. 重大會計判斷及主要估計不明朗因素(續)

(v) 物業、廠房及設備之減值

倘情況顯示物業、廠房及設備之賬面值可能無法收回，資產可被視為「已減值」，並可按照香港會計準則第36號「資產減值」確認減值虧損。根據香港會計準則第36號，該等資產於事件或情況變化顯示其記錄之賬面值可能無法收回時，即須進行減值測試。於出現有關減幅時，賬面值須削減至可收回金額。可收回金額為淨出售價與使用價值兩者之較高者。於釐定使用價值時，資產所產生之預期現金流量乃貼現至其現值，此舉須對有關銷量、售價及經營成本金額作出重大判斷。本集團使用所有可取得之資料以釐定合理接近可收回金額之金額，包括根據銷量、售價及經營成本金額之合理及具支持力假設和預測。然而，實際銷量、售價及經營成本可能有別於假設，並可能須對受影響資產之賬面值作出重大調整。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

(vi) Impairment loss for bad and doubtful debts

The Group maintains an impairment loss for bad and doubtful debts for estimated losses resulting from the inability of the debtors to make required payments. The Group estimates future cash flows based on the ageing of the trade receivables balance, debtors' credit-worthiness, and historical write-off experience. If the financial condition of the debtors were to deteriorate, actual write-offs would be higher than estimated.

5. 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. The business segments of the Group are businesses of apparel sourcing, apparel trading and investment holding.

In determining the Group's geographical segments, revenues 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.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. 重大會計判斷及主要估計不明朗因素(續)

(vi) 呆壞賬減值虧損

本集團就因債務人無法作出所需付款而產生之估計虧損作出呆壞賬減值虧損。本集團根據應收貿易賬款結餘賬齡、債務人信譽及過往撇銷經驗估計未來現金流量。倘債務人之財務狀況惡化，則實際撇銷額將高於原先估計。

5. 分類資料

分類資料以兩種分類方式呈列：(i) 主要分類呈報基準業務分類；及(ii) 次要分類呈報基準地區分類。

本集團營運之業務乃根據其營運性質及所提供之產品個別組織及管理。本集團各業務分類為一個提供產品之策略性業務單位，而各業務分類均具有與其他業務分類不同之風險及回報。本集團之業務分類為服飾採購、服飾貿易及投資控股。

在決定本集團之地區分類時，收益以客戶之地區位置分類，而資產則以資產之地區位置分類。

分類間銷售及轉撥乃參考當時適用市價向第三方作出銷售所使用之售價進行。

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5. SEGMENT INFORMATION (Continued)

(a) Business segments

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

	Apparel sourcing 服飾採購		Apparel trading 服飾貿易		Investment holding 投資控股		Consolidated total 綜合總計	
	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Segment revenue 分類收益								
Sales to external customers 銷售予外界客戶	809	982	19,786	41,831	—	—	20,595	42,813
Segment results 分類業績	809	656	2,212	5,560	—	—	3,021	6,216
Other revenue and gain 其他收益及盈利	—	—	—	—	236	—	236	—
Unallocated other revenue and gain 未分配其他收益及盈利							168	24
							404	24
Unallocated expenses 未分配支出							(44,217)	(15,593)
Impairment loss on available-for-sale financial assets 可供出售金融資產之減值虧損	—	—	—	—	(110,923)	(1,320)	(110,923)	(1,320)
Loss on disposal of subsidiaries 出售附屬公司之虧損							—	(329)
Finance costs 融資成本							—	(48)
							(110,923)	(1,697)
Loss before taxation 除稅前虧損							(151,715)	(11,050)
Taxation 稅項							(418)	—
Loss for the year attributable to equity holders of the Company 本公司股權持有人應佔本年度虧損							(152,133)	(11,050)

5. 分類資料(續)

(a) 業務分類

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業務分類之收益、業績及若干資產、負債及支出資料。

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5. SEGMENT INFORMATION (Continued)

(a) Business segments (Continued)

		Apparel sourcing 服飾採購		Apparel trading 服飾貿易		Investment holding 投資控股		Consolidated total 綜合總計	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Assets	資產								
Segment assets	分類資產	—	5,525	1,099	13,656	144,220	—	145,319	19,181
Unallocated assets	未分配資產							2,062	3,994
Total assets	資產總值							147,381	23,175
Liabilities	負債								
Segment liabilities	分類負債	—	269	20,343	20,812	114,215	—	134,558	21,081
Unallocated liabilities	未分配負債							177	2,149
Total liabilities	負債總值							134,735	23,230
Other segment information	其他分類資料								
Capital expenditure	資本開支	—	—	16	260	1,258	—	1,274	260
Unallocated capital expenditures	未分配資本開支							—	26
								1,274	286
Depreciation and amortisation	折舊及攤銷	—	365	688	676	740	—	1,428	1,041
Unallocated depreciation and amortisation	未分配折舊及攤銷							57	635
								1,485	1,676
Impairment loss of property, plant and equipment	物業、廠房及設備之減值虧損	—	909	1,813	—	106	—	1,919	909
Other non-cash expenses	其他非現金支出	—	—	1,745	583	110,710	—	112,455	583
Unallocated other non-cash expenses	未分配其他非現金支出							10,200	1,320
								122,655	1,903

5. 分類資料(續)

(a) 業務分類(續)

Notes to the Financial Statements

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5. SEGMENT INFORMATION (Continued)

(b) Geographical segments

		Segment Revenue 分類收益	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Hong Kong	香港	—	3,291
The People's Republic of China (the "PRC")	中華人民共和國 (「中國」)	—	19,290
Macau	澳門	15,103	20,232
United Kingdom	英國	5,492	—
		20,595	42,813

5. 分類資料(續)

(b) 地區分類

		Segment capital expenditure 分類資本開支	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Hong Kong	香港	1,274	260
The People's Republic of China (the "PRC")	中華人民共和國 (「中國」)	—	—
Macau	澳門	—	—
United Kingdom	英國	—	—
		1,274	260

Hong Kong	香港	10,555	16,272
Macau	澳門	1,363	6,903
PRC	中國	—	—
United Kingdom	英國	135,463	—
		147,381	23,175

		Segment assets 分類資產	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Hong Kong	香港	10,555	16,272
Macau	澳門	1,363	6,903
PRC	中國	—	—
United Kingdom	英國	135,463	—
		147,381	23,175

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6. TURNOVER

Turnover represents the sales value of goods supplied to customers and is analysed as follows:

Apparel sourcing	服飾採購
Apparel trading	服飾貿易

6. 營業額

營業額乃向客戶供應之貨品之銷售價值，其分析如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
809	982
19,786	41,831
20,595	42,813

7. OTHER REVENUE AND GAIN

Rental income (Note 18)	租金收入(附註18)
Sundry income	雜項收入
Bank interest income	銀行利息收入
Fair value gain on investment property (Note 18)	投資物業之公平值收益(附註18)

7. 其他收益及盈利

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
23	—
75	—
93	24
213	—
404	24

8. FINANCE COSTS

Interest on mortgage loan wholly repayable within five years	須於五年內全數償還之按揭貸款利息
Bank charges	銀行收費

8. 融資成本

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
—	41
—	7
—	48

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9. LOSS BEFORE TAXATION

9. 除稅前虧損

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Loss before taxation is arrived at after charging/(crediting):	除稅前虧損經扣除／（計入）以下各項：		
Net foreign exchange losses	外匯虧損淨額	67	—
Cost of inventories sold	已出售存貨成本	16,647	39,194
Charge for/(write-back of) impairment loss on inventories (included in "cost of sales" in the income statement) (Note 21)	存貨減值虧損支出／（撥回）（計入損益表「銷售成本」）（附註21）	927	(2,597)
Depreciation of property, plant and equipment (Note 16)	物業、廠房及設備折舊（附註16）	1,054	1,226
Write-off of property, plant and equipment (Note 16)	物業、廠房及設備撇銷（附註16）	115	—
Release of prepaid land lease expenses (Note 17)	預付土地租金開支解除（附註17）	431	450
Auditor's remuneration	核數師酬金	600	450
Share-based payments to consultants	以股份支付予僱問之款項	2,828	—
Minimum lease payments under operating leases in respect of premises	經營租約項下之物業最低租金	2,063	1,113
Employee benefit expenses (including directors' remuneration (Note 11)):	僱員福利支出（包括董事酬金（附註11））：		
Salaries and allowances	薪金及津貼	11,664	5,329
Pension fund contributions	退休金供款	286	248
Share-based payments	以股份支付之款項	7,372	—
		19,322	5,577

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財務報表附註

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10. TAXATION

- (a) Taxation in the consolidated income statement represents:

Current tax — United Kingdom (the “U.K.”) — Provision for the year

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising from Hong Kong during the year (2007: HK\$Nil). Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

- (b) The taxation for the year can be reconciled to the accounting loss as follows:

10. 稅項

- (a) 綜合損益表內之稅項指：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
418	—

由於本集團於年內並無於香港產生應課稅溢利(二零零七年：零港元)，故並無就香港利得稅作出撥備。海外附屬公司之稅項同樣地按有關國家適用之適當現行稅率徵收。

- (b) 本年度稅項可與會計虧損對賬如下：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Loss before taxation	(151,715)	(11,050)
Taxation calculated at respective domestic statutory tax rate	(26,205)	(1,847)
Tax effect of expenses not deductible for taxation purposes	19,244	705
Tax effect of income not taxable for taxation purposes	(99)	(549)
Tax effect on unused tax losses not recognised	7,478	1,691
Taxation for the year	418	—

Notes to the Financial Statements

財務報表附註

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11. DIRECTORS' REMUNERATION

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

Year ended 31 March 2008

		截至二零零八年三月三十一日止年度			
		Retirement scheme		Share-based payments	2008
Fees	Salaries and allowances	contributions			Total
袍金	薪金及津貼	退休福利計劃供款	以股份	支付之款項	二零零八年總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事				
Lee Yiu Tung	李耀東	—	340	898	1,238
Wong Po Ling, Pauline	王寶玲	—	324	898	1,232
Yeung Ka Sing, Carson	楊家誠	—	600	—	600
Hui Ho Luek, Vico	許浩略	—	300	—	310
Fan Zhi Yi	范志毅	—	146	—	146
Ip Wing Lun, Allan	葉泳倫	—	306	9	1,213
Steven McManaman	Steven MaManaman	—	896	260	1,156
		—	2,912	29	5,895
Non-executive directors	非執行董事				
Christian Lali Karembeu	Christian Lali Karembeu	—	781	—	781
Chan Wai Keung	陳偉強	—	55	—	55
		—	836	—	836
Independent non-executive directors	獨立非執行董事				
Chang Kin Man	鄭健民	120	—	—	120
Zhou Han Ping	周漢平	120	—	—	120
Yip Man Ki	葉文琪	103	—	—	103
Yau Yan Ming, Raymond	邱恩明	70	—	—	70
		413	—	—	413
		413	3,748	29	7,144

11. 董事酬金

根據上市規則及香港公司條例第161章披露之董事酬金如下：

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11. DIRECTORS' REMUNERATION

(Continued)

Year ended 31 March 2007

Executive directors

Lee Yiu Tung	李耀東
Bessie Siu	蕭佩詩
Mao Yue	茅玥
Tsai Lai Wa, Jenny	蔡麗華
Edmund Siu	蕭俊文

Non-executive directors

Fu Wing Kwok, Ewing	傅榮國
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Alternative director

Peter Christopher Tashjian	Peter Christopher Tashjian
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Independent non-executive directors

Chang Kin Man	鄭健民
Ip Wing Lun	葉泳倫
Zhou Han Ping	周漢平
Fu Wing Kwok, Ewing	傅榮國
Lo Wing Yan, Emmy	盧詠欣
Liang Kwong Lim	梁廣廉

There were no other emoluments payable to the directors during the year (2007: HK\$Nil). There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2007: HK\$Nil).

11. 董事酬金 (續)

截至二零零七年三月三十一日止年度

	Salaries and allowances	Pension scheme contributions	2007 Total
袍金	薪金及津貼	退休金計劃供款	二零零七年總計
HK\$'000	HK\$'000	千港元	HK\$'000
千港元	千港元	千港元	千港元
—	90	—	90
—	160	8	168
—	—	—	—
—	—	—	—
—	—	—	—
—	250	8	258
—	—	—	—
—	—	—	—
—	90	—	90
—	30	—	30
—	10	—	10
—	—	—	—
—	—	—	—
—	—	—	—
—	130	—	130
—	380	8	388

本年度內並無應付予董事之其他酬金(二零零七年：零港元)。本年度內並無董事豁免或同意豁免任何薪酬之安排(二零零七年：零港元)。

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12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included five (2007: one) directors whose remuneration is set out in Note 11 above. Details of the emoluments of the remaining four non-director highest paid employees in the year ended 31 March 2007 were follows:

	2007 二零零七年 HK\$'000 千港元
Salaries, other allowances	薪金、其他津貼 629
Pension scheme contributions	退休金計劃供款 34
Share-based payments	以股份支付之款項 —
	<hr/>
	663

The emoluments of the remaining 4 non-director, highest paid employees in the prior year fell within the HK\$Nil to HK\$1,000,000 band for the year ended 31 March 2007.

13. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss for the year attributable to equity holders of the Company includes a loss of 135,401,000 (2007: HK\$11,161,000) (Note 28(b)) which has been dealt with in the financial statements of the Company.

14. DIVIDEND

No dividend was paid or proposed for the year ended 31 March 2008 (2007: HK\$Nil), nor has any dividend been proposed since the balance sheet date.

15. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year attributable to the equity holders of the Company, and the weighted average number of ordinary shares in issue during the year, as adjusted to reflect the open offer completed during the year. Basic loss per share for the year ended 31 March 2007 is restated to take into effect the open offer completed during the year ended 31 March 2008.

12. 五名最高薪酬僱員

年內五名最高薪酬僱員包括五名(二零零七年：一名)董事，其酬金載於上文附註11。截至二零零七年三月三十一日止年度其餘四名非董事最高薪酬僱員之酬金詳情如下：

	2007 二零零七年 HK\$'000 千港元
薪金、其他津貼	629
退休金計劃供款	34
以股份支付之款項	—
	<hr/>
	663

截至二零零七年三月三十一日止年度，上年度其餘四名非董事最高薪酬僱員之酬金介乎零港元至1,000,000港元之範圍內。

13. 本公司股權持有人應佔虧損

本公司股權持有人應佔本年度虧損包括虧損135,401,000港元(二零零七年：11,161,000港元)(附註28(b))，已於本公司之財務報表中處理。

14. 股息

截至二零零八年三月三十一日止年度並無派付或擬派任何股息(二零零七年：零港元)，自結算日以來亦無擬派任何股息。

15. 每股虧損

每股基本虧損乃按本公司股權持有人應佔本年度虧損及年內已發行普通股之加權平均數(經調整以反映年內完成之公開發售)計算。截至二零零七年三月三十一日止年度之每股基本虧損已經重列，以計及截至二零零八年三月三十一日止年度內完成公開發售之影響。

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財務報表附註

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15. LOSS PER SHARE (Continued)

The calculation of diluted loss per share is based on the loss for the year attributable to the equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all potential dilutive ordinary shares into ordinary shares.

The calculations of basic and diluted loss per share are based on:

Loss:

Loss attributable to the equity holders of the Company, used in the basic and diluted loss per share calculations

虧損:

計算每股基本及攤薄虧損所用之本
公司股權持有人應佔虧損

Shares:

Weighted average number of ordinary shares for basic loss per share calculation

股份:

計算每股基本虧損所用之普通股
加權平均數

Effect of dilution on weighted average number of ordinary shares in respect of share options*

購股權涉及之普通股加權平均數
之攤薄影響*

Weighted average number of ordinary shares adjusted for the effect of dilution

就攤薄影響調整之普通股加權平
均數

* Diluted loss per share for the year ended 31 March 2007 has not been disclosed as no diluting event existed during the prior year. Because the basic loss per share amount for the year ended 31 March 2008 is reduced when taking share options into account, the share options have an anti-dilutive effect on the basic loss per share for the year. Accordingly, no diluted loss per share is presented for the year ended 31 March 2008.

15. 每股虧損(續)

每股攤薄虧損乃按本公司股權持有人應佔本年度虧損計算。計算所用之普通股加權平均數為計算每股基本虧損所用之年內已發行普通股數目，以及假設於視作行使或兌換所有潛在攤薄普通股為普通股時無償發行之普通股加權平均數。

每股基本及攤薄虧損按以下數字計算：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
152,133	11,050

Number of shares 股份數目	
2008 二零零八年 '000 千股	2007 二零零七年 '000 千股 (Restated) (重列)
677,020	410,517
7,177	—
684,197	410,517

* 由於上年度並無存在攤薄事件，故並無披露截至二零零七年三月三十一日止年度之每股攤薄虧損。由於截至二零零八年三月三十一日止年度之每股基本虧損金額計入購股權後有所減少，故購股權對本年度之每股基本虧損具反攤薄影響。因此，並無呈列截至二零零八年三月三十一日止年度之每股攤薄虧損。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

The Group

本集團

		Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本:						
At 1 April 2006	於二零零六年四月一日	7,015	6,146	1,673	1,047	753	16,634
Additions	添置	—	162	83	41	—	286
Disposals	出售	—	—	—	—	(753)	(753)
Disposal of subsidiaries (Note 29)	出售附屬公司 (附註29)	(4,915)	(1,277)	(299)	—	—	(6,491)
At 31 March 2007	於二零零七年三月三十一日	2,100	5,031	1,457	1,088	—	9,676
Additions	添置	—	804	77	393	—	1,274
Write-off	撇銷	—	—	(157)	(153)	—	(310)
At 31 March 2008	於二零零八年三月三十一日	2,100	5,835	1,377	1,328	—	10,640
Accumulated depreciation and impairment:	累計折舊及減值:						
At 1 April 2006	於二零零六年四月一日	578	1,499	908	793	753	4,531
Charge for the year	本年度折舊	75	899	178	74	—	1,226
Impairment recognised for the year	本年度已確認減值	—	909	—	—	—	909
Disposals	出售	—	—	—	—	(753)	(753)
Disposal of subsidiaries (Note 29)	出售附屬公司 (附註29)	(382)	(362)	(87)	—	—	(831)
At 31 March 2007	於二零零七年三月三十一日	271	2,945	999	867	—	5,082
Charge for the year	本年度折舊	56	744	131	123	—	1,054
Impairment recognised for the year	本年度確認之減值	—	1,503	300	116	—	1,919
Write-off	撇銷	—	—	(114)	(81)	—	(195)
At 31 March 2008	於二零零八年三月三十一日	327	5,192	1,316	1,025	—	7,860
Net carrying value: At 31 March 2008	賬面淨值: 於二零零八年三月三十一日	1,773	643	61	303	—	2,780
At 31 March 2007	於二零零七年三月三十一日	1,829	2,086	458	221	—	4,594

Notes to the Financial Statements

財務報表附註

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16. PROPERTY, PLANT AND EQUIPMENT (Continued)

During the year, certain items of property, plant and equipment were under-utilised. As a result, the Group assessed the recoverable amounts of these items. Based on this assessment, the carrying value of these items of property, plant and equipment was written down by approximately HK\$1,919,000 (2007: HK\$909,000) during the year. The recoverable amount of the relevant assets has been determined on the basis of their value in use with reference to the probable cash flows from these items of property, plant and equipment.

As at 31 March 2008, the Group's buildings with a carrying amount of approximately HK\$1,773,000 (2007: HK\$Nil) was charged by the plaintiff in respect of a litigation, details of which are disclosed in Note 31(ii) to the financial statements. The Group's buildings are located in Hong Kong and held under a long term lease.

16. 物業、廠房及設備(續)

年內，若干物業、廠房及設備項目使用不足。因此，本集團評估該等項目之可收回金額。根據此評估，該等物業、廠房及設備項目於年內之賬面值撇減約1,919,000港元(二零零七年：909,000港元)。有關資產之可收回金額已按其使用價值並經參考可能自該等物業、廠房及設備項目所得之現金流入釐定。

於二零零八年三月三十一日，本集團賬面值約1,773,000港元(二零零七年：零港元)之樓宇就一訴訟被原告人控告，有關詳情於財務報表附註31(ii)披露。本集團之樓宇位於香港，並以長期租約持有。

Notes to the Financial Statements

財務報表附註

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16. PROPERTY, PLANT AND EQUIPMENT (Continued)

16. 物業、廠房及設備(續)

The Company

		Leasehold improvement	Furniture and fixtures	Office equipment	Total
		租賃物業裝修	傢俬及裝置	辦公室設備	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cost:	成本:				
At 1 April 2006	於二零零六年四月一日	—	157	127	284
Additions	添置	—	—	26	26
At 31 March 2007	於二零零七年三月三十一日	—	157	153	310
Additions	添置	804	76	378	1,258
Write-off	撇銷	—	(157)	(153)	(310)
At 31 March 2008	於二零零八年三月三十一日	804	76	378	1,258
Accumulated depreciation:	累計折舊:				
At 1 April 2006	於二零零六年四月一日	—	83	56	139
Charge for the year	本年度折舊	—	31	25	56
At 31 March 2007	於二零零七年三月三十一日	—	114	81	195
Charge for the year	本年度折舊	161	15	75	251
Written-off	撇銷	—	(114)	(81)	(195)
At 31 March 2008	於二零零八年三月三十一日	161	15	75	251
Net carrying value:	賬面淨值:				
At 31 March 2008	於二零零八年三月三十一日	643	61	303	1,007
At 31 March 2007	於二零零七年三月三十一日	—	43	72	115

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17. PREPAID LAND LEASE EXPENSES

17. 預付土地租金開支

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Cost:	成本：		
At beginning of year	年初	2,350	7,115
Disposal of subsidiaries (Note 29)	出售附屬公司(附註29)	—	(4,765)
	年終	2,350	2,350
Accumulated balance released to profit or loss:	解除至損益之累計結餘：		
At beginning of year	年初	1,630	1,358
Release for the year (Note 9)	本年度解除(附註9)	431	450
Disposal of subsidiaries (Note 29)	出售附屬公司(附註29)	—	(178)
	年終	2,061	1,630
Net carrying amount	賬面淨值	289	720
Non-current portion	非即期部份	—	289
Current portion	即期部分	289	431
		289	720

The Group's prepaid land lease expenses are attributable to land located in Hong Kong and held under a long term lease.

As at 31 March 2008, the Group's prepaid land lease expenses were charged by the plaintiff in respect of a litigation, details of which are disclosed in Note 31(ii) to the financial statements.

本集團之預付土地租金開支位於香港，並以長期租約持有。

於二零零八年三月三十一日，本集團之預付土地租金開支就一訴訟被原告人控告，有關詳情於財務報表附註31(ii)披露。

Notes to the Financial Statements

財務報表附註

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18. INVESTMENT PROPERTY

Fair value:	公平值：
At beginning of year	於年初
Additions	添置
Fair value gain (Note 7)	公平值收益(附註7)
At end of year	於年終

The Group's investment property was revalued as at 31 March 2008 at its open market value by reference to recent market transactions in comparable properties on an open market value basis calculated by reference to net rental income allowing for reversionary income potential. The valuation was carried out by an independent firm of professional surveyors, Asset Appraisal Limited.

The property rental income earned by the Group from its investment property, which is leased out under an operating lease, amounted to HK\$23,000 (2007: HK\$Nil). Direct operating expenses arising on the investment property in the year amounted to HK\$2,000 (2007: HK\$Nil).

The Group's investment property is located in Hong Kong and held under a medium term lease.

18. 投資物業

The Group 本集團	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
—	—
1,037	—
213	—
1,250	—

本集團之投資物業於二零零八年三月三十一日按公開市值，經參考以公開市值基準(參考就撥回收入潛質而撥作租金收入淨額之金額計算)之可予比較物業近期市場交易重估。估值由獨立專業測量師資產評估顧問有限公司。

本集團自其以經營租賃出租之投資物業賺取之物業租金收入23,000港元(二零零七年：零港元)。年內，投資物業產生之直接經營開支約2,000港元(二零零七年：零港元)。

本集團之投資物業位於香港，並以中期租約持有。

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二零零八年三月三十一日

19. INVESTMENTS IN SUBSIDIARIES AND AMOUNTS DUE FROM/TO SUBSIDIARIES

19. 於附屬公司之投資及應收／應付附屬公司款項

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Unlisted shares, at cost	22,316	22,316
Less: Impairment loss	(16,542)	(16,042)
	5,774	6,274

The Company 本公司	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
22,316	22,316
(16,542)	(16,042)
5,774	6,274

Particulars of the Company's principal subsidiaries as at 31 March 2008 are as follows:

本公司於二零零八年三月三十一日之主要附屬公司詳情如下：

Name of company 公司名稱	Country of incorporation and operation 註冊成立及經營國家	Particulars of issued and paid-up capital 已發行及繳足股本詳情	Proportion of ownership interest 擁有權益百分比			Principal activity 主要業務
			Group's effective interest 本集團之實益權益	Held by the Company 由本公司持有	Held by the subsidiary 由附屬公司持有	
Dollar Concept International Ltd.	BVI 英屬處女群島	US\$1 Ordinary 普通股 1美元	100%	100%	—	Apparel sourcing and trading (overseas based) 服飾採購及貿易(駐海外)
Fanlink Far East Ltd.	BVI 英屬處女群島	US\$1 Ordinary 普通股 1美元	100%	100%	—	Investment holding 投資控股
Sun Ace Group Ltd.	BVI 英屬處女群島	US\$1 Ordinary 普通股 1美元	100%	100%	—	Investment holding 投資控股
East Step Trading Ltd. 東毅貿易有限公司	Hong Kong 香港	HK\$1 Ordinary 普通股 1港元	100%	—	100%	Apparel trading (Hong Kong based) 服裝貿易(駐香港)
Gala Consultants Group Limited	BVI 英屬處女群島	US\$1 Ordinary 普通股 1美元	100%	—	100%	Apparel sourcing and trading (Overseas based) 服裝採購及貿易(駐海外)
Sun Tai Hing Garment Making Company Limited ("Sun Tai Hing") 新大興製衣有限公司 (「新大興」)	Hong Kong 香港	HK\$115,000 Ordinary 普通股 115,000 港元	100%	—	100%	Investment holding 投資控股

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19. INVESTMENTS IN SUBSIDIARIES AND AMOUNTS DUE FROM/TO SUBSIDIARIES (Continued)

An impairment loss on investment costs of approximately HK\$16,542,000 (2007: HK\$16,042,000) was recognised as at 31 March 2008 because the related recoverable amounts of the investment costs with reference to the net assets values of the respective subsidiaries were estimated to be less than their carrying amounts. Accordingly, the carrying amounts of the related investment costs are reduced to their recoverable amounts.

Amounts due from/to subsidiaries are unsecured, interest free and repayable on demand.

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

19. 於附屬公司之投資及應收／應付附屬公司款項 (續)

投資成本減值虧損 16,542,000 港元 (二零零七年：16,042,000 港元) 於二零零八年三月三十一日確認，原因為參照各附屬公司資產淨值之有關投資成本之可收回金額估計少於其賬面值。因此，有關投資成本之賬面值減少至其可收回金額。

應收／應付附屬公司款項為無抵押、免息及按要求償還。

上表列示本公司董事認為重大影響本集團本年度業績或構成本集團資產淨值主要部份之本公司附屬公司。董事認為提供其他附屬公司之詳情會導致篇幅過於冗長。

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20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

20. 可供出售金融資產

<p>(a) Equity securities listed in the U.K. (Note (i)) At cost of acquisition Less: Impairment loss</p> <p>At fair value</p>	<p>(a) 英國上市股本證券 (附註(i)) 按收購成本 減：減值虧損</p> <p>按公平值</p>
<p>(b) Equity securities listed in Hong Kong (Note (ii))</p> <p>At cost Less: Impairment loss</p> <p>At fair value</p>	<p>(b) 香港上市股本證券 (附註(ii))</p> <p>按成本 減：減值虧損</p> <p>按公平值</p>

Note:

- (i) During the year, the Company acquired 24,375,975 ordinary shares of 10 pence each or approximately 29.9% of the issued capital of Birmingham City Plc. ("BCP") at a cash consideration of £14,950,029 (equivalent to approximately HK\$237,225,000 at the acquisition date) from independent vendors. BCP was incorporated in the U.K. with limited liability and its shares are listed on the Alternative Investment Market of the London Stock Exchange (the "AIM"). BCP's principal place of business is in the U.K. and is principally engaged in investment holding. BCP has one subsidiary, Birmingham City Football Club Plc. registered in the U.K. and it is principally engaged in operation of a football league club in the U.K. As the Company failed to appoint any representative to the board of directors of BCP and had no power to exercise any significant influence or joint control over the financial and operating policy decisions of BCP after the acquisition of equity interest in BCP, the directors of the Company consider that the Company's investment in BCP is not an investment in an associate but should be designated as available-for-sale equity securities. Taking into account the transaction costs of HK\$8,062,000 that are directly attributable to the Company's acquisition of the equity interest in BCP, the initial cost of the Company's investment in BCP as at the acquisition date amounted to approximately HK\$245,287,000.

The Group and Company 本集團及本公司

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
245,287	—
(110,923)	—
134,364	—
—	1,320
—	(1,320)
—	—
134,364	—

附註：

- (i) 年內，本公司向獨立賣方收購24,375,975股每股10便士之普通股或Birmingham City Plc. (「BCP」)已發行股本約29.9%，現金代價為14,950,029英鎊(相等於收購日期約237,225,000港元)。BCP於英國註冊成立為有限公司，其股份於倫敦證券交易所另類投資市場(「另類投資市場」)上市。BCP之主要營業地點位於英國，主要從事投資控股業務。BCP擁有一間於英國註冊之附屬公司Birmingham City Football Club Plc.，主要從事於英國經營一間足球會之業務。由於本公司於收購BCP股權後未能委任任何代表加入BCP之董事會及並無權力行使任何重大影響或共同控制BCP之財務及營運政策，故本公司董事認為本公司於BCP之投資並非於聯營公司之投資，惟應指定為可供出售股本證券。經計及本公司收購BCP股權直接應佔之交易成本8,062,000港元後，本公司於收購日期於BCP之投資之初步成本約為245,287,000港元。

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20. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

Note: (Continued)

For the purpose of assessing the impairment of the Company's investment in BCP, market price of BCP's shares listed on the AIM is taken into account. The directors of the Company considered that there is a significant decline in the fair value of the securities, i.e. BCP's market share price quoted on the AIM, below its cost, which is an evidence of impairment. Therefore, an impairment loss on available-for-sale financial assets of HK\$110,923,000 was directly recognised in profit or loss for the year ended 31 March 2008 based on the BCP's market share price quoted on the AIM at the spot transaction rate as at 31 March 2008. Such impairment losses recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in the fair value of such available-for-sale financial assets is recognised directly in equity. The average market value of the Company's investment in BCP subsequent to the balance sheet date and up to the date of approval of these financial statements was approximately 26.96 pence based on the market share prices of BCP quoted on the AIM.

- (ii) There was a significant decline in the fair value of the security below its cost of the equity securities listed in Hong Kong as at 31 March 2007 and accordingly an impairment was recognised as at 31 March 2007.

21. INVENTORIES

Finished goods	製成品
Less: Provision for on obsolete inventories	減：過時存貨撥備

During the year, the Group had carried out its regular reviews on the carrying amounts of inventories with reference to aged inventories analysis, expected future consumption and management judgment. As a result, the carrying values of certain inventories were determined to decline below its estimated net realisable value. Based on this assessment, the carrying value of inventories was written down by approximately HK\$4,251,000 (2007: HK\$3,324,000) as at 31 March 2008, and an additional provision for obsolete inventories of HK\$927,000 was recognised for the year accordingly.

The prior year write-back of the provision for obsolete inventories of HK\$2,597,000 arose as a result of an increase in the estimate net realisable value of certain goods due to a change in consumer preference during the year ended 31 March 2007.

20. 可供出售金融資產(續)

附註：(續)

就評估本公司於BCP之投資之減值而言，已計及BCP股份於另類投資市場之市值。本公司董事認為該等證券之公平值(即BCP股份於另類投資市場之市場報價)大幅跌至低於其成本，即出現減值跡象。因此，可供出售金融資產之減值虧損110,923,000港元已直接於截至二零零八年三月三十一日止年度之損益確認，該金額乃根據BCP股份於二零零八年三月三十一日於另類投資市場之市場報價按現貨交易率計算。於損益確認之有關減值虧損不會透過損益撥回。該等可供出售金融資產之公平值之任何隨後增加直接於權益確認。本公司於BCP之投資於結算日後及截至批准該等務報表當日之平均市值約為26.96便士，乃根據BCP股份於另類投資市場之市值計算。

- (ii) 於二零零七年三月三十一日，證券之公平值大幅跌至低於其香港上市股本證券之成本，因此，已於二零零七年三月三十一日確認減值。

21. 存貨

The Group 本集團

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
4,251	6,980
(4,251)	(3,324)
—	3,656

年內，本集團參考貨齡分析、預期未來消費及管理層之判斷對其存貨賬面值進行定期檢討。因此，若干存貨之賬面值獲釐定為減少至低於其估計可變現淨值。根據此基準，於二零零八年三月三十一日，存貨之賬面值撇減約4,251,000港元(二零零七年：3,324,000港元)，而額外過時存貨撥備927,000港元亦就本年度作出相應確認。

去年就過時存貨撥備之撥回2,597,000港元，乃因若干產品因消費者之喜好於截至二零零七年三月三十一日止年度內改變，以致估計變現淨額增加而產生。

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22. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

22. 應收貿易賬款、按金、預付款項及其他應收款項

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Trade receivables	應收貿易賬款	4,453	7,222
Less: Allowance for doubtful debts	減：呆賬撥備	(3,354)	(1,609)
		1,099	5,613
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	544	1,835
		1,643	7,448

- (i) The average credit period to the Group's trade receivables is 60 days (2007: 60 days).
- (ii) The movements in the allowance for doubtful debts during the years, including both specific and collective loss components, are as follows:

- (i) 本集團應收貿易賬款之平均信貸期為60天(二零零七年：60天)。
- (ii) 年內呆賬撥備(包括個別及共同虧損部份)之變動如下：

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At beginning of year	年初	1,609	4,685
Charge for/(reversal of) allowance for doubtful debts	呆賬撥備抵免/(撥回)	1,745	(3,076)
At end of year	年終	3,354	1,609

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

(ii) (Continued)

At 31 March 2008, the Group's trade receivables of approximately HK\$3,354,000 (2007: HK\$1,609,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that none of the related receivables is expected to be recovered. Consequently, full allowance for doubtful debts of HK\$3,354,000 (2007: HK\$1,609,000) was recognised. The Group does not hold any collateral over these balances.

(iii) The ageing analysis of gross trade receivables, based on invoice date, is as follows:

Within 30 days	30天內
31 to 60 days	31天至60天
Over 60 days	60天以上

(iv) The trade receivables net of allowances as at the balance sheet dates were neither individually nor collectively considered to be impaired and were not past due, which relate to a wide range of customers for whom there was no recent history of default. Based on the past experience, management believes that no impairment allowance is necessary in respect of these balances as there has no been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

22. 應收貿易賬款、按金、預付款項及其他應收款項(續)

(ii) (續)

於二零零八年三月三十一日，本集團約3,354,000港元(二零零七年：1,609,000港元)之應收貿易賬款已個別被釐定為已減值。個別已減值之應收款項與出現財務困難之客戶有關，管理層評估預期有關應收款項不可收回。因此，確認全數呆賬撥備3,354,000港元(二零零七年：1,609,000港元)。本集團並無就該等結餘持有任何抵押品。

(iii) 根據發票日期計算，總應收貿易賬款之賬齡分析如下：

The Group 本集團	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
335	4,291
1,730	1,636
2,388	1,295
4,453	7,222

於結算日，已扣除撥備之應收貿易賬款並非個別或共同被認為已減值且並未到期，乃與廣泛並無近期欠款紀錄之顧客有關。根據過往經驗，管理層相信，由於信貸質素並無重大變動，故毋須就該等結餘作出準備，並認為該等結餘仍可全面收回。本集團並無就此等結餘持有任何抵押品。

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23. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated cash flow statement, cash and cash equivalents include cash and bank balances.

Most of the Company's and the Group's cash and cash equivalents are denominated in Hong Kong dollars.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate their fair values.

23. 現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括現金及銀行結餘。

大部分本公司及本集團之現金及現金等值項目以港元為單位。

銀行現金按每日銀行存款利率以浮動利率賺取利息。短期定期存款具有不同之存款期限，由一天至三個月不等，視乎本集團之即時現金需求而定，並自各短期定期存款率賺取利息。銀行結餘存放於信譽良好及並無近期拖欠紀錄之銀行。現金及現金等值項目之賬面值與其公平值相若。

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24. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

The ageing analysis of the trade payables of the Group and the details of the trade payables, accruals and other payables of the Company and the Group are as follows:

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within 90 days	90天內	—	727	—	—
91 to 180 days	91天至180天	—	190	—	—
Total trade payables	應付貿易賬款總額	—	917	—	—
Accruals and other payables	應計款項及其他應付款項	5,588	2,149	5,559	1,945
		5,588	3,066	5,559	1,945

24. 應付貿易賬款、應計款項及其他應付款項

本集團之應付貿易賬款之賬齡分析以本公司及本集團之應付貿易賬款、應計款項及其他應付款項詳情如下：

25. AMOUNTS DUE TO DIRECTORS — THE GROUP AND COMPANY

The amounts due to directors are unsecured, interest free and repayable on demand, except for amounts of approximately HK\$97,982,000 (2007: HK\$Nil) which is not repayable within twelve months after the balance sheet date. The directors are also the ultimate shareholders of the Company.

25. 應付董事款項 — 本集團及本公司

應付董事款項為無抵押、免息及須於要求時償還。惟約97,982,000港元(二零零七年：零港元)毋須於結算日十二個月後償還之款項除外。該等董事亦為本公司之最終股東。

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26. DEFERRED TAX LIABILITIES

The movements for the year in the deferred tax liabilities are as follows:

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At beginning and end of year	年初及年終	167

The deferred tax liabilities mainly represent accelerated depreciation allowances.

At 31 March 2008, the Group has unused tax losses of approximately HK\$49,532,000 (2007: HK\$6,800,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. Such loss may be carried forward indefinitely.

There was no other material unprovided deferred tax in respect of the year and as at the balance sheet date (2007: HK\$Nil).

26. 遞延稅項負債

本年度於遞延稅項負債之變動如下：

The Group 本集團	
2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
167	167

遞延稅項負債主要指加速折舊撥備。

於二零零八年三月三十一日，本集團有未動用稅項虧損約49,532,000港元(二零零七年：6,800,000港元)可供抵銷未來溢利。由於無法預測未來溢利來源，故並無確認遞延稅項資產。有關虧損可無限期結轉。

於本年度及於結算日，概無其他重大未撥備遞延稅項(二零零七年：零港元)。

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27. SHARE CAPITAL

27. 股本

		The Company 本公司			
		2008 二零零八年		2007 二零零七年	
		Number of shares 股份數目	Amount 金額 HK\$'000 千港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:	法定:				
Ordinary shares of \$0.01 each	每股面值0.01港元之普通股	10,000,000,000	100,000	10,000,000,000	100,000
Issued and fully paid:	已發行及繳足:				
At beginning of year	年初	384,000,000	3,840	320,000,000	3,200
Issue of share by way of:	透過以下方法發行股份:				
Open offer (i)	公開發售(i)	192,000,000	1,920	—	—
Placements (ii)	配售(ii)	184,320,000	1,843	64,000,000	640
At end of year	年終	760,320,000	7,603	384,000,000	3,840

Note:

(i) During the year, the Company raised approximately HK\$37,040,000, after expenses, by issuing 192,000,000 offer shares at a subscription price of HK\$0.20 per offer share by way of open offer, on the basis of one offer share per every two shares held, for providing additional working capital of the Group. The open offer was approved at the special general meeting of the Company held on 23 April 2007 and was completed on 7 June 2007, resulting in additional amount of HK\$1,920,000 and HK\$35,120,000 standing in the share capital and share premium account respectively. All shares issued by the Company rank pari passu with the then existing shares in all respects. Further details are set out in the Company's prospectus dated 18 May 2007;

(ii) From 11 July 2007 to 13 November 2007, the Company raised approximately HK\$117,594,000, after expenses, by issuing 184,320,000 shares by placements at subscription prices ranging from HK\$0.57 to HK\$0.80 each to provide additional working capital of the Group, resulting in additional amount of approximately HK\$1,843,000 and HK\$115,751,000 standing in the share capital and share premium account respectively. All shares issued by the Company rank pari passu with the then existing shares in all respects.

附註:

(i) 年內，本公司透過按每持有兩股股份獲發一股發售股份之基準，以公開發售之方式按每股發售股份0.20港元之認購價格發行192,000,000股發售股份，集資約37,040,000港元(計及開支後)，以為本集團提供額外營運資金。公開發售已於本公司於二零零七年四月二十三日舉行之股東特別大會上獲批准，並於二零零七年六月七日完成，導致股本及股份溢價分別額外進賬1,920,000港元及35,120,000港元。本公司發行之所有股份與當日之現有股份於各方面均享有同等權益。進一步詳情載於本公司於二零零七年五月十八日刊發之發售章程；及

(ii) 於二零零七年七月十一日及二零零七年十一月十三日，本公司透過按每股0.57港元至0.80港元之認購價發行184,320,000股股份，集資約117,594,000港元(計及開支後)，以為本集團提供額外營運資金，導致股本及股份溢價賬額外進賬約1,843,000港元及115,751,000港元。本公司發行之所有股份與當日之現有股份於各方面均享有同等權益。

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28. RESERVES

The nature and purpose of each reserve are set out below:

(a) Reserves of the Group

(i) Contribution surplus

The contributed surplus represents the difference between the nominal value of share capital of the subsidiaries acquired pursuant to the group reorganisation on 22 October 2002, over the nominal value of the shares of the Company issued in exchange therefor.

Under the Companies Law (2001 Second Revision) of the Cayman Islands, the contributed surplus account is distributable to the shareholders of the Company under certain circumstances.

(ii) Share premium

The application of the share premium account is governed by applicable regulations of the Cayman Islands.

(iii) Share option reserve

The share option reserve represents the fair value at respective grant dates in respect of the outstanding share options of the Company.

28. 儲備

各項儲備之性質及目的載列如下：

(a) 本集團之儲備

(i) 繳入盈餘

繳入盈餘指根據二零零二年十月二十二日集團重組所收購之附屬公司之股本面值超過與本公司為交換該等股份而發行之股份面值兩者之差額。

按照開曼群島公司法(二零零一年第二次修訂版)，本公司可在若干情況下以繳入盈餘賬內之款項向其股東作出分派。

(ii) 股份溢價

股份溢價賬之應用受開曼群島適用規例監管。

(iii) 購股權儲備

購股權儲備指有關本公司尚未行使購股權之各個授出日期之公平值。

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28. RESERVES (Continued)

(b) Reserves of the Company

		Contribution surplus 繳入盈餘 HK\$'000 千港元 (Note) (附註)	Share premium 股份溢價 HK\$'000 千港元 (Note 28(a)) (附註28(a))	Share option reserve 購股權儲備 HK\$'000 千港元 (Note 28(a)) (附註28(a))	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2006	於二零零六年 四月一日	22,116	25,146	—	(46,531)	731
Share premium arising on placement of shares	配售股份產生之 股份溢價	—	7,104	—	—	7,104
Loss for the year (Note 13)	本年度虧損(附註13)	—	—	—	(11,161)	(11,161)
At 31 March 2007	於二零零七年三月 三十一日	22,116	32,250	—	(57,692)	(3,326)
Share premium arising on open offer of shares	公開發售股份產生之 股份溢價	—	35,120	—	—	35,120
Share premium arising on placements of shares	配售股份產生之 股份溢價	—	115,751	—	—	115,751
Recognition of equity-settled share-based payments (Note 32)	確認股權結算股份支 付(附註32)	—	—	10,200	—	10,200
Lapse of share options	購股權失效	—	—	(2,828)	2,828	—
Loss for the year (Note 13)	本年度虧損(附註13)	—	—	—	(135,401)	(135,401)
At 31 March 2008	於二零零八年三月 三十一日	22,116	183,121	7,372	(190,265)	22,344

Note:

Contributed surplus of the Company

The contributed surplus represents the excess of the fair value of the subsidiaries acquired pursuant to the group reorganisation over the nominal value of the shares of the Company issued in exchange therefor.

Under the Companies Law (2001 Second Revision) of the Cayman Islands, the contributed surplus account is distributable to the shareholders of the Company under certain circumstances.

28. 儲備(續)

(b) 本公司之儲備

		Contribution surplus 繳入盈餘 HK\$'000 千港元 (Note) (附註)	Share premium 股份溢價 HK\$'000 千港元 (Note 28(a)) (附註28(a))	Share option reserve 購股權儲備 HK\$'000 千港元 (Note 28(a)) (附註28(a))	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2006	於二零零六年 四月一日	22,116	25,146	—	(46,531)	731
Share premium arising on placement of shares	配售股份產生之 股份溢價	—	7,104	—	—	7,104
Loss for the year (Note 13)	本年度虧損(附註13)	—	—	—	(11,161)	(11,161)
At 31 March 2007	於二零零七年三月 三十一日	22,116	32,250	—	(57,692)	(3,326)
Share premium arising on open offer of shares	公開發售股份產生之 股份溢價	—	35,120	—	—	35,120
Share premium arising on placements of shares	配售股份產生之 股份溢價	—	115,751	—	—	115,751
Recognition of equity-settled share-based payments (Note 32)	確認股權結算股份支 付(附註32)	—	—	10,200	—	10,200
Lapse of share options	購股權失效	—	—	(2,828)	2,828	—
Loss for the year (Note 13)	本年度虧損(附註13)	—	—	—	(135,401)	(135,401)
At 31 March 2008	於二零零八年三月 三十一日	22,116	183,121	7,372	(190,265)	22,344

附註:

本公司之繳入盈餘

繳入盈餘指根據集團重組所收購附屬公司公平值與本公司為交換該等附屬公司而發行之股份面值兩者之差額。

按照開曼群島公司法(二零零一年第二次修訂版),本公司可在若干情況下以繳入盈餘賬內之款項向股東作出分派。

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29. DISPOSAL OF SUBSIDIARIES

On 2 June 2006, the Group disposed of its subsidiaries, namely Elite Team Limited, Easy Billion Limited and Fairgood Limited.

The net assets of those disposed subsidiaries at the date of disposal were as follows:

Net assets disposed of:
Property, plant and equipment (Note 16)
Prepaid land lease expenses (Note 17)
Available-for-sales financial assets
Deposits, prepayments and other receivables
Bank and cash balances
Interest-bearing bank borrowings
Trade and other payables

Loss on disposal of subsidiaries

Total cash consideration

Net cash inflow arising on disposal:

Total cash consideration
Bank balances and cash acquired

The subsidiaries disposed of during the prior year did not contribute significantly to the Group's cash flows nor results.

29. 出售附屬公司

於二零零六年六月二日，本公司出售其附屬公司Elite Team Limited、Easy Billion Limited及Fairgood Limited。

已出售附屬公司於出售日期之資產淨值如下：

	2007 二零零七年 HK\$'000 千港元
所出售資產淨值：	
物業、廠房及設備(附註16)	5,660
預付土地租金開支(附註17)	4,587
可供出售金融資產	1,376
按金、預付款項及其他應收款項	154
銀行及現金結餘	15
計息銀行借貸	(5,950)
應付貿易賬款及其他應付款項	(5,393)
	<hr/> 449
出售附屬公司之虧損	(329)
	<hr/> 120
出售所產生之現金流入淨額：	
總現金代價	120
所收購之銀行結餘及現金	(15)
	<hr/> 105

於過往年度內出售之附屬公司並無為本集團之現金流量或業績帶來重大貢獻。

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30. OPERATING LEASE ARRANGEMENTS

As lessee

At 31 March 2008, the Group did not have any outstanding commitments under non-cancellable operating leases. As at 31 March 2007, the outstanding minimum commitments under non-cancellable operating leases were as follows:

		2007 二零零七年 HK\$'000 千港元
Within one year	一年內	319
After one year but within five years	一年後但於五年內	288
		<u>607</u>

As lessor

The Group leases out its investment property under an operating lease. At 31 March 2008, the Group had total future minimum lease receivables under a non-cancellable operating lease with the tenant falling due as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within one year	一年內	68	—
After one year but within five years	一年後但於五年內	46	—
		<u>114</u>	—

The Company did not have any operating lease arrangement under non-cancellable operating lease as at 31 March 2007 and 2008.

30. 經營租約安排

作為承租人

於二零零八年三月三十一日，本集團並無根據不可撤銷經營租約之任何未支付承擔。於二零零七年三月三十一日，根據不可撤銷經營租約之未付最低承擔如下：

	2007 二零零七年 HK\$'000 千港元
一年內	319
一年後但於五年內	288
	<u>607</u>

作為出租人

本集團根據經營租約出租其投資物業。於二零零八年三月三十一日，本集團根據與承租人之不可撤銷經營租約擁有之未來應收最低租金總額於以下期間到期：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
一年內	68	—
一年後但於五年內	46	—
	<u>114</u>	—

於二零零七年及二零零八年三月三十一日，本公司並無根據不可撤銷經營租約擁有任何經營租約安排。

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31. CONTINGENT LIABILITIES

The Group and Company had the following outstanding litigations at the balance sheet date:

- (i) A writ was filed against the Company in respect of a claim for reimbursement of expenses paid on behalf of the Group amounting to approximately HK\$3,000,000 on 26 July 2006. The Company was not aware of such alleged payments and had instructed lawyers to deal with the matter. Based on the written legal opinion from the legal counsel dated 21 July 2008, it is considered that the claim is not justifiable and without merit.
- (ii) A writ was filed by Siu Ban & Sons Limited ("Siu Ban") against Sun Tai Hing, a subsidiary of the Company, on 11 September 2007 in respect of a claim for the return of the property of Sun Tai Hing located in Hong Kong (the "Property") and damages for costs and loss of interest Siu Ban claimed that Sun Tai Hing did not pay the purchase consideration for the acquisition of the Property in May 2002. The Property was also charged by the plaintiff for this claim, details of which are set out in Notes 16 and 17 to the financial statements. The management of Sun Tai Hing is of the opinion that the claim is not justifiable and without merit.
- (iii) During the prior year, the Group's amount due to a director was secured by a corporate guarantee provided by the Company, which was valued by the directors at HK\$Nil at the date of grant. The guarantee had been released following the full settlement of the balance due during the prior year.

31. 或然負債

於結算日，本集團及本公司有以下未解決之訴訟：

- (i) 於二零零六年七月二十六日，本公司被提出令狀，申索付還代表本集團支付之開支約3,000,000港元。本公司並不知悉該等指稱之款項，並已委託律師處理此事。根據法律顧問於二零零八年七月二十一日發出之書面法律意見，本公司認為申索並無理由支持，且缺乏充分理據。
- (ii) 於二零零七年九月十一日，Siu Ban & Sons Limited (「Siu Ban」)向本公司之附屬公司新大興提出令狀，申索交還新大興位於香港之物業(「該物業」)以及Siu Ban之成本及利息虧損之損害賠償，Siu Ban指稱新大興並無就於二零零二年五月收購該物業支付購買代價。該物業亦被原告提出此申索，有關詳情載於財務報表附註16及17。新大興管理層認為申索並無理由支持，且缺乏充分理據。
- (iii) 於過往年度，本集團應付董事之款項由本公司提供之公司擔保作抵押，該公司擔保於授出日期經董事估值為零港元。該擔保已於去年悉數償還有關結餘後解除。

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32. SHARE-BASED PAYMENTS

The Company's existing share option scheme (the "Scheme") became effective on 22 October 2002. The major terms of the Scheme, in conjunction with the requirements of Chapter 17 of the Listing Rules, are set out as follows:

- (i) The purpose of the Scheme is providing incentives rewards to full-time employees and consultants of the Group in recognition of their contribution to the Group.
- (ii) Subject to the terms of the Scheme, the directors may, at their absolute discretion, invite full-time employees of the Group including executive directors of the Company or any of its subsidiaries and consultants (the "Eligible Persons") to take up options to subscribe for shares.
- (iii) The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme of the Company must not exceed 30% of the total issued share capital of the Company from time to time.
- (iv) The total number of shares issued and to be issued on the exercise of options granted and to be granted (including both exercised and outstanding options) in any 12-month period up to the date of grant to each of the Eligible Persons shall not exceed 1% of the total issued share capital of the Company in issue unless (i) a shareholders' circular is dispatched to the shareholders; (ii) the shareholders approve the grant of the options in excess of the limit referred to herein; and (iii) the relevant Eligible Persons and their associates abstain from voting on the resolution.
- (v) An offer of the grant of an option shall be made to the Eligible Persons by letter in such form as the board of directors may from time to time determine and shall remain open for acceptance by the Eligible Persons concerned for a period of 28 days from the date upon which it is made, provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date or after the Scheme has been terminated.

32. 以股份支付之款項

本公司之現有購股權計劃(「該計劃」)於二零零二年十月二十二日生效。計劃之主要條款連同上市規則第17章之規定載列如下：

- (i) 該計劃之目的在於表揚及回饋對本集團作出貢獻之全職僱員及顧問。
- (ii) 董事可在該計劃條款之規限下，全權酌情邀請本集團之全職僱員(包括本公司或其任何附屬公司之執行董事)及顧問(「合資格人士」)接納購股權以認購股份。
- (iii) 根據本公司該計劃授出而有待行使之所有尚未行使購股權獲行使而可予發行之股份總數不得超過本公司不時已發行股本總數30%。
- (iv) 截至向各合資格人士授出日期之任何12個月期間，因已授出及將予授出之購股權(包括已行使及尚未行使者)獲行使而已發行及將予發行之股份總數不得超過本公司已發行股本總數1%，除非(i)已向股東寄發股東通函；(ii)股東批准授出超過本文所述限額之購股權；及(iii)有關合資格人士及其聯繫人士就有關決議案放棄投票。
- (v) 購股權之要約須按董事會可能不時釐定之格式致函予合資格人士後授出，而合資格人士可於要約日期起計28日期間內接納，惟不得於採納日期起計10週年後或該計劃終止後接納要約。

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32. SHARE-BASED PAYMENTS (Continued)

- (vi) A non-refundable nominal consideration of HK\$1 is payable by the grantee upon acceptance of an option. An option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the option duly signed by the Eligible Persons together with the said consideration of HK\$1 is received by the Company.
- (vii) The exercise price for shares under the scheme may be determined by the directors at its absolute discretion but in any event will not be less than the highest of:
- the closing price of the shares as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant, which must be a business day;
 - the average closing price of the shares as stated in daily quotations sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and
 - nominal value of shares.

Unless otherwise in the terms of the Scheme, an option may be exercised any time during the period commencing on the expiry of six calendar months after the date on which the option is deemed to be granted and accepted and expiring on a date to be determined and notified by the board of directors to each grantee, but in any event not later than 10 years from the date of grant of option but subject to the early termination of the scheme.

32. 以股份支付之款項(續)

- (vi) 接納購股權時，承授人應繳付1港元之不可退還象徵式代價。倘本公司接獲由合資格人士正式簽署之接納購股權函件副本，連同上述1港元代價，則購股權將被視為已獲接納。
- (vii) 該計劃下股份之行使價可由董事會全權酌情釐定，惟於任何情況下不得低於下列最高者：
- 於授出日期(必須為營業日)香港聯合交易所有限公司每日報價表所列股份之收市價；
 - 緊接授出日期前五個營業日聯交所每日報價表所列股份之平均收市價；及
 - 股份面值。

除非該計劃之條款另有規定，否則購股權可於由購股權被視為已授出及獲接納之日期後六個曆月屆滿起至董事會釐定及通知各承授人之日期止期間內隨時行使，惟於任何情況下不得遲於授出購股權日期起計10年，惟該計劃可提早終止。

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32. SHARE-BASED PAYMENTS (Continued)

The fair value of the share options granted during the year and the share-based payments recognised in income statement was approximately HK\$10,200,000 (2007: HK\$Nil).

(a) The following table shows the movements in the Company's share options during the year (2007: HK\$Nil).

32. 以股份支付之款項(續)

年內授出之購股權公平值及於收益表確認以股份之付款約10,200,000港元(二零零七年：零港元)。

(a) 下表顯示年內本公司購股權之變動(二零零七年：零港元)。

		2008 二零零八年			Closing price immediately before the date of grant 緊隨授出日期前 之收市價 HK\$ 港元
	Date of grant 授出日期	Granted during the year 於年內授出	Lapsed during the year 於年內失效	Outstanding at end of the year 於年終尚未行使	
Directors: 董事：					
Lee Yiu Tung 李耀東	21/8/2007	6,912,000	—	6,912,000	1.09
Ip Wing Lun 葉泳倫	21/8/2007	6,912,000	—	6,912,000	1.09
Wong Po Ling, Pauline 王寶玲	21/8/2007	6,912,000	—	6,912,000	1.09
Steven McManaman Steven McManaman	21/8/2007	2,000,000	—	2,000,000	1.09
		22,736,000	—	22,736,000	
Other employees 其他僱員	7/6/2007 21/8/2007	24,000,000 24,384,000	—	24,000,000 24,384,000	0.49
		48,384,000	—	48,384,000	1.09
Consultants 顧問	21/8/2007	22,000,000	(22,000,000)	—	1.09
		93,120,000	(22,000,000)	71,120,000	

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32. SHARE-BASED PAYMENTS (Continued)

- (b) The weighted average exercise price of the share options granted during the year is HK\$0.9646. The options outstanding at the end of the year have a weighted average remaining contractual life of 9.34 years.

At the balance sheet date and the date of approval of these financial statements, the Company had 71,120,000 (2007: Nil) share options outstanding under the Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 71,120,000 (2007: Nil) additional ordinary shares of the Company which represented 9.35% (2007: Nil) of the Company's shares in issue and as at those dates, and result in additional share capital of approximately HK\$711,000 (2007: HK\$Nil) and share premium of HK\$67,891,000 (before issue expenses) (2007: HK\$Nil).

- (c) An independent firm of professional valuers, Asset Appraisal Limited, was appointed to value the fair values of share options granted during the year. The fair value of the share options granted was estimated on the date of grant using the Black-Scholes option pricing model with the following key assumptions:

Share price (HK\$)	股份價格(港元)	0.49-1.09
Exercise price (HK\$)	行使價(港元)	0.50-1.126
Dividend yield	股息回報	0.00%
Volatility	波動	55.35%-61.74%
Risk-free interest rate	無風險利率	3.91%-3.92%
Expected weighted average option lives (in years)	預期加權平均購股權期限(年)	9.19-9.39

32. 以股份支付之款項(續)

- (b) 於年內授出之購股權加權平均行使價為0.9646港元。於年終，尚未行使之購股權之加權平均剩餘合約年期為9.34年。

於結算日及批准本財務報表日期，本公司根據該計劃尚未行使之購股權為71,120,000份(二零零七年：無)。根據本公司現時之資本架構，行使全數餘下購股權將導致發行71,120,000股(二零零七年：無)額外股份，佔本公司於該等日期之已發行股份9.35%(二零零七年：無)，並引致約711,000港元(二零零七年：零港元)之額外股本及67,891,000港元之股份溢價(扣除發行開支前)(二零零七年：零港元)。

- (c) 獨立專業估值師資產評估顧問有限公司獲委任評估於年內授出之購股權公平值。授出之購股權公平值以柏力克—舒爾斯購股權定價模式及下列主要假設於授出日期作估計：

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33. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

- (a) During the prior year, the amount due to a director was secured by a corporate guarantee provided by the Company. The corporate guarantee had been released following the full settlement of the balance due during the prior year.
- (b) Commission of approximately HK\$784,000 (2007: HK\$Nil) was charged by a shareholder of the Company as underwriting commission in connection with an open offer of the Company during the year ended 31 March 2008.
- (c) Details of the amounts due to directors are set out in Note 25 to the financial statements.
- (d) Included in the Company's and the Group's accruals and other payables as at 31 March 2008 was an aggregate salaries and other allowances amount of approximately HK\$2,375,000 (2007: HK\$235,000) due to directors which is unsecured, interest free and repayable on demand.
- (e) Members of key management during the year comprised only of the directors whose remuneration is set out in Note 11 to the financial statements.

33. 關連人士交易

本公司與其附屬公司(本公司之關連人士)之交易已於綜合入賬時對銷，並無於本附註內披露。本集團與其他關連人士之交易詳情於下文披露。

- (a) 於去年，應付董事款項由本公司認證之擔保作抵押。於去年全數償還應付結餘後，公司擔保已獲解除。
- (b) 支付予本公司一名股東之佣金費用約784,000港元(二零零七年：零港元)，作為就本公司於截至二零零八年三月三十一日止年度內公開發售之包銷佣金。
- (c) 應付董事款項詳情載於財務報表附註25。
- (d) 計入本公司及本集團於二零零八年三月三十一日之應計款項及其他應付款項之金額為應付董事之薪金及津貼總額約2,375,000港元(二零零七年：235,000港元)，乃無抵押、免息及按要求償還。
- (e) 年內主要管理層成員僅包括其薪酬載於財務報表附註11之董事。

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34. CAPITAL RISK MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consists of debts, which includes the amounts due to directors under current liabilities disclosed in Note 25, cash and cash equivalents in Note 23 and equity attributable to equity holders of the Company, comprising share capital and reserves as disclosed in the consolidated statement of changes in equity.

The Group's risk management reviews the capital structure on a semi-annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 20 — 40% determined as the proportion of net debt to equity. Based on the management's recommendations, the Group expects to increase its gearing ratio closer to 30% through the issue of new debts and the payment of dividends.

The gearing ratios at the balance sheet dates are as follows:

Current debts	流動債項
Cash and cash equivalents	現金及現金等值項目
Net debts	債項淨額
Equity	權益
Net debt to equity ratio	債項淨額對權益之比率

34. 資金風險管理

本集團管理資金之目的為保障本集團之持續經營能力，以為股東提供回報及為其他利益相關者提供利益，並維持理想之資本架構，以減低資本成本。

本集團之資本架構由債項(包括附註25披露列於流動負債之應付董事款項)、附註23之現金及現金等值項目，以及本公司股權持有人應佔權益(包括於綜合權益變動表披露之股本及儲備)組成。

本集團每半年檢討資本架構以管理風險。作為檢討之一部份，管理層考慮資本成本及與各類資本相關之風險。本集團之目標資本負債比率為20%至40%，乃按債項淨額與權益之比例釐定。根據管理層之建議，本集團預期透過發行新債項及支付股息，以增加資本負債比率至較接近30%。

於結算日之資本負債比率如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
10,583	—
(7,055)	(6,757)
3,528	(6,757)
12,646	(55)
28%	N/A 不適用

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35. FINANCIAL RISK MANAGEMENT

During the year, exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables and investment in listed securities. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Normally, the Group does not obtain collateral from customers.

Investments normally comprise only liquid securities quoted on a recognised stock exchange, except when the investment is made for long term strategic purposes. Given their high credit standing, management does not expect any investment counterparty to fail to meet its obligations.

35. 金融風險管理

年內，本集團於日常業務過程產生之主要風險為信貸風險、流動資金風險、利率風險及貨幣風險。本集團亦因其於其他實體之股本投資產生股價風險。

此等風險受下文所述之本集團財務管理政策及慣例所限制。

(a) 信貸風險

本集團之信貸風險主要由其應收貿易賬款及其他應收款項以及上市證券投資產生。管理層已制訂信貸政策，並持續監察該等信貸風險。

就應收貿易賬款及其他應收款項而言，凡要求授出若干金額以上信貸之客戶均需接受個別信貸評估。該等評估集中於客戶過往於賬項到期時之還款紀錄及目前之還款能力，並考慮客戶之特定資料以及有關客戶所營運經濟環境之資料。在一般情況下，本集團不會向客戶取得抵押品。

投資一般僅包括於認可證券交易所掛牌之流動證券，惟就長期策略而作出則除外。鑑於其信譽情況較佳，管理層並不預期任何投資對手未能履行其責任。

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35. FINANCIAL RISK MANAGEMENT

(Continued)

(a) Credit risk (Continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the balance sheet date, the Group has a concentration of credit risk as 100% and 100% of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 22 to the financial statements.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board of directors when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

35. 金融風險管理(續)

(a) 信貸風險(續)

本集團之信貸風險主要受個別客戶不同情況所影響。客戶所經營之行業及國家之違約風險亦對信貸風險產生影響，惟影響較少。於結算日，本集團之集中信貸風險為100%，而應收貿易賬款總額之100%分別為應收本集團最大客戶及五大客戶之款項。

在並無考慮持有抵押品之情況下，信貸風險上限為各金融資產之賬面值。

有關本集團因應收貿易賬款引起之風險之進一步量化披露事項載於財務報表附註22。

(b) 流動資金風險

本集團內個別經營實體須負責其本身之現金管理，包括現金盈餘之短期投資及籌集貸款以應付現金需求，而於借貸超逾若干事先釐定之授權水平時須取得本公司董事會批准。本集團之政策為定期監察其流動資金需求及遵守貸款契諾，以確保其維持足夠現金儲備及來自主要金融機構之承諾資金額度，以應付其短期及長期流動資金需求。

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35. FINANCIAL RISK MANAGEMENT

(Continued)

(b) Liquidity risk (Continued)

Among other measures undertaken by the management in respect of managing the liquidity risk, the Company is in the progress of raising additional working capital by way of issuing the convertible notes with a principal amount of HK\$200,000,000, details of which are set out in Note 37 to the financial statements.

(c) Interest rate risk

The Group has no significant interest-bearing financial liabilities, and the Group's income and operating cash flows are substantially independent of changes in market interest rate.

(d) Currency risk

The Group is exposed to currency risk primarily through its investment in quoted equity securities in BCP with a carrying value of approximately HK\$134,364,000 (2007: HK\$Nil) as at 31 March 2008 that are denominated in Pound Sterling ("£"), which was acquired during the current year.

Sensitivity analysis

At 31 March 2008, it is estimated that a general appreciation/depreciation of 1% in exchange rate of HK\$ to £, with all other variables held constant, would increase/decrease the Group's consolidated loss and decrease/increase its consolidated equity by approximately HK\$1,344,000 (2007: HK\$Nil).

35. 金融風險管理(續)

(b) 流動資金風險(續)

至於其他管理層就管理流動資金風險而採取之其他措施中，本公司正在透過發行本金額200,000,000港元之可換股票據籌集額外營運資金，有關詳情載於財務報表附註37。

(c) 利率風險

本集團並無重大計息金融負債，本集團之收入及經營現金流量大部分不受市場利率變動影響。

(d) 貨幣風險

本集團主要透過其於BCP之上市股本證券之投資承受貨幣風險。於二零零八年三月三十一日，該投資之賬面值約為134,364,000港元(二零零七年：零港元)，以英鎊(「英鎊」)為單位，乃於本年度購入。

敏感度分析

於二零零八年三月三十一日，估計港元兌英鎊匯率整體升值／貶值1%而其他變數維持不變，則本集團之綜合虧損將增加／減少及綜合權益將減少／增加約1,344,000港元(二零零七年：零港元)。

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35. FINANCIAL RISK MANAGEMENT

(Continued)

(d) Currency risk (Continued)

Sensitivity analysis (Continued)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to each of the group entities; exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular equity price, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. Results of the analysis as presented above represent an aggregation of the effects on each of the group entities' equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the balance sheet date for presentation purposes. The analysis is performed on the same basis for 2007, where applicable.

(e) Equity price risk

The Group is exposed to equity price changes arising from equity instruments classified as available-for-sale financial assets. These investments are listed.

The Group's listed investments are listed on the Stock Exchange of Hong Kong and AIM. Decisions to buy and sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the indexes and other industry indicators, as well as the Group's liquidity needs. Listed investments held in the available-for-sale portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

35. 金融風險管理(續)

(d) 貨幣風險(續)

敏感度分析(續)

敏感度分析乃假設匯率變動已於結算日發生，並應用於各集團實體；另外亦假設金融工具之貨幣風險於該日已存在，而所有其他變數(尤其是股價)維持不變。

所述之變動指管理層對匯率於直至下年度結算日期間之合理可能變動之評估。分析結果代表對就呈列而言按於結算日之匯率以各集團實體各自之功能貨幣計量而換算為港元之權益之綜合影響。二零零七年之分析按相同基準(如適用)進行。

(e) 股價風險

本集團承受因分類為可供出售金融資產而產生之股本工具股價變動之風險。該等投資均為上市。

本集團之上市投資於香港聯交所及另類投資市場上市。買賣證券之決定乃根據每日對個別證券表現監察與指數及其他行業指標比較，以及按本集團之流動資金需求而作出。於可供出售組合內持有之上市投資乃根據其較長期增長潛力而選擇，並根據預期對表現進行定期監察。

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35. FINANCIAL RISK MANAGEMENT

(Continued)

(e) Equity price risk (Continued)

Sensitivity analysis

At 31 March 2008, it is estimated that a general increase/decrease of 5% in the quoted market price of the equity investments, with all other variables held constant, would decrease/increase the Group's consolidated loss and increase/decrease its consolidated equity by approximately HK\$6,718,000 (2007: HK\$Nil).

The sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index or other relevant risk variables had occurred at the balance sheet date and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair value of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index or the relevant risk variables over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2007.

(f) Fair values and estimation basis

All financial instruments are carried at amounts not materially different from their values as at 31 March 2008 and 2007. In respect of equity securities, fair value is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

35. 金融風險管理(續)

(e) 股價風險(續)

敏感度分析

於二零零八年三月三十一日，估計於股本投資之市場報價上升／下跌5%而其他變數維持不變，則本集團之綜合虧損將減少／增加及綜合權益將增加／減少約6,718,000港元(二零零七年：零港元)。

敏感度分析乃假設股市指數或其他相關風險變數之合理可能變動已於結算日發生，並已應用於該日存在之股價風險而釐定。另亦假設本集團之股本投資之公平值會根據有關股市指數或相關風險變數之歷史關聯而變動，及所有其他變數維持不變。所述變動指管理層對相關股市指數或相關風險變數於直至下個年度結算日止期間之合理可能變動之評估。二零零七年之分析按相同基準進行。

(f) 公平值及估計基準

所有金融工具之賬面值與其於二零零八年及二零零七年三月三十一日之價值概無重大差異。就股本證券而言，公平值以於結算日之市場報價(並無扣減任何交易成本)為基準。

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36. FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of the Group's financial assets and liabilities as recognised at 31 March 2008 and 2007 may be categorised as follows:

Financial assets

Loans and receivables (including cash and bank balances)
Available-for-sale financial assets

Financial liabilities

Financial liabilities measured at amortised cost

金融資產

貸款及應收款項(包括現金及銀行結餘)
可供出售金融資產

金融負債

按攤銷成本計量之金融負債

36. 金融資產及負債

本集團之金融資產及負債於二零零八年及二零零七年三月三十一日確認之賬面值可分類如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
8,698	14,205
134,364	—
114,153	3,066

37. SIGNIFICANT POST BALANCE SHEET NON-ADJUSTING EVENT

The Company entered into subscription agreement dated 7 May 2008 and supplemental agreement dated 4 June 2008 with Pacific Capital Investment Management Limited to issue convertible notes by the Company for an aggregate principal amount of HK\$200,000,000 which was approved as an ordinary resolution passed at the extraordinary general meeting of the Company on 7 July 2008. The convertible notes are repayable at the third anniversary after its issuance. Further details are set out in the Company's circular and announcement dated 20 June 2008 and 7 July 2008, respectively.

37. 結算日後非調整事項

本公司分別於二零零八年五月七日及二零零八年六月四日與Pacific Capital Investment Management Limited訂立認購協議及補充協議，以由本公司發行本金總額200,000,000港元之可換股票據，發行可換股票據已於本公司於二零零八年七月七日舉行之股東特別大會上以普通決議案通過批准。可換股票據須於其發行後第三週年償還。進一步詳情載於本公司分別於二零零八年六月二十日及二零零八年七月七日刊發之通函及公佈內。

Notes to the Financial Statements

財務報表附註

31 March 2008
二零零八年三月三十一日

38. COMMITMENT

As at 31 March 2007 and 2008, the Company and the Group did not have any capital commitment.

39. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform with current year's presentation.

38. 承擔

於二零零七年及二零零八年三月三十一日，本公司及本集團並無任何資本承擔。

39. 比較數字

若干比較數字已獲重新分類，以符合本年度之呈列方式。

Five Years Financial Summary

五年財務概要

31 March 2008
二零零八年三月三十一日

		For the year ended 31 March 截至三月三十一日止年度				
Results	業績	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Turnover	營業額	20,595	42,813	43,428	101,974	119,410
(Loss)/profit before taxation	除稅前(虧損)/溢利	(151,715)	(11,050)	(59,607)	11,174	29,016
Taxation	稅項	(418)	—	(20,003)	(1,293)	(781)
(Loss)/profit before minority interests	除少數股東權益前(虧損)/溢利	(152,133)	(11,050)	(79,610)	9,881	28,235
Attributable to equity holders of the Company	本公司股權持有人應佔	(152,133)	(11,050)	(79,610)	9,881	28,235
Minority interests	少數股東權益	—	—	—	(7,721)	(4,738)
(Loss)/profit attributable to equity holders of the Company	本公司股權持有人應佔(虧損)/溢利	(152,133)	(11,050)	(79,610)	2,160	23,497
Assets and liabilities 資產及負債		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Total assets	資產總值	147,381	23,175	41,424	99,573	99,170
Total liabilities	負債總值	(134,735)	(23,230)	(38,173)	(14,450)	(9,228)
Minority interests	少數股東權益	—	—	—	(2,262)	(9,240)
Total equity attributable to equity holders of the Company	本公司股權持有人應佔總權益	12,646	(55)	3,251	82,861	80,702

