



Matsunichi Communication Holdings Limited

松日通訊控股有限公司

Stock Code 股份代號 : 00283



2008

Annual Report 年報

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CORPORATION INFORMATION

公司資料

DIRECTORS

Pan Su Tong (Chairman & Chief Executive Officer)

Huang Xiaojian

Zhou Xiaojun#

Lai Chi Kin, Lawrence*

Ng Lai Man, Carmen*

Cheng Kwan Wai, Sunny*

* Independent Non-executive Directors

appointed on 1st April, 2008

COMPANY SECRETARY

Sun Kwing Sum

REGISTERED OFFICE

22nd Floor, Two International Finance Centre

8 Finance Street, Central

Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

AUDITOR

Deloitte Touche Tohmatsu

REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited

26th Floor, Tesbury Centre

28 Queen's Road East

Hong Kong

董事

潘蘇通(主席兼行政總裁)

黃孝建

周曉軍#

黎志堅*

吳麗文*

鄭君威*

* 獨立非執行董事

於二零零八年四月一日獲委任

公司秘書

孫焯森

註冊辦事處

香港

中環金融街8號

國際金融中心二期22樓

主要往來銀行

香港上海匯豐銀行有限公司

核數師

德勤•關黃陳方會計師行

股份過戶登記處

卓佳秘書商務有限公司

香港

皇后大道東28號

金鐘匯中心26樓

CHAIRMAN'S STATEMENT

主席報告書

On behalf of the board of directors ("Board") of Matsunichi Communication Holdings Limited (the "Company"), I am pleased to present the annual report of the Company together with its subsidiaries (the "Group") for the year ended 31st March, 2008.

RESULTS

The Group recorded a turnover of HK\$4,298 million (2007: HK\$3,071 million) for the year ended 31st March, 2008, representing an increase of 40%. The growth was mainly due to further market diversification and rising demand for the Group's digital consumer products, boosting the sales volume internationally. The gross profit margin remained steady at 14% (2007: 14%).

The net profit of the Group for the year ended 31st March, 2008 amounted to HK\$687 million (2007: HK\$202 million), representing an increase of 240% over the same period last year.

Result from development and sales of digital consumer products increased from HK\$301 million by 40% to HK\$422 million for year ended 31st March, 2008. Of the two plots of adjacent land held by the Group as at 31st March, 2008, only 533,760 square metres out of 997,951 square metres of planned gross floor area was classified as investment properties and carried at fair value as at 31st March, 2008. Thus, gain on increase in fair value of investment properties only of HK\$1,587 million was recorded in the income statement accordingly.

Although the Group performed well in development and sales of digital consumer products and land acquired during the year was appreciated in value, the Group's profit was eaten up by the losses on derivative financial instruments of HK\$549 million, share based payments expenses of HK\$32 million and provision of deferred tax of HK\$426 million.

本人謹此代表松日通訊控股有限公司(「本公司」)董事會(「董事會」)，欣然提呈本公司及其附屬公司(「本集團」)截至二零零八年三月三十一日止年度之年報。

業績

截至二零零八年三月三十一日止年度，本集團錄得營業額達4,298,000,000港元(二零零七年：3,071,000,000港元)，增長40%。增長主要是由於本集團數碼消費產品之市場進一步多元化及對其需求上升，帶動全球銷量增加。毛利率保持在14%(二零零七年：14%)。

截至二零零八年三月三十一日止年度，本集團錄得純利達687,000,000港元(二零零七年：202,000,000港元)，較去年同期上升240%。

截至二零零八年三月三十一日止年度，數碼消費產品開發及銷售方面之業績由301,000,000港元增長40%至422,000,000港元。而本集團所持有兩幅毗鄰土地，於二零零八年三月三十一日，在計劃總建築面積997,951平方米中只有533,760平方米被分類為投資物業，並按公平值入賬。因此，公平值增加之收益只有1,587,000,000港元直接在收益表中發生。

雖然本集團於數碼消費產品開發及銷售方面表現良好，同時於本年度收購之土地亦有升值，但本集團之溢利仍因衍生金融工具虧損549,000,000港元、以股份為基礎之付款32,000,000港元及遞延稅項支出426,000,000港元而遭到蠶食。

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During the year, the Group issued new rights shares (with bonus warrants) and convertible bonds to qualifying shareholders with aggregate net proceeds amounted to HK\$3.2 billion. Convertible bonds issued by the Group that contain both liability and conversion option components were classified separately into respective items on initial recognition. According to Hong Kong Financial Reporting Standards (HKFRSs) and Hong Kong Accounting Standards (HKAS), at the date of issue, the conversion option components and warrants granted were recognized at fair value. As at 31st March, 2008, the conversion option derivative and warrants were measured at fair value with fair value change of HK\$161 million and HK\$67 million respectively recognized as losses. Share options granted to other participants and foreign currency forward contracts entered during the year were accounted for as derivative financial instruments. Fair value change between inception date and balance sheet date for share options granted to other participants and foreign currency forward contracts entered of HK\$274 million and HK\$47 million respectively were recognized as losses. Total of the losses on these derivative financial instruments amounted to HK\$549 million. According to HKFRSs and HKAS, share options granted to employees of the Group during the year was expensed as HK\$32 million and deferred tax of HK\$426 million was provided for the gain on increase in fair value of investment properties.

Recognition of the above expenses or losses in accordance with HKFRSs and HKAS totaling of HK\$1,007 million on the financial result do not have impact on the cash flow and operation of the normal course of business of the Group.

於本年度本集團透過向合資格股東發行新供股股份(連同紅利認股權證)及可換股債券籌集所得款項淨額合共達3,200,000,000港元。本集團發行之可換股債券包括負債及換股權部分，於初步確認時獨立列為相關項目。按香港財務報告準則及香港會計準則，於發出當日，可換股債券兌換權部分及認股權證乃按公平值確認。於二零零八年三月三十一日，可換股債券兌換權部分及認股權證乃按公平值計量，而公平值變化分別為161,000,000港元及67,000,000港元確認為虧損。於年度內授予其他參與者之購股權及進行之遠期外匯合約均列作衍生金融工具。此授予其他參與者之購股權及進行之遠期外匯合約於發生日及結算日間公平值變動分別為274,000,000港元及47,000,000港元確認為虧損。此等衍生金融工具引至之總虧損為549,000,000港元。按香港財務報告準則及香港會計準則，於年度內授出予本集團員工之購股權為32,000,000港元已列作支出，而為投資物業公平值增加之收益所作之遞延稅項支出撥備為426,000,000港元。

按香港財務報告準則及香港會計準則，已於財務業績確認以上之支出或虧損，總額為1,007,000,000港元，但並不對本集團之現金流及業務之正常運作構成任何影響。

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As the impact on the financial result of the conversion option derivative and warrants measured at fair value with losses on fair value change of HK\$161 million and HK\$67 million respectively, with the fair value change between inception date and balance sheet date for share options granted to other participants of HK\$274 million recognized as losses totaling a loss of HK\$502 million on the Company, leading to the overall financial result of the Company become loss and unable to declare dividend for the year. However, the above expenses or losses recognized in accordance with HKFRSs and HKAS do not have impact on the cash flow and operation of the normal course of business of the Company.

Basic earnings per share of the Group increased by 144% to HK64.49 cents.

BUSINESS REVIEW

PRC property development business

The Group ventured into the property development business in the PRC in 2007 to generate diversified income stream and enhance earnings growth, in response to the strong appetite for commercial and residential properties as the Chinese economy continues its robust growth. It aims to become a premier developer of high-end properties.

In March 2007, the Group announced the acquisition of 2 plots of adjacent land in Xiqing District, Tianjin Municipal with land plot numbers Jinxi Qinghai (Gua) 2006-078 and 2006-079 for RMB2,026 million. The deal was completed in September 2007. The fair value of these 2 plots adjacent land as at 31st March, 2008 was RMB4,750 million. At the same time, the Group further announced the acquisition of another plot of adjacent land, which is also located at Xiqing District, Tianjin Municipal with land plot number Jinxi Qinghai (Gua) 2006-077 for RMB1,419.98 million, and the acquisition was completed in May 2008. The total land area acquired amounts to 677,000 square metres and aggregate planned gross floor area of around 1.6 million square metres.

對本公司財務業績而言，按香港財務報告準則及香港會計準則，因可換股債券兌換權部分及認股權證按公平值計量所得之公平值變化確認虧損分別為161,000,000港元及67,000,000港元，加上授予其他參與者之購股權於發生日及結算日間公平值變動為274,000,000港元，以至虧損總和為502,000,000港元，並引至本公司之財務業績虧損，及不能派發股息。但此等虧損並不對本公司之現金流及業務之正常運作構成任何影響。

本集團之每股基本盈利增加了144%至64.49港仙。

業務回顧

中國物業開發業務

鑒於中國經濟繼續蓬勃增長，對商住物業需求殷切，本集團於二零零七年進軍中國物業開發業務，將收入來源多元化及提升盈利增長，並立志成為首屈一指的高檔物業發展商。

二零零七年三月，本集團宣佈收購天津市西青區兩幅毗鄰土地（地段號為津西青海（掛）2006-078號地塊及2006-079號地塊），代價為人民幣2,026,000,000元，該項交易於同年九月完成。此兩幅毗鄰土地於二零零八年三月三十一日之公平值為人民幣4,750,000,000元。同時，本集團宣佈收購另一幅同樣位於天津市西青區之毗鄰土地（地段號為津西青海（掛）2006-077號地塊），代價為人民幣1,419,980,000元，該項交易亦於二零零八年五月完成。至此收購之土地總面積已達677,000平方米及總計劃建築面積約1,600,000平方米。

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The property project kicked off in full speed after the foundation ceremony took place in December 2007. As the basic infrastructure is in place, town planning and applications for approval from various government bureaus are in progress.

The Group plans to develop a mega project with a new central business district (CBD) and community concept on these 3 plots of land. A 117-storey Grade-A office building is to be located in the CBD which will be a landmark in the city centre of Tianjin. This flagship project will be a high-end commercial and residential complex with an aggregate planned gross floor area of around 1.6 million square metres, in which around 0.6 million square meters would be for residential usage and the remaining for commercial and cultural usage.

The residential components comprise villa, serviced apartments and high-end residential units, while the commercial ones include office, retail, 5-star hotel and convention centre. The targeted clientele include multinational corporations, senior executives stationed in Tianjin, locals desiring high-end quality residence and local government bureaus. It is expected the development, rental and sale will take 5 years to complete in 3 phases. Pre-sale of phase 1 will include villas, high-rise residential units and retail units, and that of phase 2 will include hip-hotel also. The properties may be held for re-sale or rental purposes depending on prevailing market sentiment. The district is equipped with international schools and other facilities. The Group believes that a good mix of residential and commercial properties helps to maximise revenue and ensure a stable, recurring rental income.

此物業項目於二零零七年十二月奠基儀式後已全速開展。目前基礎建設已經完成，本集團正進行項目城市規劃，並向不同政府部門申領批文。

本集團計劃將此三幅土地發展為具備新核心商業區(CBD)及社區概念之大型項目。此核心商業區將擁有一幢樓高117層之甲級辦公大樓，並將成為天津市中心之地標。此旗艦項目將屬於高檔商住樓群，總計劃建築面積約1,600,000平方米，其中約600,000平方米將作住宅用途，餘下部分作商業及文化用途。

住宅部分將包含別墅、服務式住宅和高檔住宅單位，而商業部分則有辦公室、零售店舖、五星級酒店及會議中心。目標客戶包括跨國公司、駐天津高級行政人員、對高檔優質住宅有殷切需求之當地居民及地方政府部門。預計開發、出租及銷售將於五年內分三期完成。第一期預售將包括別墅、多層住宅單位及零售店舖；而第二期預售則包括型格酒店。視乎當時物業市場氣氛，該等物業可能持作轉售或出租用途。該區配備國際學校及其他設施。本集團相信，一個優良的商住兩用物業組合，能為集團提高盈利，並確保穩定的經常性租金收入。

CHAIRMAN'S STATEMENT

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Given the unique economic and geographical advantages, together with the support of government policy, the Group is upbeat with the prospects of property development in Tianjin. Tianjin is positioned as the economic center in the north of China by the PRC government, and such positioning is favourable to the city for further development.

The 3 plots of land are strategically located in Tianjin and have high accessibility to the city centre and Beijing. It takes around 10 to 15 minutes to reach the city centre by car, and an exit of Line no.3 of Tianjin subway will be located close to the site. With the opening of Beijing-Tianjin Intercity Rail in August 2008, one can travel to and from Beijing and Tianjin in 27 minutes by this rail. The traveling time by car has been reduced to 1 to 1.5 hours with the opening of the second phase of Jingjintang High-Speed Road in June 2008. A new terminal of Tianjin Binhai International Airport was opened in May 2008, which makes traveling to Tianjin by air more convenient.

Tianjin's economic development is among the fastest in the PRC. According to a recent report by an international property consultancy firm, Tianjin's foreign direct investment utilized has recorded a year-on-year growth of 88.1% for the period of January to February 2008. In view of the potential economic development of Tianjin as the next economic powerhouse for the fast-developing China after Shenzhen and Shanghai, more investors are expected to set up their offices in Tianjin and more people will be visiting and working in Tianjin. This would boost demand for quality residential and commercial properties.

鑑於天津享有獨特的經濟和地理優勢，加上政府政策扶持，本集團十分看好當地物業開發之前景。天津已被中國政府定位為華北經濟中心，此一定位將有利當地進一步發展。

此三幅土地位處天津要塞，往來市中心及首都北京均交通便利：往來市中心只需10至15分鐘車程，另外鄰近天津地鐵3號線的出口；隨著京津城際鐵路於二零零八年八月開通後，乘坐此火車往來天津及北京只需27分鐘；京津塘高速公路二期於二零零八年六月開通後，乘坐汽車往來北京之時間亦縮短至1至1.5小時。天津濱海國際機場新空港大樓於二零零八年五月落成後，乘坐飛機往來天津更見方便。

天津乃中國經濟發展最快之城市之一。根據一份國際物業顧問公司近期之報告，二零零八年一月至二月期間，外商直接投資天津總額已錄得按年增長88.1%。天津極具潛力成為繼深圳及上海後，引領中國經濟快速發展之下一個火車頭，所以預期將有更多投資者於天津設立辦事處，及有更多人會到天津旅遊和工作。以上種種皆將帶動當地對優質商住物業之需求。

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The property market in Tianjin is booming, with a strong demand for high-end properties. With reference to a recent report by an international property consultancy firm, the prime office rent, prices of luxury residential and ground prime retail rent recorded a year-on-year growth of 2.7%, 5.7% and 2.1% respectively for the first quarter of 2008. In addition, with reference to land transaction records filed in Tianjin Land Exchange Centre, the selling price of a plot of land in February 2008 in Xiqing district located in the same district as that of the Group's plots of land was over RMB5,100 per gross floor area per square metres, which represents a growth of 150% comparing with the Group's land cost of RMB2,054 per gross floor area per square metres.

Consumer electronics business

Our brand is well-established and the business is enjoying steady growth. Our major markets include North America and Europe. Other regions such as Russia are making a more significant contribution to sales as well.

LIQUIDITY AND FINANCIAL RESOURCES

Working capital and bank balances and cash

The Group's working capital as at 31st March, 2008 amounted to HK\$3,846 million, representing an increase of approximately 186% as compared with last year.

As at 31st March, 2008, the Group had approximately HK\$2,800 million of cash on hand compared with approximately HK\$1,751 million with last year. The strong cash position has paved the way to finance the working capital requirements of the Group.

The current ratio of the Group improved from 1.93 times in the previous financial year to 3.25 times this year.

天津之物業市場暢旺，對高檔物業之需求強勁。參考一份國際物業顧問公司近期之報告，二零零八年首季，天津之甲級寫字樓租金、豪宅房價和優質地舖租金分別按年增長2.7%、5.7%及2.1%。此外，參考天津土地交易中心之土地交易記錄檔案，有一幅與本集團之地塊均位於西青區之地塊於二零零八年二月之售價達每平方米建築面積超過人民幣5,100元，較本集團地塊之土地成本每平方米建築面積人民幣2,054元上漲150%。

消費電子業務

本集團之品牌(松日)已建立良好聲譽，業務亦見穩步增長。集團之主要市場是北美和歐洲，而俄羅斯等其他地區之銷售額貢獻亦與日俱增。

流動資金及財務資源

營運資金及銀行結存與現金

本集團於二零零八年三月三十一日之營運資金為3,846,000,000港元，較去年增加約186%。

於二零零八年三月三十一日，本集團之現金約為2,800,000,000元，而去年則約為1,751,000,000港元。現金水平穩健，從而為本集團所需之營運資金提供充裕之財務支援。

本集團之流動比率由上一財政年度1.93倍，改善為本年度之3.25倍。

CHAIRMAN'S STATEMENT

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Bank and other borrowings

The total short-term bank borrowings had increased from HK\$1,193 million in last year to HK\$1,292 million as at 31st March, 2008. The gearing ratio (defined as total bank borrowings on shareholders' funds) decreased from 66 % as at 31st March, 2007 to 32% as at 31st March, 2008.

FOREIGN EXCHANGE RISK

The Group's sales and purchase transactions are primarily denominated in either Hong Kong dollars, Renminbi (RMB) and US dollars. The Group's exposure to US dollars currency risk is minimal as Hong Kong dollars is pegged to US dollars. Nevertheless, as RMB becomes more volatile, the Group's operations and performances might thus be affected.

The Group's borrowings are principally arranged on a floating rate basis. The use of financial derivative instruments is strictly controlled and solely for management of the Group's underlying exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

CAPITAL STRUCTURE

During the year, the Group has received overwhelming response for its fundraising activities. The aggregate net proceeds amounted to HK\$3.2 billion through the new issues of rights shares (with bonus warrants) and convertible bonds to qualifying shareholders with respective amounts of HK\$1.8 billion and HK\$1.4 billion.

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31st March, 2008.

銀行及其他借貸

短期銀行借款總額由去年1,193,000,000港元增加至於二零零八年三月三十一日之1,292,000,000港元，資本負債比率(定義為銀行借款總額除以股東資金)由二零零七年三月三十一日之66%降至於二零零八年三月三十一日之32%。

外匯風險

本集團之買賣交易主要以港元、人民幣及美元計值。鑒於港元與美元掛鉤，本集團之美元貨幣風險只屬輕微。縱然如此，隨著人民幣走勢日益波動，本集團之營運及表現或會受到影響。

本集團之借款主要為浮動利率基準安排。本集團嚴格限制使用金融衍生工具，純為管控本集團相關風險方會使用。本集團之政策為，決不進行衍生工具交易作投機買賣。

資本架構

年內，本集團所進行之集資活動得到熱烈回應，籌集所得款項淨額合共達3,200,000,000港元，其中透過向合資格股東發行新供股股份(連同紅利認股權證)及可換股債券分別集資1,800,000,000港元及1,400,000,000港元。

或然負債

本集團於二零零八年三月三十一日並無或然負債。

CHAIRMAN'S STATEMENT

主席報告書

PROSPECTS

Looking forward, the Group is optimistic about the outlook for the coming year. We are determined to be a premier property developer by focusing its resources on the property development business in the PRC. Riding on the robust growth of the economy and foreign direct investment in Tianjin and the PRC, we are positive towards the future of the property market there and the Group is well positioned to grasp the opportunities ahead. We aim to leverage on the increasing purchasing power and rising living standard of Tianjin, the third-generation economic engine, to drive the demand for quality residential and commercial properties and related facilities.

The Group is committed to the property development business in the PRC and leveraging on its strong cash position. We are eager to further expand our land bank should such opportunities arise so as to ensure growth in our property development business. While we aim to replicate the CBD model of our Tianjin project in our future projects, we would also consider other types of real estates development with good potentials. We shall develop high-end and sizable land for large-scale premier property projects with both commercial and residential components. We anticipate to create demand for residential properties by establishing commercial centres in first- and second-tier cities with buyers with higher purchasing power and strong GDP growth.

展望

展望未來，本集團對來年之發展前景持樂觀態度。本集團將集中資源致力於發展中國之物業開發業務，立志成為首屈一指的物業發展商。鑒於天津及中國之經濟及外商直接投資增長強勁，吾等看好當地物業市場前景，而且本集團已準備就緒，把握未來種種商機。天津作為第三代經濟火車頭，隨著居民之購買力增強，生活水平日益提升，本集團將善用以上有利條件，推動民眾對優質商住物業及相關設施之需求。

本集團致力於中國之物業開發業務，並善用充裕手頭現金。吾等將把握機會，積極擴大土地儲備，確保物業開發業務維持良好增長。集團於計劃複製天津項目之核心商業區模式至未來項目的同時，吾等亦會考慮其他具良好潛力之房地產開發類型。吾等將開發高檔及具規模的土地，以發展具商住兩用元素之大型優質物業項目。吾等計劃在居民購買力較高和本地生產總值增長迅速的一線及二線城市興建商業中心，創造對住宅物業之需求。

CHAIRMAN'S STATEMENT

主席報告書

MATERIAL ACQUISITIONS AND DISPOSALS

On 15th February, 2007, the Company entered into an agreement with Tianjin Hi-Tech Holding Group Company Limited ("Tianjin Hi-Tech") over the acquisition of Tianjin Hi-Tech New Star Investment Company Limited ("Hi-Tech New Star") and Tianjin Hi-Tech Sun Investment Company Limited ("Hi-Tech Sun") (the "First Acquisition"), both being wholly-owned subsidiaries of Tianjin Hi-Tech, for a total consideration of RMB2,026 million. The principal asset of Hi-Tech New Star is the land use right of a parcel of land located in Tianjin with a total site area of approximately 192,076 square metres. The principal asset of Hi-Tech Sun is the land use right of a parcel of land located in Tianjin with a total site area of approximately 209,545 square metres. These two plots of land have a planned gross floor area of approximately 436,730 square metres and 561,221 square metres respectively. The First Acquisition was completed in September 2007.

On 7th September, 2007, the Company entered into an agreement with Tianjin Hi-Tech over the acquisition of the entire equity interest in Tianjin Hi-Tech New Star Property Development Company Limited ("Hi-Tech New Star Property") and the Hi-Tech New Star Property loan (the "Second Acquisition") for a total consideration of approximately RMB1,420 million. The principal asset of Hi-Tech New Star Property is the land use right of a parcel of land located in Tianjin with an aggregate site area of approximately 275,644 square metres and a planned gross floor area of approximately 563,369 square metres. The Second Acquisition was completed in May 2008.

重大收購及出售

二零零七年二月十五日，本公司與天津海泰控股集團有限公司（「天津海泰」）訂立一份協議，內容有關以總代價人民幣2,026,000,000元收購天津海泰新星投資有限公司（「海泰新星」）及天津海泰陽光投資有限公司（「海泰陽光」）（兩者均為天津海泰之全資附屬公司）（「第一次收購」）。海泰新星之主要資產是位於天津總地盤面積約為192,076平方米之一幅土地之土地使用權。海泰陽光之主要資產是位於天津總地盤面積約為209,545平方米之一幅土地之土地使用權。該兩幅土地之計劃總建築面積分別約為436,730平方米及561,221平方米。第一次收購已於二零零七年九月完成。

二零零七年九月七日，本公司與天津海泰訂立一份協議，內容有關以總代價約人民幣1,420,000,000元收購天津海泰新星房地產開發有限公司（「海泰新星房地產」）之全部股權及海泰新星房地產貸款（「第二次收購」）。海泰新星房地產之主要資產是位於天津總地盤面積約為275,644平方米，計劃總建築面積分別約為563,369平方米之一幅土地之土地使用權。第二次收購已於二零零八年五月完成。

CHAIRMAN'S STATEMENT

主席報告書

On 26th November, 2007, the Company entered into an agreement with Golden Result Group Limited ("Golden Result"), pursuant to which the Company conditionally agreed to sell and Golden Result conditionally agreed to purchase the sale shares, representing the entire equity interest in Matsunichi Hi-Tech Limited, Matsunichi Technology (Dalian) Co., Ltd. and Matsunichi Digital (Macao Commercial Offshore) Ltd., for an aggregate cash consideration of HK\$6,722,581. These companies are principally engaged in the manufacturing and trading of digital consumer products. The disposal was completed before the year end 31st March, 2008.

POST BALANCE SHEET EVENT

On 10th June, 2008, the Company further entered into the Agreement pursuant to which the Company conditionally agreed to sell the entire equity interest in a subsidiary, Matsunichi Digital Technology (Shenzhen) Company Limited (the "Subsidiary") for a cash consideration of approximately RMB100 million to Grace Dragon Int'l Holdings Limited, a private company the issued share capital of which is ultimately beneficially wholly owned by Mr. Pan, the Chairman of the Group. The Subsidiary is a wholly foreign owned enterprise established in the PRC in May 2003, but has not carried on business since its establishment.

EMPLOYMENT AND REMUNERATION POLICY

As at 31st March, 2008, the Group had a total number of approximately 738 (2007: 876) employees. The remuneration policy and package of the Group's employees are structured by reference to market terms and statutory requirements as appropriate. In addition, the Group also provides other staff benefits such as medical insurance, mandatory provident fund and a share option scheme to its employees.

DIVIDEND

The Directors do not recommend the payment of a final dividend (2007: HK6.5 cents).

二零零七年十一月二十六日，本公司與 Golden Result Group Limited (「Golden Result」) 訂立協議，據此，本公司有條件同意出售，而 Golden Result 亦有條件同意購買銷售股份，相等於松日高科有限公司、松日科技(大連)有限公司及 Matsunichi Digital (Macao Commercial Offshore) Ltd. 之全部股權，就此涉及之現金總代價為 6,722,581 港元。該等公司之主要業務為製造及買賣數碼消費產品。此項出售已於二零零八年三月完成。

結算日後事項

二零零八年六月十日，本公司又訂立協議，據此，本公司有條件地同意出售於附屬公司松日數碼科技(深圳)有限公司(「該附屬公司」)之全部股本權益，現金代價約為人民幣 100,000,000 元予悅龍國際集團有限公司(其為一間私人公司，其已發行股本由本集團主席潘先生最終實益全資擁有)。該附屬公司為二零零三年五月在中國成立之外商獨資企業，惟自成立以來並無經營業務。

僱員及薪酬政策

於二零零八年三月三十一日，本集團合共約有 738 名(二零零七年：876 名)僱員。本集團之僱員薪酬政策及組合乃參照市場趨勢及適用之法定規定制訂。此外，本集團亦為僱員提供其他員工福利，例如醫療保險、強制性公積金及購股權計劃等。

股息

董事不建議派付末期股息(二零零七年：6.5 港仙)。

CHAIRMAN'S STATEMENT 主席報告書

APPRECIATION

On behalf of the Board, I would like to express my thanks and recognition towards the Group's management team and employees. Their dedication and commitment to the Group has been vital in achieving the successes of the past year. Thanks are due also to the Group's highly-valued customers, our business associates and of course the Shareholders for their loyalty and support over the period.

On behalf of the Board

Matsunichi Communication Holdings Limited

Chairman

Pan Su Tong

Hong Kong, 30th July, 2008

致謝

本人謹代表董事會，感謝及表揚本集團之管理團隊及僱員，彼等之竭誠與努力對本集團過去一年之成功至為關鍵。本人亦向本集團之尊貴客戶、商業夥伴及股東於本期間內之忠誠及支持表示衷心感謝。

代表董事會

松日通訊控股有限公司

主席

潘蘇通

香港，二零零八年七月三十日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the shareholders. The Board believes that good corporate governance provides a framework and platform that is essential for and advantageous to effective management and successful business growth.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions of the Code on Corporate Governance Practices (the "CG Code") set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its code of practice.

Throughout the year ended 31st March, 2008, the Company has complied with the code provisions of the CG Code except for the provisions A.2.1 and A.4.1, details of and considered reasons for which are set out below.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the guidelines for the Directors' dealings in the securities of the Company.

Upon specific enquiry made by the Company, all Directors confirmed that they have complied with the required standards set out in the Model Code for the year ended 31st March, 2008.

本公司承諾建立良好之企業管治常規及程序，冀能成為一家具透明度及負責任之機構，以開放態度向股東問責。董事會相信良好之企業管治可提供一個必要及有利於績效管理及成功業務增長之框架及平台。

企業管治常規守則

本公司已採納香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載列之企業管治常規守則(「企管守則」)作為其常規守則。

於截至二零零八年三月三十一日止整個年度內，本公司已遵守企管守則之守則條文，惟不包括條文A.2.1及A.4.1，有關詳情及所考慮原因載列於下文。

董事之證券交易守則

本公司已採納上市規則附錄10載列之上市公司董事進行證券交易的標準守則(「標準守則」)，作為董事買賣本公司證券之指引。

本公司於作出具體查詢後，所有董事確認彼等於截至二零零八年三月三十一日止年度已一直遵守標準守則載列之規定標準。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD OF DIRECTORS

As at the date of this annual report, the Board comprises the following Directors:

Executive Directors

Mr. Pan Su Tong (*Chairman & Chief Executive Officer*)

Professor Huang Xiaojian

Mr. Zhou Xiaojun (appointed on 1st April, 2008)

Independent Non-executive Directors

Mr. Lai Chi Kin, Lawrence

Dr. Ng Lai Man, Carmen

Dr. Cheng Kwan Wai, Sunny

The biographical details of each Director are disclosed on pages 21 and 22 of this annual report.

The Board is collectively and ultimately responsible for how the Company is managed, its strategic direction and performance. The Board meets to plan, decide and review these matters, which resolutions are put to a vote. In particular, approval of the Board is required for adopting the strategy of the Group from time to time, major acquisitions and disposals of the Group, major capital investments, dividend policy and recommendation, appointment and retirement of Directors and senior management, their remuneration policy and other major operational and financial matters. Day-to-day operations of the Group and implementation of the Board's decisions and strategy are delegated to the Company's management team.

The Board is collectively responsible for preparing the consolidated financial statements of the Group which were prepared on a going concern basis. 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. Also, there is no disagreement between the Board and the Audit Committee regarding the selection of the auditors.

董事會

於本年報日期，董事會由下列董事組成：

執行董事

潘蘇通先生 (*主席兼行政總裁*)

黃孝建教授

周曉軍先生 (於二零零八年四月一日獲委任)

獨立非執行董事

黎志堅先生

吳麗文博士

鄭君威博士

各董事之履歷詳情於本年報第21頁及第22頁披露。

董事會共同及最終就本公司如何管理、其策略方向及表現負上責任。董事會於會議上計劃、決定及審閱此等事項，並就此提呈決議案以供表決。尤其須經由董事會批准之事項為不時採納本集團之策略、本集團之主要收購及出售事項、主要股本投資、股息政策及推薦建議、董事及高級管理人員之委任及退任、彼等之酬金政策及其他主要經營及財務事項。本集團之日常業務及落實董事會之決定及策略均已授權由本公司管理隊伍執行。

董事會就編製以持續經營基準編製之本集團綜合財務報告共同負上責任。並無任何重大不明確因素涉及可能對本公司持續經營之能力構成重大疑問之事件或情況。此外，董事會與審核委員會就挑選核數師一事並無分歧。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board has also conducted a review of the effectiveness of the system of internal control of the Group and is satisfied with the results of the review.

Independent Non-executive Directors

During the year ended 31st March, 2008, the Board at all times satisfied the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors (per rule 3.10(1)) with at least one Independent Non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise (per rule 3.10(2)).

Each Independent Non-executive Director has, pursuant to the guidelines set out in rule 3.13 of the Listing Rules, confirmed his/her independence and is continued to be considered by the Company to be independent.

The Board meets regularly throughout the year in addition to the resolutions passed by means of resolutions in writing of all Directors. Notices of at least 14 days were given for regular Board meetings to give all Directors the opportunities to attend. Special Board meetings were held whenever necessary. Details of individual attendance of each Director are as follows:

董事會亦已就本集團之內部監控系統進行檢討，並對檢討結果感到滿意。

獨立非執行董事

於截至二零零八年三月三十一日止年度內，董事會於所有時間均符合上市規則有關委任至少三名獨立非執行董事之規定（根據規則第3.10(1)條），而其中至少一名獨立非執行董事擁有適當之專業資格或會計或相關財政管理專業知識（根據規則第3.10(2)條）。

各獨立非執行董事已（根據上市規則第3.13條載列之指引）確認其獨立性及繼續被本公司視為獨立人士。

除以全體董事書面決議案形式通過之決議案外，董事會於整個年度定期舉行會議。定期董事會會議均發出至少十四天通知，以讓所有董事皆有機會騰空出席。當有需要時會舉行董事會特別會議。各董事之個別出席詳情如下：

Name of Director 董事姓名	No. of Board meetings held during the Director's term of office in the financial year 於本財政年度董事在 職期間舉行之 董事會次數	No. of Board meetings attended 出席董事會次數	Attendance rate 出席率
	Pan Su Tong 潘蘇通	10	10
Huang Xiaojian 黃孝建	10	9	90%
Lai Chi Kin, Lawrence 黎志堅	10	9	90%
Ng Lai Man, Carmen 吳麗文	10	10	100%
Cheng Kwan Wai, Sunny 鄭君威	10	9	90%

CORPORATE GOVERNANCE REPORT

企業管治報告

Chairman and Chief Executive Officer

Under the CG Code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual for a balance of power and authority.

The Company understands this division of responsibilities between the chairman and chief executive officer. Traditionally, the chairman provides leadership to the board of directors and formulate, together with the board, the business strategies and long-term objectives of the company whilst the chief executive officer carries out the decisions made by the board of directors and, with the support of the executive directors, is responsible for the day-to-day management and operation of the company's business.

Currently, Mr. Pan Su Tong is serving both as the Company's Chairman and Chief Executive Officer. However, the Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company. This is because the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Further, decisions of the Board or collective decisions made by way of majority voting. The Board believes that this structure is conducive to strong, prompt response and efficient management and implementation.

Non-executive Directors

Under the CG Code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. The Independent Non-executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years at the Company's annual general meeting in accordance with the Articles of Association of the Company. The Board believes that such practice will offer stability at the Board level while at the same time, independence is safeguarded by the necessary rotation, retirement and re-election procedures which involves shareholders' approval.

主席及行政總裁

根據企管守則條文第A.2.1條，主席及行政總裁之角色應分開及不應由同一人兼任，以平衡權力及授權。

本公司對主席及行政總裁間之此項職責分割表示理解。傳統上，主席領導董事會及制訂（連同董事會）公司之業務策略及長期目標，而行政總裁則執行董事會作出之決定，並在執行董事支持下，回應日常管理及公司業務運作事宜。

目前，潘蘇通先生同時擔任本公司之主席及行政總裁。然而，董事會認為該情況不會影響董事會與本公司管理層間之權力及授權之平衡。原因為該項權力及授權之平衡可透過董事會之運作而得到保證，而董事會則由具備豐富經驗及處事持正之才智卓越人士組成。此外，董事會決定均透過大多數表決通過。董事會相信，該架構有利於作出有力及迅速回應，及有效管理及落實決定。

非執行董事

根據企管守則條文第A.4.1條，非執行董事應獲委任指定任期，並可重選連任。本公司之獨立非執行董事並無獲委任指定任期，但須根據本公司之公司組織章程細則於本公司之股東週年大會上至少每三年輪值退任一次。董事會相信該項常規將於董事會水平提供穩定性，並同時透過經由股東批准之輪值、退任及重選必要程序以確保獨立性。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

Remuneration of Directors

The Remuneration Committee of the Company is responsible for formulating and making recommendation to the Board on the Group's policy and structure of the Directors' and the senior management's remuneration.

Throughout the year ended 31st March, 2008, the Remuneration Committee comprised Mr. Pan Su Tong (Chairman of the Remuneration Committee), Mr. Lai Chi Kin, Lawrence and Dr. Ng Lai Man, Carmen.

During the financial year ended 31st March, 2008, the Remuneration Committee held one meeting to review and discuss the remuneration packages of both the Executive and Independent Non-executive Directors. Details of individual attendance of each member are as follows:

Name of Remuneration Committee member	薪酬委員會成員之姓名	No. of meeting held during the financial year 於本財政年度舉行之會議次數	No. of meeting attended 出席會議次數	Attendance rate 出席率
Mr. Pan Su Tong	潘蘇通先生	1	1	100%
Mr. Lai Chi Kin, Lawrence	黎志堅先生	1	1	100%
Dr. Ng Lai Man, Carmen	吳麗文博士	1	1	100%

Nomination of Directors

The Company does not have a nomination committee. Instead, the Board is responsible for selection and appointment of its members and for nominating appropriate person for election by the shareholders at the annual general meeting, either to fill casual vacancies or as an addition to the existing Directors. The Board will take into consideration of the expertise possess by the candidates and the relevance of such expertise to the Group's business in selecting and recommending candidates for directorship.

董事會委員會

董事之薪酬

本公司之薪酬委員會負責制訂本集團之董事及高級管理人員酬金政策及架構及向董事會作出推薦建議。

於截至二零零八年三月三十一日止整個年度，薪酬委員會由潘蘇通先生(薪酬委員會主席)、黎志堅先生及吳麗文博士組成。

於截至二零零八年三月三十一日止財政年度，薪酬委員會舉行了一次會議，以檢討及討論執行及獨立非執行董事之薪酬方案。每名成員之個別出席情況如下：

提名董事

本公司並無設立提名委員會。反之，董事會負責挑選及任命董事會成員並提名適當人選讓股東在股東週年大會上選舉(以填補臨時空缺或新增現任董事)。董事會在挑選及推薦董事候選人時會考慮候選人之專業技能及該等專業與本集團業務之相關性。

CORPORATE GOVERNANCE REPORT

企業管治報告

On 1st April, 2008, the Board had nominated Mr. Zhou Xiaojun as an Executive Director of the Company. The individual attendance at Board meetings has been set out above.

Remuneration of Auditors

During the financial year, fees paid/payable to Deloitte Touche Tohmatsu, the auditor of the Company for audit services was approximately HK\$1,500,000 and for non-audit services was approximately HK\$4,690,000, which include fees for provision of tax services.

Audit Committee

The Audit Committee of the Company comprises the three Independent Non-executive Directors, namely Mr. Lai Chi Kin, Lawrence (Chairman of the Audit Committee), Dr. Ng Lai Man, Carmen and Dr. Cheng Kwan Wai, Sunny.

The terms of reference of the Audit Committee are in line with the CG Code. The functions of the Audit Committee include:

1. to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;
2. to review of financial information of the Group; and
3. to oversee the Company's financial reporting system and internal control procedures.

During the financial year, the Audit Committee held two meetings at which the financial results and reports, financial reporting and compliance procedures, internal control matters and the re-appointment of the auditor were reviewed and discussed. The Chief Financial Officer of the Company was present at each of such meetings to report and explain to and answer questions from the Audit Committee regarding the financial reporting procedures and results of and internal control safeguards implemented by the Company.

二零零八年四月一日，董事會提名周曉軍先生為本公司執行董事。董事會之個別出席率已於上文載列。

核數師之酬金

於本財政年度內，已付／應付予本公司核數師德勤•關黃陳方會計師行之核數服務費用約為1,500,000港元，而非核數服務費用約為4,690,000港元，包括提供稅務服務之費用。

審核委員會

本公司之審核委員會由三名獨立非執行董事組成，分別為黎志堅先生(審核委員會主席)、吳麗文博士及鄭君威博士。

審核委員會之職權範圍符合企管守則。審核委員會之職能包括：

1. 就聘任、續聘及撤換外聘核數師向董事會作出推薦建議，及批准外聘核數師之酬金及聘用條款，以及有關該核數師之辭任或罷免之任何事宜；
2. 審閱本集團之財政資料；及
3. 監督本集團之財務報告制度及內部監控程序。

於本財政年度內，審核委員會曾舉行兩次會議，會上已審閱及討論財務業績及報告、財務報告及遵例程序、內部監控事項及續聘核數師事宜。本公司之首席財務總監於該等會議每次均有出席，以就財務報告程序及本公司業績及本公司落實之內部監控保護措施向審核委員會解釋及回答提問。

CORPORATE GOVERNANCE REPORT

企業管治報告

Details of individual attendance of each Audit Committee member are as follows:

每名審核委員會成員之個別出席情況如下：

Name of Audit Committee member	審核委員會成員之姓名	No. of meetings held during the financial year 於本財政年度舉行之會議次數	No. of meetings attended 出席會議次數	Attendance rate 出席率
Mr. Lai Chi Kin, Lawrence	黎志堅先生	2	2	100%
Dr. Ng Lai Man, Carmen	吳麗文博士	2	2	100%
Dr. Cheng Kwan Wai, Sunny	鄭君威博士	2	2	100%

Internal Controls

The Board is responsible for the Group's internal control system and for reviewing its effectiveness. The review should cover the controls such as financial, operational, compliance and risk management. During the financial year, the Board had been assisted by the Audit Committee in reviewing the effectiveness of the internal control system of the Group. No material deficiencies have been identified so far. The Audit Committee and the Board considered the Group's internal control system was effective and that there was no significant area of concern, which might affect the interests of the shareholders of the Company.

The Group will use its best endeavor to implement changes to further improve the Company's internal control system whenever necessary.

Communication with Shareholders

The Company has established different communication channels such as (i) holding of annual and extraordinary general meetings to provide a forum for shareholders to communicate directly with the Board; (ii) sending corporate documents and releasing announcements to disseminate the latest activities of the Group to the shareholders; and (iii) via the Company's website to provide an electronic means of communication.

內部監控

董事會負責本集團之內部監控系統及檢討其效益。檢討工作應覆蓋各種監控措施如財務、營運、遵例及風險管理。於本財政年度，董事會由審核委員會協助檢討本集團內部監控系統之效益。至今並無確認重大不足之處。審核委員會及董事會均認為本集團之內部監控乃屬有效且並無任何可能影響本公司股東利益之重大問題。

如有需要，本集團將盡其最大努力來施行改變以進一步改善本集團之內部監控系統。

與股東之溝通

本公司已建立不同溝通渠道，如(i)舉行股東週年大會及股東特別大會，向股東提供直接與董事會溝通之論壇；(ii)向股東寄發企業文件及發出公告以發佈本集團之最新動態；及(iii)透過本公司之網站提供電子溝通方式。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

EXECUTIVE DIRECTORS

Mr. Pan Su Tong, aged 45, is the Chairman and Chief Executive Officer of the Company and is responsible for the overall strategic planning of the Group. Mr. Pan has over 21 years of experience in trading and manufacturing of electronic products in the PRC, Hong Kong and the United States. In 1993, he founded the Group which is principally engaged in the manufacturing, distribution, research and development of advanced electronic products including thin film transistors television, video telephone and portable computer memory devices.

Professor Huang Xiaojian, aged 46, joined the Group as Chief Engineer in 2001 and is responsible for developing technology and new products. Professor Huang was appointed as an Executive Director of the Company in September 2006. He has over 21 years of experience in research and development of electronic and digital technologies. Professor Huang holds a Master degree of Telecommunications and Electronics from University of Posts and Telecommunications and is a senior member of an Electronic Association in China. Before joining the Group, he was an associate professor of University of Posts and Telecommunications and had worked in different research organizations in PRC.

Mr. Zhou Xiaojun, aged 34, joined the Group in 2006 as General Manager of China Division and is in charge its China businesses. Mr. Zhou was appointed as an Executive Director of the Company in April 2008. He is also a Director of certain subsidiaries of the Group. Prior to joining the Group, Mr. Zhou worked as legal counselor and senior management in various corporations in PRC, Hong Kong and Singapore. Mr. Zhou graduated from Dalian Maritime University, the PRC, with Bachelor Degree in International Maritime Law. He has extensive experience in corporate administration, finance, legal, international trade and public relations.

執行董事

潘蘇通先生，現年45歲，為本公司主席兼行政總裁，專責本集團之整體策略規劃。潘先生在中國、香港及美國在電子產品貿易及製造業務方面積逾21年經驗。於一九九三年，彼創辦本集團，其主要業務為製造、分銷、研究及發展高科技電子產品，包括液晶體電視、視像電話及手提電腦記憶裝置。

黃孝建教授，現年46歲，於二零零一年加入本集團擔任總工程師，負責集團之技術及新產品開發。黃教授於二零零六年九月獲委任為本公司之執行董事。彼擁有超過21年電子及數碼技術研發經驗。黃教授持有北京郵電大學之通信與電子系統專業碩士學位及為一家中國電子學會之高級會員。在加入本集團之前，彼曾在國內不同的研究機構任職。

周曉軍先生，現年34歲，於二零零六年加入本集團為中國區總經理，主管其中國業務。周先生於二零零八年四月獲委任為本公司之執行董事。彼亦出任本集團若干附屬公司之董事。加入本集團前，周先生曾於國內、香港及新加坡等多家企業擔任法律顧問及高級管理層職位。周先生畢業於中國大連海事大學，持有國際海事專業學士學位。彼於企業行政、財務、法律、國際貿易及公共關係等方面擁有豐富經驗。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT 董事會及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lai Chi Kin, Lawrence, aged 72, was appointed as an Independent Non-executive Director of the Company in November 2002. Mr. Lai is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Australian Society of Certified Practising Accounts. He has extensive experience in accounting and auditing sectors.

Dr. Ng Lai Man, Carmen, aged 43, was appointed as an Independent Non-executive Director of the Company in February 2004. Dr. Ng has nearly 20 years of experience in professional accounting and corporate finance in Hong Kong, Mainland China, the United States, and Europe. Dr. Ng is a practicing certified public accountant, a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Certified Chartered Accountants in United Kingdom, and an associate member of The Institute of Chartered Accountants in England and Wales. Dr. Ng received her Doctor of Business Administration from The Hong Kong Polytechnic University, Master of Laws in Corporate and Financial Laws from The University of Hong Kong, Master in Business Administration from The Chinese University of Hong Kong, and Master in Professional Accounting from The Hong Kong Polytechnic University. Dr. Ng is currently an Independent Non-executive Director of Cheong Ming Investments Limited (Stock Code: 1196), a company whose shares are listed on the Stock Exchange.

Dr. Cheng Kwan Wai, Sunny, aged 56, was appointed as an Independent Non-executive Director of the Company in September 2004. Dr. Cheng holds a Doctor of Science degree from the Massachusetts Institute of Technology, USA and a Master of Business Administration degree from the University of Western Ontario, Canada. He has held management positions in many technology companies. He was in charge of funding technology companies when he was with the Government of the HKSAR. Currently, Dr. Cheng is engaged in environmental projects.

獨立非執行董事

黎志堅先生，現年72歲，於二零零二年十一月獲委任為本公司之獨立非執行董事。黎先生為香港會計師公會及澳洲執業會計師公會之資深會員。彼在會計及審計方面擁有豐富之經驗。

吳麗文博士，現年43歲，於二零零四年二月獲委任為本公司之獨立非執行董事。吳博士於香港、中國大陸、美國及歐洲擁有接近二十年專業會計及企業融資經驗。吳博士為香港執業會計師、香港會計師公會及英國特許公認會計師公會資深會員及英格蘭及威爾斯特許會計師公會會員。吳博士持有香港理工大學工商管理博士學位、香港大學法學碩士(公司法與金融法)學位、香港中文大學工商管理碩士學位以及香港理工大學專業會計碩士學位。吳博士現任昌明投資有限公司(股份代號：1196)之獨立非執行董事，該公司之股份於聯交所上市。

鄭君威博士，現年56歲，於二零零四年九月獲委任為本公司之獨立非執行董事。鄭博士持有美國麻省理工學院理科博士學位及加拿大西安大略省大學工商管理碩士學位。彼曾於多家科技公司之管理層任職。彼於香港政府任職時負責有關資助科技公司之事宜。目前，鄭博士正籌辦一個環保項目。

DIRECTORS' REPORT

董事會報告

The Directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31st March, 2008.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the principal subsidiaries are set out in Note 47 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2008 are set out in the consolidated income statement on page 40.

The Directors do not recommend the payment of a dividend.

SHARE CAPITAL AND WARRANTS

Details of movements during the year in the share capital and outstanding warrants of the Company are set out in Note 35 to the consolidated financial statements.

SHARE PREMIUM AND RESERVES

Movements in the share premium and reserves of the Company and the Group during the year are shown in Note 36 to the consolidated financial statements and on page 137, respectively.

PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment during the year are shown in Note 16 to the consolidated financial statements.

INVESTMENT PROPERTIES

Movements of investment properties during the year are shown in Note 17 to the consolidated financial statements.

董事會現提呈本公司及其附屬公司(下文統稱「本集團」)截至二零零八年三月三十一日止年度之年度報告及經審核綜合財務報告。

主要業務

本公司為一間投資控股公司。各主要附屬公司之主要業務載於綜合財務報告附註47。

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40頁之綜合收益表。

董事不建議派付股息。

股本及認股權證

本公司於年內之股本及未行使認股權證變動詳情載於綜合財務報告附註35。

股份溢價及儲備

本公司及本集團之股份溢價及儲備於年內之變動，分別載於綜合財務報告附註36及第137頁。

物業、廠房及設備

物業、廠房及設備於年內之變動載於綜合財務報告附註16。

投資物業

本集團於年內之投資物業詳情載於綜合財務報告附註17。

DIRECTORS' REPORT

董事會報告

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 156.

DIRECTORS

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

Executive Directors

Mr. Pan Su Tong

Prof. Huang Xiaojian

Mr. Zhou Xiaojun (appointed on 1st April, 2008)

Independent Non-executive Directors

Mr. Lai Chi Kin, Lawrence

Dr. Ng Lai Man, Carmen

Dr. Cheng Kwan Wai, Sunny

Mr. Zhou Xiaojun will retire from office at the forthcoming annual general meeting pursuant to Article 96 of the Company's Articles of Association and, being eligible, will offer himself for re-election.

Mr. Pan Su Tong and Dr. Ng Lai Man, Carmen will retire from office at the forthcoming annual general meeting by rotation pursuant to Article 105 of the Company's Articles of Association and, being eligible, will offer themselves for re-election.

The term of office of each Director, including the Independent Non-executive Directors, is for a period up to his/her retirement by rotation in accordance with the Company's Articles of Association.

DIRECTORS' SERVICES CONTRACTS

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

財務概要

本集團對上五個財政年度之業績及資產與負債概要載於第156頁。

董事

於年內及直至本報告之刊發日期止，本公司之董事如下：

執行董事

潘蘇通先生

黃孝建教授

周曉軍先生 (於二零零八年四月一日獲委任)

獨立非執行董事

黎志堅先生

吳麗文博士

鄭君威博士

按照公司組織章程細則第96條，周曉軍先生將於應屆股東週年大會上退任，惟合乎資格並願膺選連任。

按照公司組織章程細則第105條，潘蘇通先生及吳麗文博士將於應屆股東週年大會上輪值退任，惟合乎資格並願膺選連任。

各董事(包括獨立非執行董事)之任期直至其按照本公司之公司組織章程細則規定輪值告退為止。

董事之服務合約

各董事並無與本公司或其任何附屬公司訂立任何不可由本集團於一年內免付賠償(法定賠償除外)而終止之服務合約。

DIRECTORS' REPORT

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st March, 2008, the interests and short positions of the Directors and Chief Executives of the Company and their associates in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code in the Listing Rules were as follows:

(a) Interests in shares

Name of Director/ Chief Executive 董事／行政總裁姓名	Long position/ short position 好倉／淡倉	Capacity 身分	Number of shares held 持有股份數目	Appropriate percentage of the issued share capital of the Company 佔本公司已發行 股本之概約百分比 (Note 3) (附註3)
Mr. Pan Su Tong ("Mr. Pan") 潘蘇通先生(「潘先生」)	Long position 好倉	Interest held as beneficial owner and through controlled corporation 作為實益擁有人及 由受控法團持有之權益	728,901,341 (Note 1) (附註1)	59.63%
Mr. Pan 潘先生	Short position 淡倉	Interest held through controlled corporation 由受控法團持有之權益	79,053,000 (Note 2) (附註2)	6.47%
Professor Huang Xiaojian 黃孝建教授	Long position 好倉	Beneficial owner 實益擁有人	244,210	0.02%

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零零八年三月三十一日，本公司董事及行政總裁及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有根據證券及期貨條例第352條須記入本公司所存置之登記冊內，或根據上市規則所載之標準守則須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉如下：

(a) 於股份之權益

DIRECTORS' REPORT

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

(b) Interests in warrants

董事及行政總裁於股份、相關股份及債券之權益及淡倉(續)

(b) 於認股權證之權益

Name of Director/ Chief Executive 董事/行政總裁姓名	Long position/ short position 好倉/淡倉	Capacity 身分	Number of underlying shares held 持有相關股份數目 (Note 4) (附註4)	Appropriate percentage of the issued share capital of the Company 佔本公司已發行 股本之概約百分比 (Note 3) (附註3)
Mr. Pan 潘先生	Long position 好倉	Interest held as beneficial owner and through controlled corporation 作為實益擁有人及 由受控法團持有之權益	66,280,332	5.42%

(c) Interests in convertible bonds

(c) 於可換股債券之權益

Name of Director/ Chief Executive 董事/行政總裁姓名	Long position/ short position 好倉/淡倉	Capacity 身分	Number of underlying shares held 持有相關股份數目 (Note 5) (附註5)	Appropriate percentage of the issued share capital of the Company 佔本公司已發行 股本之概約百分比 (Note 3) (附註3)
Mr. Pan 潘先生	Long position 好倉	Interest held as beneficial owner and through controlled corporation 作為實益擁有人及 由受控法團持有之權益	220,934,447	18.07%

DIRECTORS' REPORT

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Notes:

- 69,767,000 shares were held by Mr. Pan in his personal capacity and 659,134,341 shares were held by Jade Forest Limited ("Jade Forest"). Jade Forest was 100% owned by Mr. Pan as at 31st March, 2008. Accordingly, Mr. Pan was deemed to be interested in the 659,134,341 shares held by Jade Forest. Jade Forest being a holding company of the company is also an associated corporation of the Company within the meaning of Part XV of the SFO.
- This short position in shares represents the short position in shares held by Jade Forest. Jade Forest was 100% owned by Mr. Pan as at 31st March, 2008. Accordingly, Mr. Pan was deemed to be interested in the short position in shares held by Jade Forest.
- As at 31st March, 2008, the issued share capital of the Company was 1,222,464,693 shares.
- Mr. Pan and Jade Forest held 366,900 units and 65,913,432 units of warrants, respectively, as at 31st March, 2008. Upon full exercise of the subscription rights attaching to the warrants at the subscription price of HK\$6 per share, 366,900 shares and 65,913,432 shares will be issued to Mr. Pan and Jade Forest respectively. Jade Forest was 100% owned by Mr. Pan as at 31st March, 2008. Accordingly, Mr. Pan was deemed to be interested in the warrants held by Jade Forest.
- Mr. Pan and Jade Forest held the convertible bonds with nominal values of HK\$7,338,000 and HK\$1,318,268,682, respectively, as at 31st March, 2008. Upon full conversion of the convertible bonds at the conversion price of HK\$6 per share, 1,223,000 shares and 219,711,447 shares will be issued to Mr. Pan and Jade Forest respectively. Jade Forest was 100% owned by Mr. Pan as at 31st March, 2008. Accordingly, Mr. Pan was deemed to be interested in the convertible bonds held by Jade Forest.

Save as disclosed above and those as disclosed in the section headed "Discloseable Interests and Short Positions of Shareholders under the SFO" below, none of the Directors and Chief Executives of the Company or their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 31st March, 2008.

董事及行政總裁於股份、相關股份及債券之權益及淡倉(續)

附註：

- 69,767,000股股份由潘先生以個人身份持有，659,134,341股股份由Jade Forest Limited (「Jade Forest」)持有。於二零零八年三月三十一日，Jade Forest由潘先生擁有100%權益。因此，潘先生被視為擁有由Jade Forest持有之659,134,341股股份之權益。Jade Forest為本公司之控股公司，亦為證券及期貨條例第XV部所界定之本公司相聯法團。
- 該股份淡倉為Jade Forest所持有之股份淡倉。於二零零八年三月三十一日，Jade Forest由潘先生擁有100%權益。因此，潘先生被視為擁有由Jade Forest持有之股份淡倉之權益。
- 於二零零八年三月三十一日，本公司之已發行股本為1,222,464,693股股份。
- 於二零零八年三月三十一日，潘先生及Jade Forest分別持有366,900份及65,913,432份認股權證。於認股權證所附帶之認購權利按認購價每股股份6港元獲悉數行使時，本公司將分別向潘先生及Jade Forest發行366,900股及65,913,432股股份。於二零零八年三月三十一日，Jade Forest由潘先生擁有100%權益。因此，潘先生被視為擁有由Jade Forest持有之認股權證之權益。
- 於二零零八年三月三十一日，潘先生及Jade Forest分別持有可換股債券面值7,338,000港元及1,318,268,682港元。於可換股債券按換股價每股股份6港元獲悉數轉換時，本公司將分別向潘先生及Jade Forest發行1,223,000股及219,711,447股股份。於二零零八年三月三十一日，Jade Forest由潘先生擁有100%權益。因此，潘先生被視為擁有由Jade Forest持有之可換股債券之權益。

除上文所披露者及於下文「根據證券及期貨條例須予披露之股東權益及淡倉」一節所披露者外，於二零零八年三月三十一日，董事及本公司行政總裁或彼等之聯繫人士概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有根據證券及期貨條例第352條須記入本公司所存置之登記冊內，或根據標準守則須知會本公司及聯交所之任何權益及淡倉。

DIRECTORS' REPORT

董事會報告

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 31st March, 2008, the following persons or corporations (other than a Director or Chief Executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO and so far as is known to any Director or Chief Executive of the Company:

(a) Interests in shares

根據證券及期貨條例須予披露之股東權益及淡倉

於二零零八年三月三十一日，就任何董事或本公司行政總裁所知，以下人士或法團（不包括本公司董事或行政總裁）於本公司股份及相關股份中擁有根據證券及期貨條例第336條須記入本公司所存置之登記冊內之權益或淡倉：

(a) 於股份之權益

Name of shareholder 股東名稱	Long position/ short position 好倉／淡倉	Capacity 身分	Number of shares held 持有股份數目	Appropriate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比 (Note 3) (附註3)
Jade Forest (Note 1)(附註1)	Long position 好倉	Beneficial owner 實益擁有人	659,134,341	53.92%
	Short position 淡倉	Beneficial owner 實益擁有人	79,053,000	6.47%
Atlantis Investment Management Ltd	Long position 好倉	Investment manager 投資經理	155,310,000	12.70%
Northern Trust Fiduciary Services (Ireland) Limited (Note 2) (附註2)	Long position 好倉	Investment manager 投資經理	62,028,000	5.07%

DIRECTORS' REPORT

董事會報告

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO (CONTINUED)

(b) Interests in underlying shares

(i) Interests in warrants

Name of shareholder 股東名稱	Long position/ short position 好倉／淡倉	Capacity 身分 (Note 1) (附註1)	Number of shares held 持有股份數目 (Note 4) (附註4)	Appropriate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比 (Note 3) (附註3)
Jade Forest	Long position 好倉	Beneficial owner 實益擁有人	65,913,432	5.39%

(ii) Interests in convertible bonds

Name of shareholder 股東名稱	Long position/ short position 好倉／淡倉	Capacity 身分 (Note 1) (附註1)	Number of shares held 持有股份數目 (Note 5) (附註5)	Appropriate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比 (Note 3) (附註3)
Jade Forest	Long position 好倉	Beneficial owner 實益擁有人	219,711,447	17.97%

根據證券及期貨條例須予披露之股東權益及淡倉(續)

(b) 於相關股份之權益

(i) 於認股權證之權益

(ii) 於可換股債券之權益

DIRECTORS' REPORT

董事會報告

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO (CONTINUED)

Notes:

1. As at 31st March, 2008, Jade Forest was 100% owned by Mr. Pan.
2. According to a disclosure of interest notice filed by Northern Trust Fiduciary Services (Ireland) Limited on 17th January, 2007, the 62,028,000 shares were held by Northern Trust Fiduciary Services (Ireland) Limited as trustee for Baring Hong Kong China Fund. Baring Asset Management Limited was also deemed to be interested in the 62,028,000 shares as an investment manager.
3. As at 31st March, 2008, the issued share capital of the Company was 1,222,464,693 shares.
4. Jade Forest held 65,913,432 units of the warrants as at 31st March, 2008. Upon full exercise of the subscription rights attaching to the warrants at the subscription price of HK\$6 per share, 65,913,432 shares will be issued to Jade Forest.
5. Jade Forest held the convertible bonds with a nominal value of HK\$1,318,268,682 as at 31st March, 2008. Upon full conversion of the convertible bonds at the conversion price of HK\$6 per share, 219,711,447 shares will be issued to Jade Forest.

Save as disclosed above, there was no person or corporation, other than a Director or Chief Executive of the Company, who had an interest or a short position in the shares or underlying shares of the Company as recorded in the register of the Company required to be kept by the Company under Section 336 of the SFO as at 31st March, 2008.

根據證券及期貨條例須予披露之股東權益及淡倉(續)

附註：

1. 於二零零八年三月三十一日，Jade Forest由潘先生擁有100%權益。
2. 根據Northern Trust Fiduciary Services (Ireland) Limited於二零零七年一月十七日發出之權益披露通告，該62,028,000股股份乃由Northern Trust Fiduciary Services (Ireland) Limited作為Baring Hong Kong China Fund之受託人而持有。作為投資經理，Baring Asset Management Limited亦被視為擁有該62,028,000股股份之權益。
3. 於二零零八年三月三十一日，本公司之已發行股本為1,222,464,693股股份。
4. 於二零零八年三月三十一日，Jade Forest持有65,913,432份認股權證。於認股權證所附帶之認購權按認購價每股股份6港元獲悉數行使時，本公司將向Jade Forest發行65,913,432股股份。
5. 於二零零八年三月三十一日，Jade Forest持有可換股債券面值1,318,268,682港元。於可換股債券按換股價每股股份6港元獲悉數轉換時，本公司將向Jade Forest發行219,711,447股股份。

除上文所披露者外，於二零零八年三月三十一日，並無任何人士或法團（不包括本公司董事或行政總裁）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須記入本公司所存置之登記冊內之權益或淡倉。

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS

Pursuant to the share option scheme (the "Scheme") adopted on 27th August, 2002 by a resolution passed by the Company's shareholders on the same date, the Directors of the Company may grant options as incentives to any participants as described in the Scheme for the shares in the Company within a period of ten years commencing from 27th August, 2002 at the price determined by the Directors of the Company. Such price shall not be lower than the higher of (i) the closing price of the Company's shares on the Stock Exchange on the date of grant; (ii) the average of the closing prices of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares. The maximum number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the total number of shares of the Company on the date of adopting the Scheme. An option may be exercised at any time within ten years from the date of grant of the relevant option.

購股權

根據本公司股東於二零零二年八月二十七日通過之決議案及於同日採納之購股權計劃（「該計劃」），本公司董事可由二零零二年八月二十七日起計十年期間內向該計劃指定之任何參與者授出購股權作為獎勵，並按本公司董事釐定之價格認購本公司股份。該價格不得低於以下三項之較高者：(i)本公司股份於授出日期在聯交所之收市價；(ii)本公司股份於緊接授出日期前五個交易日在聯交所之平均收市價；及(iii)本公司股份面值。根據該計劃可授出之購股權涉及之股份最高數目不得超過於採納該計劃日期之本公司股份總數之10%。購股權可由有關購股權之授出日期起計十年內任何時間行使。

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (CONTINUED)

The following tables disclose details of the Company's share option movements during the year:

(i) Directors

Date of grant	Subscription price per share 每股行使價			Number of share options 購股權數目								
	Before adjustment	After adjustment (Note)	Exercisable period	Outstanding at 22.8.2007 於二零零七年八月二十二日尚未行使						Granted after 22.8.2007	Exercised after 22.8.2007	Outstanding at 31.3.2008
				Outstanding at 1.4.2007	Exercised before 22.8.2007	Lapsed before 22.8.2007	Before adjustment	After adjustment (Note)				
	於二零零七年 四月一日 尚未行使	於二零零七年 八月二十二日前 已行使	於二零零七年 八月二十二日前 已失效	調整前	調整後 (附註)	已授出	已行使	尚未行使				
HK\$ 港元	HK\$ 港元											
5.2.2004 二零零四年二月五日	1.30	1.20	5.2.2005 to 4.2.2014 二零零五年二月五日至 二零一四年二月四日	150,000	(100,000)	-	50,000	54,035	-	(54,035)	-	
5.2.2004 二零零四年二月五日	1.30	1.20	5.2.2006 to 4.2.2014 二零零六年二月五日至 二零一四年二月四日	150,000	-	-	150,000	162,105	-	(162,105)	-	
20.4.2004 二零零四年四月二十日	1.54	1.42	20.4.2004 to 19.4.2014 二零零四年四月二十日至 二零一四年四月十九日	100,000	-	-	100,000	108,070	-	(108,070)	-	
				400,000	(100,000)	-	300,000	324,210	-	(324,210)	-	

購股權 (續)

下表披露於年內本公司購股權變動之詳情：

(i) 董事

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (CONTINUED)

(ii) Employees (other than Directors)

Date of grant	Subscription price per share 每股行使價		Exercisable period	Number of share options 購股權數目								
	Before adjustment	After adjustment (Note)		Outstanding at 22.8.2007 於二零零七年八月二十二日尚未行使						Granted after 22.8.2007	Exercised after 22.8.2007	Outstanding at 31.3.2008
				Outstanding at 1.4.2007	Exercised before 22.8.2007	Lapsed before 22.8.2007	Before adjustment	After adjustment (Note)	After 22.8.2007			
	HK\$ 港元	HK\$ 港元		於二零零七年 四月一日 尚未行使	於二零零七年 八月二十二日前 已行使	於二零零七年 八月二十二日前 已失效	調整前	調整後 (附註)	於二零零七年 八月二十二日後 已授出	於二零零七年 八月二十二日後 已行使	於二零零八年 三月三十一日 尚未行使	
5.2.2004 二零零四年二月五日	1.30	1.20	5.2.2005 to 4.2.2014 二零零五年二月五日至 二零一四年二月四日	500,000	-	-	500,000	540,350	-	(204,035)	336,315	
5.2.2004 二零零四年二月五日	1.30	1.20	5.2.2006 to 4.2.2014 二零零六年二月五日至 二零一四年二月四日	550,000	-	(50,000)	500,000	540,350	-	(204,035)	336,315	
20.4.2004 二零零四年四月二十日	1.54	1.42	20.4.2004 to 19.4.2014 二零零四年四月二十日至 二零一四年四月十九日	3,850,000	(60,000)	-	3,790,000	4,095,853	-	(3,528,010)	567,783	
28.9.2005 二零零五年九月二十八日	1.43	1.32	28.9.2005 to 27.9.2015 二零零五年九月二十八日至 二零一五年九月二十七日	7,250,000	(5,550,000)	(100,000)	1,600,000	1,729,120	-	(108,070)	1,621,050	
27.11.2007 二零零七年十一月二十七日	-	6.56	27.11.2007 to 26.11.2017 二零零七年十一月二十七日至 二零一七年十一月二十六日	-	-	-	-	-	10,000,000	-	10,000,000	
				12,150,000	(5,610,000)	(150,000)	6,390,000	6,905,673	10,000,000	(4,044,210)	12,861,463	

購股權(續)

(ii) 僱員(董事除外)

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (CONTINUED)

(iii) Other participants

Date of grant	Subscription price per share 每股行使價		Exercisable period	Number of share options 購股權數目								
	Before adjustment	After adjustment (Note)		Outstanding at 22.8.2007 於二零零七年八月二十二日尚未行使						Granted after 22.8.2007	Exercised after 22.8.2007	Outstanding at 31.3.2008
				Outstanding at 1.4.2007	Exercised before 22.8.2007	Lapsed before 22.8.2007	Before adjustment	After adjustment (Note)				
	授出日期	調整前 HK\$ 港元		調整後 (附註) HK\$ 港元	行使期	於二零零七年 四月一日 尚未行使	於二零零七年 八月二十二日前 年內已行使	於二零零七年 八月二十二日前 年內已失效	調整前	調整後 (附註)	於二零零七年 八月二十二日後 年內已授出	於二零零七年 八月二十二日後 年內已行使
5.2.2004 二零零四年二月五日	1.30	1.20	5.2.2005 to 4.2.2014 二零零五年二月五日至 二零一四年二月四日	5,400,000	(300,000)	-	5,100,000	5,511,570	-	(4,750,000)	761,570	
5.2.2004 二零零四年二月五日	1.30	1.20	5.2.2006 to 4.2.2014 二零零六年二月五日至 二零一四年二月四日	6,150,000	-	-	6,150,000	6,646,305	-	(4,750,000)	1,896,305	
20.4.2004 二零零四年四月二十日	1.54	1.42	20.4.2004 to 19.4.2014 二零零四年四月二十日至 二零一四年四月十九日	15,150,000	(1,300,000)	-	13,850,000	14,967,695	-	(14,600,000)	367,695	
27.11.2007 二零零七年 十一月二十七日	-	6.56	27.11.2007 to 26.11.2017 二零零七年十一月二十七日至 二零一七年十一月二十六日	-	-	-	-	-	64,000,000	-	64,000,000	
				26,700,000	(1,600,000)	-	25,100,000	27,125,570	64,000,000	(24,100,000)	(67,025,570)	

Note: The number of share options granted and their respective subscription prices have been adjusted for the rights issue taken place on 22nd August, 2007.

附註：已授出購股權數目及彼等各自之行使價已因於二零零七年八月二十二日進行之供股而作出調整。

DIRECTORS' REPORT

董事會報告

DISTRIBUTABLE RESERVES OF THE COMPANY

Details of movement during the year in the reserves of the Company are set out in Note 36 to the financial statements.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company or any 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.

EMOLUMENT POLICY

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

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

The Company has adopted share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out in Note 37 to the consolidated financial statements.

本公司之可供分派儲備

本公司儲備於年內之變動詳情載於財務資料附註36。

董事於重要合約之權益

於年結或年內任何時間，本公司各董事並無在本公司或其附屬公司參與訂立之任何重要合約中直接或間接擁有重大權益。

薪金政策

本集團僱員之薪金政策由薪酬委員會根據彼等之功勞、資歷及能力而制訂。

董事之薪金由薪酬委員會經考慮本集團之經營業績、個人表現及可供比較之市場統計數字後決定。

本公司已採納購股權計劃，作為給予董事及合資格僱員之獎勵，計劃詳情載列於財務報告附註37。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2008, the aggregate amount of turnover attributable to the Group's five largest customers represented approximately 73% of the Group's total turnover for the year. The aggregate amount of turnover attributable to the Group's largest customer for the year was 18%.

For the year ended 31st March, 2008, the aggregate amount of purchase attributable to the Group's five largest suppliers represented approximately 97% of the Group's total purchase for the year. The aggregate amount of purchases attributable to the Group's largest supplier for the year was 89%.

None of the Directors, their associates or any shareholder, which to the knowledge of the Directors, owns more than 5% of the Company's share capital, has interests in these customers or suppliers during the year.

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

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st March, 2008.

MANAGEMENT CONTRACTS

No contracts for management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the year.

主要客戶及供應商

截至二零零八年三月三十一日止年度，本集團五大客戶合計之營業額佔本集團年內之總營業額約73%。本集團最大客戶佔本集團年內之總營業額18%。

截至二零零八年三月三十一日止年度，本集團五大供應商合計之採購額佔本集團年內之總採購額約97%。本集團最大供應商佔本集團於年內之總採購額89%。

各董事、彼等之聯繫人士或就董事所知任何擁有本公司股本5%以上之股東於年內概無擁有上述客戶或供應商之權益。

購買、出售或贖回本公司上市證券

年內，本公司或其任何附屬公司並無購買、出售或贖回任何本公司上市證券。

充足之公眾持股量

本公司於截至二零零八年三月三十一日止整個年度內，一直維持充足之公眾持股量。

管理合約

年內概無訂立或存在有關本公司全部或任何重大部分業務之管理及行政合約。

DIRECTORS' REPORT

董事會報告

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st March, 2008 with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules with deviations from certain provisions of the CG Code, details of which are set out in the section headed "Corporate Governance Report" in this annual report.

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code as at 31st March, 2008.

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

AUDIT COMMITTEE

The audited consolidated financial statements for the year ended 31st March, 2008 has been reviewed by the Audit Committee. Information on the work of Audit Committee and its composition are set out in the Corporate Governance Report on pages 19 to 20 of the annual report.

AUDITOR

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Pan Su Tong

Director

Hong Kong, 30th July, 2008

企業管治

本公司於截至二零零八年三月三十一日止整個年度內，一直遵守上市規則附錄十四所載之企業管治常規守則（「企管守則」），惟偏離若干企管守則條文之處載於本年報「企業管治報告」一節。

本公司已採納上市規則附錄十所載之標準守則。於作出具體查詢後，所有董事均確認彼等於二零零八年三月三十一日，已遵守標準守則所載之規定標準。

本公司已收到各獨立非執行董事根據上市規則第3.13條就其獨立性發出之年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

審核委員會

審核委員會已審閱截至二零零八年三月三十一日止年度之經審核綜合財務報表。審核委員會之工作及其組成之資料載於年報第19至20頁之企業管治報告。

核數師

一項重新委聘德勤•關黃陳方會計師行為本公司核數師之決議案將於應屆股東週年大會上提呈。

代表董事會

潘蘇通

董事

香港，二零零八年七月三十日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF MATSUNICHI COMMUNICATION HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Matsunichi Communication Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 40 to 155, which comprise the consolidated and Company's balance sheets as at 31st March, 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of

致松日通訊控股有限公司列位股東

(於香港註冊成立之有限公司)

本核數師已審核列載於第40至155頁的松日通訊控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表，此綜合財務報表包括綜合及貴公司於二零零八年三月三十一日的綜合及貴公司之資產負債表與截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事須對綜合財務報表承擔的責任

貴公司董事須負責及肯定根據香港會計師公會頒佈的香港財務報告準則及香港公司條例編製的綜合財務報表編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

本核數師之責任是根據本核數師審核工作之結果，對該等綜合財務報告作出獨立之意見，並根據香港公司條例141條只向整體股東報告。除此以外，本核數師之報告不可作其他用途。本核數師概不就本報告書的內容，對任何其他人士負責或承擔法律責任。本核

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st March, 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

30th July, 2008

數師已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求本核數師遵守道德規範，並規劃及執行審核，以合理確定該等綜合財務報表是否不存有任何重大錯誤陳述。

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

本核數師相信，本核數師所獲得的審核憑證能夠充足和適當地為本核數師的審核意見提供基礎。

意見

本核數師認為此綜合財務報表真實及公平地反映貴公司及貴集團於二零零八年三月三十一日之財政狀況及貴集團截至該日止年度之溢利及現金流量，並已按照香港財務報告準則及香港公司條例妥善編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零零八年七月三十日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31st 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	7	4,297,788	3,070,579
Cost of sales	銷售成本		(3,695,779)	(2,635,450)
Gross profit	毛利		602,009	435,129
Other income	其他收入	8	40,904	12,156
Selling and distribution costs	銷售及分銷成本		(31,479)	(36,062)
Administrative expenses	行政費用		(202,697)	(117,252)
Other expenses	其他費用	12	(70,468)	–
Finance costs	財務費用	10	(237,917)	(81,029)
Gain on disposals of subsidiaries	出售附屬公司所得收益		19,619	–
Increase in fair value of investment properties	投資物業之公平值增加	17	1,586,786	–
Losses on derivative financial instruments	衍生金融工具虧損	11	(548,795)	–
Profit before taxation	除稅前溢利	12	1,157,962	212,942
Taxation	稅項	13	(471,312)	(10,765)
Profit for the year	本年度溢利		686,650	202,177
Dividends recognised as distribution	確認為分派之股息	14	51,612	78,996
Earnings per share	每股盈利	15		
– basic	– 基本		HK64.49 cents 港仙	HK26.44 cents港仙
– diluted	– 攤薄		HK63.31 cents 港仙	HK26.01 cents港仙

CONSOLIDATED BALANCE SHEET

綜合資產負債表

At 31st 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	非流動資產			
Property, plant and equipment	物業、機器及設備	16	136,040	221,140
Investment properties	投資物業	17	2,790,400	–
Prepaid lease payments	預付租賃款項	18	2,741	5,936
Intangible assets	無形資產	19	174,735	224,280
			3,103,916	451,356
Current assets	流動資產			
Inventories	存貨	21	68,833	59,084
Properties under development	發展中物業	22	1,038,395	–
Trade and other receivables	應收賬款及其他應收款項	23	984,816	980,794
Amounts due from related companies	應收關連公司款項	24	1,932	2,973
Prepaid lease payments	預付租賃款項	18	63	135
Pledged bank deposits	已抵押銀行存款	26	662,292	799
Bank balances and cash	銀行結存及現金	26	2,800,033	1,751,274
			5,556,364	2,795,059
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	27	296,635	230,677
Amount due to ultimate holding company	應付最終控股公司款項	28	30	880
Amount due to a related company	應付一間關連公司款項	29	11,700	11,700
Taxation payable	應繳稅項		63,030	13,951
Derivative financial instruments	衍生金融工具	30	46,661	–
Bank borrowings – amount due within one year	銀行借款 – 一年內到期款項	31	1,292,267	1,193,033
Obligations under finance leases – amount due within one year	融資租約債務 – 一年內到期款項	32	139	158
			1,710,462	1,450,399
Net current assets	流動資產淨值		3,845,902	1,344,660
Total assets less current liabilities	總資產減流動負債		6,949,818	1,796,016

CONSOLIDATED BALANCE SHEET

綜合資產負債表

At 31st March, 2008 於二零零八年三月三十一日

		Notes	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
		附註		
Non-current liabilities	非流動負債			
Obligations under finance leases	融資租約債務			
– amount due after one year	– 一年後到期款額	32	297	274
Derivative financial instruments	衍生金融工具	30	594,182	–
Convertible bonds	可換股債券	33	1,840,141	–
Deferred tax liabilities	遞延稅項負債	34	425,796	–
			2,860,416	274
Net assets	資產淨值		4,089,402	1,795,742
Capital and reserves	股本及儲備			
Share capital	股本	35	61,123	39,391
Reserves	儲備		4,028,279	1,756,351
Total equity	權益總額		4,089,402	1,795,742

The consolidated financial statements on pages 40 to 155 were approved and authorised for issue by the Board of Directors on 30th July, 2008 and are signed on its behalf by:

第40頁至第155頁所載之綜合財務報告已於二零零八年七月三十日獲董事會批准及授權刊發，並由下列董事代表簽署：

Pan Su Tong
潘蘇通
DIRECTOR
董事

Zhou Xiaojun
周曉軍
DIRECTOR
董事

BALANCE SHEET

資產負債表

At 31st 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	非流動資產			
Intangible asset	無形資產	19	90	90
Investments in subsidiaries	附屬公司投資	20	391,721	236,085
			391,811	236,175
Current assets	流動資產			
Other receivables	其他應收款項	23	11,685	–
Amounts due from subsidiaries	應收附屬公司款項	25	4,279,191	1,419,526
Bank balances and cash	銀行結存及現金	26	43,715	4,496
			4,334,591	1,424,022
Current liabilities	流動負債			
Other payables	其他應付款項	27	4,359	52,815
Amount due to ultimate holding company	應付最終控股公司款項	28	30	330
Amount due to a subsidiary	應付一間附屬公司款項	25	129,902	30,000
Amount due to a related company	應付一間關連公司款項	29	11,700	11,700
			145,991	94,845
Net current assets	流動資產淨值		4,188,600	1,329,177
Total assets less current liabilities	總資產減流動負債		4,580,411	1,565,352
Non-current liabilities	非流動負債			
Derivative financial instruments	衍生金融工具	30	594,182	–
Convertible bonds	可換股債券	33	1,840,141	–
			2,434,323	–
Net assets	資產淨值		2,146,088	1,565,352
Capital and reserves	股本及儲備			
Share capital	股本	35	61,123	39,391
Reserves	儲備	36	2,084,965	1,525,961
Total equity	權益總額		2,146,088	1,565,352

Pan Su Tong
潘蘇通
DIRECTOR
董事

Zhou Xiaojun
周曉軍
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Share capital	Share premium	Share-based compensation reserve	Translation reserve	Equity participants reserve	Capital redemption reserve	Capital reserve	PRC statutory reserves	Retained profits	Total
		股本	股份溢價	股份酬金儲備	換算儲備	參與人儲備	股本贖回儲備	股本儲備	中國法定儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
						(Note 36)		(Note 36)	(Note 36)		
						(附註36)		(附註36)	(附註36)		
At 1st April, 2006	於二零零六年 四月一日結餘	34,346	1,125,948	9,510	2,615	-	173	3,605	84,987	84,263	1,345,447
Exchange differences arising on translation of functional currencies to presentation currency recognised directly in equity	於股本直接確認因換算功能貨幣至呈列貨幣產生之匯兌差額	-	-	-	54,986	-	-	-	-	-	54,986
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	202,177	202,177
Total recognised income and expense for the year	年內已確認收入及開支總額	-	-	-	54,986	-	-	-	-	202,177	257,163
Issue of new shares (Note 35)	發行新股份(附註35)	5,000	270,000	-	-	-	-	-	-	-	275,000
Expenses incurred in connection with issue of shares	就發行股份而引致之支出	-	(4,235)	-	-	-	-	-	-	-	(4,235)
Exercise of share options	行使購股權	45	1,388	(70)	-	-	-	-	-	-	1,363
Lapse of share options	購股權失效	-	-	(1,409)	-	-	-	-	-	1,409	-
Appropriations	分配	-	-	-	-	-	-	-	22,633	(22,633)	-
Final dividend for 2006	二零零六年之末期股息	-	-	-	-	-	-	-	-	(27,477)	(27,477)
Interim dividend for 2007	二零零七年之中期股息	-	-	-	-	-	-	-	-	(51,519)	(51,519)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Share capital	Share premium	Share-based compensation reserve	Translation reserve	Equity participants reserve	Capital redemption reserve	Capital reserve	PRC statutory reserves	Retained profits	Total
		股本	股份溢價	股份酬金儲備	換算儲備	參與人儲備	股本贖回儲備	股本儲備	中國法定儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
						(Note 36)		(Note 36)	(Note 36)		
						(附註36)		(附註36)	(附註36)		
At 31st March, 2007	於二零零七年 三月三十一日結餘	39,391	1,393,101	8,031	57,601	-	173	3,605	107,620	186,220	1,795,742
Exchange differences arising on translation of functional currencies to presentation currency recognised directly in equity	於股本直接確認因換算功能貨幣至呈列貨幣產生之匯兌差額	-	-	-	257,203	-	-	-	-	-	257,203
Reversal upon disposals of subsidiaries	出售附屬公司時撥回	-	-	-	(9,226)	-	-	(3,605)	-	-	(12,831)
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	686,650	686,650
Total recognised income and expense for the year	年內已確認收入及開支總額	-	-	-	247,977	-	-	(3,605)	-	686,650	931,022
Issue of new shares (Note 35)	發行新股份(附註35)	19,851	1,507,889	-	-	-	-	-	-	-	1,527,740
Deemed distribution upon issue of convertible bonds	因發行可換股債券視作分派	-	-	-	-	(201,860)	-	-	-	-	(201,860)
Expenses incurred in connection with issue of shares	就發行股份而引致之支出	-	(9,402)	-	-	-	-	-	-	-	(9,402)
Exercise of share options	行使購股權	1,789	53,437	(6,488)	-	-	-	-	-	-	48,738
Exercise of warrants	行使認股權證	92	16,675	-	-	-	-	-	-	-	16,767
Recognition of equity-settled share-based payments	確認以股本結清以股份為基礎之付款	-	-	32,267	-	-	-	-	-	-	32,267
Lapse of share options	購股權失效	-	-	(50)	-	-	-	-	-	50	-
Appropriations	分配	-	-	-	-	-	-	-	31,655	(31,655)	-
Transfer (Note)	轉撥(附註)	-	-	-	-	-	-	-	(46,869)	46,869	-
Transfer upon disposals of subsidiaries	於出售附屬公司時轉撥	-	-	-	-	-	-	-	(18,128)	18,128	-
Final dividend for 2007	二零零七年之末期股息	-	-	-	-	-	-	-	-	(51,612)	(51,612)
At 31st March, 2008	於二零零八年 三月三十一日結餘	61,123	2,961,700	33,760	305,578	(201,860)	173	-	74,278	854,650	4,089,402

Note: During the year, the board of directors of two subsidiaries in the People's Republic of China passed resolutions to transfer part of their statutory reserves to retained profits.

附註：在年內，旗下位於中華人民共和國的两間附屬公司的董事會通過決議案，將部份法定儲備轉撥至保留溢利。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31st 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
Operating activities	經營業務		
Profit before taxation	除稅前溢利	1,157,962	212,942
Adjustments for:	作出下列調整：		
Interest income	利息收入	(36,436)	(10,859)
Finance costs	財務費用	237,917	81,029
Gain on disposals of subsidiaries	出售附屬公司所得收益	(19,619)	-
(Reversal of) allowance for bad and doubtful debts	呆壞賬(撥備撥回)撥備	(4,022)	11,701
Allowance (reversal of allowance) for inventories	存貨撥備(撥備撥回)	11,530	(5,217)
Release of prepaid lease payments	解除預付租賃款項	108	135
Amortisation of trade marks	商標攤銷	12,630	12,630
Depreciation of property, plant and equipment	物業、機器及設備折舊	23,440	30,487
Losses on derivative financial instruments	衍生金融工具之虧損	548,795	-
Impairment loss on trade marks	商標之減值虧損	36,915	-
Increase in fair value of investment properties	投資物業公平值增加	(1,586,786)	-
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	122	58
Share-based payments expenses	以股份為基礎之付款	32,267	-
Unrealised exchange difference	未變現匯兌差額	121,364	-
Operating cash flows before movements in working capital	未計營運資金變動前之經營現金流量	536,187	332,906
Increase in properties under development	發展中物業增加	(979,539)	-
(Increase) decrease in inventories	存貨(增加)減少	(23,017)	15,115
Increase in trade and other receivables	應收賬款及其他應收款項增加	(61,083)	(345,007)
Increase (decrease) in trade and other payables	應付賬款及其他應付款項增加(減少)	148,599	(41,955)
Cash used in operations	經營業務現金流出	(378,853)	(38,941)
Taxation paid	已繳稅項	(4,910)	(11,719)
Taxation refunded	已退回稅項	6,126	-
Net cash used in operations	經營業務現金流出淨額	(377,637)	(50,660)
Investing activities	投資活動		
Purchase of investment properties	購入投資物業	(1,126,318)	-
(Increase) decrease in pledged bank deposits	已抵押銀行存款(增加)減少	(662,294)	3,646
Purchase of property, plant and equipment	購入物業、機器及設備	(8,455)	(6,345)
Disposals of subsidiaries (net of cash and cash equivalent disposed of)	出售附屬公司(扣除所出售之現金及現金等價物)	(4,423)	-
(Repayment from) advance to related companies	39 關連公司(還款)墊款	1,041	(840)
Interest received	已收利息	36,436	10,859
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	403	75
Acquisition of assets and liabilities through acquisition of subsidiaries (net of cash and cash equivalent acquired)	38 透過收購附屬公司收購資產及負債(扣除所收購之現金及現金等價物)	35	-
Net cash (used in) from investing activities	投資活動現金(流出)流入淨額	(1,763,575)	7,395

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31st 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
Financing activities	融資活動		
Interest and finance charges paid	已付利息及財務費用	(165,228)	(69,564)
Proceeds from issue of new shares	發行新股份所得款項	1,786,578	275,000
Proceeds from issue of convertible bonds	發行可換股債券所得款項	1,418,704	–
Proceeds from issue of shares upon exercise of share options	於行使購股權時發行股份所得款項	48,738	1,363
Proceeds from issue of shares upon exercise of warrants	於行使認股權證時發行股份所得款項	11,065	–
Expenses incurred in connection with issue of shares	因發行股份而引致之支出	(9,402)	(4,235)
New bank loans raised	籌集新的銀行貸款	1,524,633	662,917
Net cash outflow of trust receipt loans	信託收據貸款現金流出淨額	(671,341)	(119,577)
Repayment of bank loans	償還銀行貸款	(685,443)	(301,766)
Repayment of obligations under finance leases	根據融資租約償還債務	(218)	(251)
Repayment to ultimate holding company	向最終控股公司還款	(850)	(8,205)
Repayment to a related company	向一間關連公司還款	–	(391)
Dividends paid	已付股息	(103,104)	(36,038)
Net cash from financing activities	融資活動現金流入淨額	3,153,132	399,253
Net increase in cash and cash equivalents	現金及現金等價物之增加淨額	1,011,920	355,988
Cash and cash equivalents at the beginning of the year	年初之現金及現金等價物	1,751,274	1,303,571
Effect of foreign exchange rate changes	外幣匯率變動之影響	36,839	91,715
Cash and cash equivalents at the end of the year	年終之現金及現金等價物	2,800,033	1,751,274
Analysis of balances of cash and cash equivalents	現金及現金等價物之結存分析		
Bank balances and cash	銀行結存及現金	2,800,033	1,751,274

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

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

1. GENERAL

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

The consolidated financial statements are presented in Hong Kong dollars, which is different from the functional currency of the Company, Renminbi ("RMB") as the Company is a public company incorporated in Hong Kong with its shares listed on the Hong Kong Stock Exchange, where most of its investors are located in Hong Kong and therefore, the directors consider that Hong Kong dollars is preferable in presenting the operating result and financial position of the Company and the Group. The majority of the Company's subsidiaries are operating in the People's Republic of China ("PRC") with RMB as their functional currency.

The Company is an investment holding company. The activities of its principal subsidiaries at 31st March, 2008 are set out in Note 47.

1. 總則

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

綜合財務報告以港元呈列，而非以本公司功能貨幣人民幣呈列，此乃由於本公司為一間於香港註冊成立之上市公司，其股份亦於聯交所上市，而其投資者亦位處香港，故此董事認為以港元呈列本公司及本集團經營業績及財務狀況而言較佳。本公司大部份附屬公司乃於中華人民共和國（「中國」）經營，彼等之功能貨幣為人民幣。

本公司為一間投資控股公司，其主要附屬公司於二零零八年三月三十一日之業務載於財務報告附註47。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”)

In the current year, the Group and the Company have applied, for the first time, the following new standard, amendment to Hong Kong Accounting Standards (“HKAS”) and interpretations (“HK(IFRIC) -Int”) (new “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s and the Company’s financial year beginning 1st April, 2007.

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

The adoption of the new HKFRSs has resulted in the following areas:

- The impact of application of HKFRS 7 “Financial Instruments: Disclosures” has been to expand the disclosures provided in the consolidated financial statements regarding the Group’s financial instruments, especially on the sensitivity analysis to market risk.
- The impact of application of HKAS 1 (Amendment) “Capital Disclosures” has been to disclose information regarding its objectives, policies and processes for managing capital.

2. 應用新增及修訂之香港財務報告準則（「香港財務報告準則」）

於本年度，本集團及本公司已首次應用由香港會計師公會（「香港會計師公會」）頒佈之多項新準則、香港會計準則（「香港會計準則」）之修訂及詮釋（「香港（國際財務報告詮釋委員會）—詮釋」（「新香港財務報告準則」）。該等新香港財務報告準則於二零零七年四月一日或之後開始之本集團及本公司會計期間生效。

香港會計準則第1號 (修訂本)	股本披露
香港財務報告準則第7號	金融工具：披露
香港（國際財務報告詮釋委員會）—詮釋第8號	香港財務報告準則第2號之範疇
香港（國際財務報告詮釋委員會）—詮釋第9號	內含衍生工具之重新評估
香港（國際財務報告詮釋委員會）—詮釋第10號	中期財務報告及減值
香港（國際財務報告詮釋委員會）—詮釋第11號	香港財務報告準則第2號—集團及庫務股份交易

採納新香港財務報告準則產生下列影響：

- 應用香港財務報告準則第7號「金融工具：披露」之影響為綜合財務報告內就本集團金融工具所提供之披露資料獲得擴大，尤其是有關市場風險之敏感度分析。
- 應用香港會計準則第1號（修訂本）「股本披露」之影響為披露有關其管理資本之目標、政策及過程之資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) (CONTINUED)

The application of the remaining new HKFRSs has had no material effect on how the results and financial position of the Group and the Company for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

The Group and the Company have not early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

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

2. 應用新增及修訂之香港財務報告準則（「香港財務報告準則」）（續）

應用其餘新香港財務報告準則對本集團及本公司於本會計期間及過往會計期間之業績之編製及財務狀況之呈列方式並不構成重大影響。因此，無須對往期資料作出調整。

本集團及本公司並未提前採納下列已頒佈但尚未生效之新增或經修訂準則、修訂或詮釋。

香港會計準則第1號（修訂本）	財務報告之呈列 ¹
香港會計準則第23號（修訂本）	借貸成本 ¹
香港會計準則第27號（修訂本）	綜合及個別財務報告 ²
香港會計準則第32號及香港會計準則第1號（修訂本）	可沽出金融工具及於清盤時之責任 ¹
香港財務報告準則第2號（修訂本）	歸屬條件及註銷 ¹
香港財務報告準則第3號（修訂本）	業務合併 ²
香港財務報告準則第8號	經營分類 ¹
香港（國際財務報告詮釋委員會）— 詮釋第12號	服務特許權方案 ³
香港（國際財務報告詮釋委員會）— 詮釋第13號	客戶忠誠安排 ⁴
香港（國際財務報告詮釋委員會）— 詮釋第14號	香港會計準則第19號— 界定利益資產之限制、最低撥款規定及其相互關係 ³

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) (CONTINUED)

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

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent’s ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. HKAS 23 (Revised) removes the option to expense borrowing costs as incurred and requires capitalisation of borrowing costs attributable to qualifying assets. Qualifying assets are assets that take a substantial time to get ready for their intended use or sale. The Directors of the Company are in the process of assessing the potential impact and so far concluded that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results and financial position of the Group and the Company.

2. 應用新增及修訂之香港財務報告準則（「香港財務報告準則」）（續）

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

採納香港財務報告準則第3號（修訂本）或會影響收購日期為二零零九年七月一日或之後開始之首個會計期間開始時或以後之業務合併之會計處理。香港會計準則第27號（修訂本）會影響母公司於附屬公司之所有權權益有變（惟並無導致喪失控制權）時之會計處理，即會按股權交易處理。香港會計準則第23號（修訂本）刪除將借貸成本開銷之選擇權並規定將合資格資產應佔之借款成本資本化。合資格資產為需時甚長以準備其擬定用途或銷售之資產。本公司董事正評估潛在影響，現時認為應用其他新訂或經修訂準則、修訂本或詮釋將不會對本集團及本公司之業績及財務狀況構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31st March each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

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

3. 主要會計政策

綜合財務報告乃按歷史成本基準編製，惟誠如下文所載之會計政策所闡釋，投資物業及若干金融工具則按公平值計算。

綜合財務報告乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報告包括香港聯合交易所有限公司證券上市規則及公司條例規定之適用披露資料。已採納之主要會計政策如下：

綜合賬目基準

綜合財務報告包括本公司及本公司所控股之實體（其附屬公司）計至每年三月三十一日止之財務報告。倘本公司有權規管一個實體之財務及經營政策，以從該實體之業務獲取利益時，即屬擁有控制權。

本年內收購或出售之附屬公司的業績，已根據收購或出售之生效日期（視乎情況而定）計入綜合收益表內。

附屬公司之財務報告會因應需要而作出調整，使其與本集團其他成員公司之會計政策一致。

本集團內公司間之所有重大交易、結餘、收入及開支均於綜合賬目時抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at 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 that meet the conditions for recognition under HKFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date.

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.

Revenue recognition

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

Revenue from sales of goods is recognised when goods are delivered and title has passed.

3. 主要會計政策(續)

業務合併

我們採用收購法處理併購事宜。收購成本乃按為換取被收購方控制權而於交易日期所付出之資產、所產生或承擔之負債及本集團所發行之股本權益工具之公平值總額，及任何業務合併之直接應佔成本計算。被收購方符合香港財務報告準則第3號「業務合併」之確認條件之可確定資產、負債及或有負債，須按其於收購日期之公平值確認。

收購所產生之商譽會被確認為資產，並以成本計算，即為業務合併成本超出本集團於已確認之可識別資產、負債及或然負債之公平值淨額所佔權益之差額。如在重新評估後，本集團於被收購方之可確定資產、負債及或有負債的公平值淨額所佔權益超過業務合併成本，該等超出之部份立即在損益表內確認。

收入之確認

收入乃按已收或應收代價之公平值計量，並相等於在日常業務過程就已售貨品之應收款額(扣除折扣及銷售相關稅項)。

銷售貨品之收入於貨品已送交及所有權已轉移之時予以確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

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

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

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment loss.

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

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

3. 主要會計政策 (續)

收益之確認 (續)

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

來自投資之股息收入於股東確定收取股息款項之權利時予以確認。

物業、機器及設備

物業、機器及設備(包括持有用作生產或提供貨品或服務或作行政用途之樓宇)按成本減去隨後之累計折舊及累計減值虧損後入賬。

物業、機器及設備之折舊於其估計可使用年期內並經計及估計剩餘價值以直線法撇銷成本計算。

根據融資租約持有之資產於其預計可使用年期或相關租期(以較短者為準)內按與自置資產相同之基準計算折舊。

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Properties

Leasehold land held for undetermined future use is regarded as held for capital appreciation purpose and classified as an investment property, and carried at fair value. Changes in fair value of the leasehold land are recognised directly in profit or loss for the period in which changes take place.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

Investments in subsidiaries

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

3. 主要會計政策(續)

物業

持有但未確定將來用途之租賃土地，乃視為持作資本增值用途，並分類為一項投資物業，並按公平值入賬。租賃土地公平值之變化於發生時直接在損益表中確認。

投資物業於首次確認時按成本(包括任何直接應佔費用)計算。於首次確認後，投資物業按公平值模式入賬。

投資物業於出售後或當投資物業永久地不再使用或預期不能從出售中獲取經濟利益時取消確認。資產取消確認所產生之任何收益或虧損(按該資產之出售所得款項淨額及賬面值之差額計算)於該項目取消確認之年度計入綜合收益表。

附屬公司投資

附屬公司投資按成本減去任何已識別之減值虧損後列入本公司之資產負債表。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets acquired separately

On initial recognition, intangible assets acquired separately are recognised at cost. After initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

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

Research and development expenditure

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

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. Where no internally-generated intangible asset can be amortised, development expenditure is charged to profit or loss in the period in which it is incurred.

Inventories

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

3. 主要會計政策(續)

無形資產

個別購入之無形資產

首次確認時，個別購入之無形資產按成本確認。於首次確認後，具明確可使用年期之無形資產以成本值扣除累計攤銷和任何累計減值虧損入賬。具明確可使用年期之無形資產之攤銷乃按其估計可使用年期以直線法計算。另外，不具明確可使用年期之無形資產，則以成本值扣除其後任何累計減值虧損後入賬(見下文有關有形及無形資產減值虧損之會計政策)。

取消確認無形資產之收益或虧損以出售所得款項淨額與資產賬面值之差額計算，並在取消確認資產時在綜合損益表中確認。

研發費用

研究活動費用於發生期間確認為開支。

因開發費用而產生之內部自生無形資產唯有當該開發費用有明確專項並預期會透過未來商業活動收回成本之前提下方可被確認。倘並無內部自生無形資產可予攤銷，則開發費用於其產生期間自損益賬扣除。

存貨

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories (continued)

Properties under development which are intended to be held for sale in the ordinary course of business are carried at lower of cost and net realisable value and are shown as current assets. Cost includes the cost of land, construction cost and other development expenditure and other attributable expenses. Net realisable value is determined by management based on prevailing market conditions.

Impairment losses on tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

3. 主要會計政策(續)

存貨(續)

若發展中物業是用作於日常業務過程中持作銷售，應按成本與可變現淨值兩者中之較低值入賬，並列作流動資產。成本包括土地成本、建築成本及其他發展支出以及其他應佔開支。可變現淨值乃由管理層根據當時之市況釐定。

有形及無形資產之減值

於每個結算日，本集團會審閱其有形及無形資產之賬面值以確定有否任何跡象顯示該等資產已出現減值虧損。另外，不具明確可使用年期之無形資產或尚未可供使用之無形資產，則每年一次或在出現減值跡象時測試其減值情況。倘可收回款額估計少於其賬面值，則資產賬面值將撇減至其可收回款額。減值虧損會即時在損益表確認。

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset/liability, or, where appropriate, a shorter period.

Interest income/expense is recognised on an effective interest basis.

3. 主要會計政策(續)

金融工具

金融資產及金融負債乃當集團實體成為工具合約條文之訂約方時，在資產負債表上確認。金融資產及金融負債乃按公平值作初始計算。因收購或發行金融資產及金融負債而直接產生之交易成本(於損益賬按公平值處理之金融資產及金融負債除外)於首次確認時新增至金融資產或金融負債之公平值或自公平值扣除(如適用)。因收購於損益賬按公平值處理之金融資產或金融負債而直接產生之交易成本即時於損益賬中確認。

實際利率法

實際利率法乃計算金融資產/負債之攤銷成本及按有關期間攤分利息收入/開支之方法。實際利率指按金融資產/負債之預計可使用年期或較短期間(如適用)內準確折讓估計未來現金收發(包括構成實際利率不可或缺部份已付或已收之一切費用、交易成本及其他溢價及折讓)之利率。

利息收入/開支乃按實際利率基準確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets

The Group's financial assets are classified into loans and receivables.

Loans and receivables

Loans and receivables (including trade and other receivables, amounts due from related companies, amounts due from subsidiaries, pledged bank deposits and bank balances) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses.

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at each balance sheet date. Loans and receivables are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the financial assets have been impacted.

3. 主要會計政策(續)

金融工具(續)

金融資產

本集團之金融資產歸入貸款及應收款項。

貸款及應收款項

貸款及應收款項(包括應收賬款及其他應收款項、應收關連公司款項、應收附屬公司款項、已抵押銀行存款及銀行結存)乃非於活躍市場報價而具有固定或可釐定付款之非衍生金融資產。於首次確認後之各個結算日，貸款及應收款項均採用實際利率法按攤銷成本減去任何已確定減值虧損入賬。

貸款及應收款項減值

貸款及應收款項會於每個財政年度結算日評估是否有減值跡象。於首次確認後，當有客觀證據顯示有一項或以上的事件發生，影響金融資產的現金流量，貸款及應收款項則需要作出減值。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of loans and receivables (continued)

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.

For loans and receivables, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 120 days, observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項減值 (續)

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
- 未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

貸款及應收款項(如應收賬款)，被評估不會個別減值之資產，將會其後彙集一併評估是否有減值跡象。應收款項出現減值之客觀證據，可包括本集團過往追收款項之記錄、組合內延遲付款超過120日信貸期之次數上升、國內或本地經濟情況出現與欠繳款項有關之明顯轉變。

當有客觀證據證明資產已減值，減值虧損於損益表中確認，並按資產賬面值與按原實際利率貼現之估計日後現金流量現值之差額計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of loans and receivables (continued)

The carrying amount is reduced by the impairment loss directly for all loans and receivables with the exception of trade receivables and amounts due from subsidiaries, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable and amounts due from subsidiaries are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項減值(續)

全部貸款及應收款項賬面值之減值會直接按減值虧損扣減，惟應收賬款除及應收附屬公司款項外，其賬面值會透過使用撥備賬作出扣減。撥備賬內之賬面值變動會於損益賬中確認。當應收賬款及應收附屬公司款項被視為不可收回時，其將於撥備賬內撇銷。其後回撥已撇銷的款項，均計入損益內。

如在隨後期間，減值虧損金額減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值，不得超過未確認減值時之已攤銷成本。

金融負債及股本權益

本集團發行之金融負債及股本權益工具乃根據所訂立合約安排之性質與及金融負債及股本權益工具之定義而分類。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity (continued)

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities at FVTPL are financial liabilities held for trading.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

At each balance sheet date subsequent to initial recognition financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本權益 (續)

股本權益工具為證明於集團經扣除其所有負債後之資產剩餘權益之任何合約。就金融負債及股本權益工具採用之會計政策載於下文。

於損益賬按公平值處理之金融負債

於損益賬按公平值處理之金融負債均為持作買賣之金融負債。

金融負債在下列情況下被列為持作買賣：

- 其產生主要用於在不久將來出售；或
- 由集團統一管理的可識別資產組合的一部分，並在近期顯示出實際上短期獲利的模式；或
- 其乃衍生工具，既無指定在實際上亦非對沖工具。

於初始確認後之每個結算日，於損益賬按公平值處理之金融負債以公平值計算，其公平值之變動於產生期間直接於損益表入賬。在損益表內確認之收益或虧損淨值不包括任何金融負債已付利息。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity (continued)

Convertible bonds contain liability and conversion option derivative

Convertible bonds issued by the Group that contain both liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative. At the date of issue, both the liability and conversion option components are recognised at fair value.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and conversion option derivative in proportion to the allocation of the proceeds. Transaction costs relating to the conversion option derivative is charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本權益(續)

可換股債券(含負債及換股權衍生工具)

本集團發行之可換股債券包括負債及換股權部分，於初步確認時獨立列為相關項目。將以固定現金或其他金融資產交換本公司之股本權益工具以外之方式結清之換股權，即屬兌換權衍生工具。於發出當日，負債及兌換權部分乃按公平值確認。

於往後期間，可換股債券之負債部份乃採用實際利息法攤銷成本列賬。換股權衍生工具按公平值計量，公平值變化於損益表內確認。

與發行可換股債券相關之交易成本乃按所得款項總額之劃分比例分配至負債及換股權益衍生工具。與權益部分相關之交易成本乃直接計入損益表內。與負債部分相關之交易成本乃計入負債部分之賬面值，並按可換股債券之期限採用實際利息法攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity (continued)

Other financial liabilities

Other financial liabilities (including trade and other payables, amount due to ultimate holding company, amount due to a subsidiary, amount due to a related company and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Warrants/options issued by the Company that will be settled by other than a fixed amount of cash for a fixed number of the Company's own equity instruments is a derivative financial instrument. Warrants/options classified as a derivative financial instrument are recognised at their fair values at the date of issue.

If the fair values of the convertible bonds issued to existing shareholders of the Company upon initial recognition is in excess of the proceeds received, such excess is recognised as a distribution to equity participants in equity.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本權益 (續)

其他金融負債

金融負債(包括應付賬款及其他應付款項、應付最終控股公司款項、應付一間附屬公司款項、應付一間關連公司款項及銀行貸款)乃採用實際利率法按已攤銷成本計算。

股本權益工具

本公司發行之股本權益工具乃按已收所得款項(扣除直接發行成本)入賬。

本公司已發行之認股權證(將以固定現金金額換取固定數目之本公司自身股本工具以外之方式結算)乃衍生財務工具。分類為衍生財務工具之認股權證於發行當日按其公平值確認。

倘已向本公司現有股東發行之可換股債券之公平值於初步確認時超逾其收取之所得款項,則該超出之金額於權益確認為股本參與人分派。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

Derivatives of the Group do not qualify for hedge accounting and thus they are deemed as financial assets held for trading or financial liabilities held for trading.

Derivatives embedded in financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contact at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

3. 主要會計政策(續)

金融工具(續)

衍生金融工具

衍生金融工具以訂立衍生合約日期按公平值首次確認，其後於結算日按公平值重新計算。所得出之收益或虧損即時於損益表確認。

本集團之衍生工具不符資格以對沖會計法處理，因而被視為持作買賣金融資產或持作買賣金融負債。

若其風險及特性與其主合同並無密切關係，金融工具或其他主合同之內含衍生工具乃作為個別衍生工具處理，而主合同按公平值計量，其公平值變動於損益表內確認。

財務擔保合約

務擔保合約為因指定債務人未能按債務工具之原有或經修改條款如期付款時，發行人需支付指定金額予持有人以補償其所遭受損失之合約。本集團已發行及並非按公平值列賬並在損益表內處理之財務擔保合約首次以其公平值減發行財務擔保合約之直接應佔交易成本確認。於首次確認後，本集團以(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之金額；及(ii)首次確認之金額減(如適用)根據香港會計準則第18號「收益」之累計攤銷，兩者中以較高者計算財務擔保合約。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derecognition

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

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

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease.

3. 主要會計政策 (續)

金融工具 (續)

取消確認

若從資產收取現金流之權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收及應收代價及已直接於股本權益確認之累計損益之總和之差額，將於損益表中確認。

金融負債於有關合約之特定責任獲解除、取消或到期時取消確認。取消確認之金融負債賬面值與已付或應付代價之差額乃於損益中確認。

租約

倘若租約條款規定有關資產之所有權附帶之絕大部份風險及回報均轉移予承租人，則有關租約列作融資租約。

本集團為出租人

經營租約之租金收入在相關租約有效期內於綜合收益表內按直線法予以確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (continued)

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

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 recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

Borrowing costs

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

3. 主要會計政策(續)

租約(續)

本集團為承租人

根據融資租約持有之資產按其於租約期之公平值或最低租金現值確認為本集團資產。出租人相應之債務於扣除利息開支後列作融資租約債務計入資產負債表內。租金按比例於財務費用及租約承擔減少之間分配，從而就計算該等負債應付之餘額計算出一個不變的定額收費率，財務費用則直接於溢利或虧損中支銷。

經營租約項下之應付租金以直線法於有關租約期內從收益或虧損中扣除。作為訂立經營租賃優惠之已收及應收利益乃以直線法於租賃期內確認為削減租金開支。

租賃土地及樓宇

土地及樓宇租賃中之土地及樓宇部份乃於租賃分類時分開考慮，除非租金無法在土地與樓宇之間作出可靠分配，倘屬此情況，整份租約乃分類為融資租賃，並列入物業、廠房及設備項下。倘租金能可靠地分配，則租賃土地權益列作經營租賃。

借貸成本

所有借貸成本乃於產生之期間在綜合收益表確認及列作財務費用。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the consolidated income statement because it excludes items of income or expense 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.

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

Deferred taxation 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.

3. 主要會計政策(續)

稅項

所得稅開支指目前應付稅項及遞延稅項之總額。

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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

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

Foreign currencies

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

3. 主要會計政策(續)

稅項(續)

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

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

外幣

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

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

3. 主要會計政策(續)

外幣(續)

貨幣項目結算及貨幣項目換算產生之匯兌差額乃於產生之期間於損益表確認。以公平值定值之非貨幣項目經重新換算後產生之匯兌差額於該期間計入損益賬。

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment transactions

Share options granted to directors of the Company and employees

Share options granted after 7th November, 2002 and vested before 1st April, 2005

The financial impact of share options granted is not recorded in the Group's consolidated balance sheet until such time as the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options in the year. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares and the excess of the exercise price per share over the nominal value of the share is recorded by the Company as share premium.

Share options granted after 7th November, 2002 and vested after 1st April, 2005

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

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

Share options granted to other participants

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses immediately, unless the goods or services qualify for recognition as assets. Corresponding adjustment has been made to equity (share-based compensation reserve).

3. 主要會計政策 (續)

以股份為基礎之付款交易

授予本公司董事及本集團僱員及貨品與服務供應商之購股權

於二零零二年十一月七日後授出並於二零零五年四月一日前歸屬之購股權

授出之購股權之財務影響尚未記入本集團之綜合資產負債表內，直至該等購股權獲行使，且年內授出之購股權之價值未於綜合收益表內確認扣除為止。由於購股權獲行使而發行之股份被本公司以股份賬面值記作增發股本，而每股行使價超出股份賬面值之餘額被本公司記作股份溢價。

於二零零二年十一月七日後授出並於二零零五年四月一日後歸屬之購股權

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

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

授予其他參與者之購股權

發行以換取貨物或服務之購股權乃按所收到貨物或服務之公平值計量，除非有關公平質不能被可靠地計量，此情況下所收到貨物或服務之公平值乃參考所授出購股權之公平值計量。除非貨物或服務適合資格確認為資產，否則所收到貨物或服務之公平值會即時開銷，股本權益之股份酬金儲備已作相應調整。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefits costs

Payments to defined contribution retirement benefit plans, state-managed pension schemes and the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors of the Company are required to make judgements, 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 may differ from these estimates.

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

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

3. 主要會計政策 (續)

退休福利成本

向定額供款退休福利計劃、國家管理之退休金計劃及強制公積金計劃付款均在僱員提供供款相關之服務時入賬列作支出。

4. 主要會計判斷及不確定性估計之主要來源

於應用本集團之會計政策(如附註3所述)時,本公司之董事須對未能透過其他來源確定之資產及負債之賬面值作出判斷、估計及假設。所作出之估計及相關假設乃以過往經驗及其他被視為相關之因素為基準。實際結果可能與該等估計有異。

估計及相關假計乃以持續基準被審閱。倘對會計估計之修訂僅影響進行修訂之期間,則於該期間確認,或倘修訂會影響目前及未來期間,則會於當前及未來期間確認。

以下為董事於應用本集團會計政策過程中所作出而對於綜合財務報告確認之金額具有重大影響之重要判斷(涉及估計者除外(見下文))。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Fair value of derivatives financial instruments

The Directors of the Company use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied.

The fair values of share options, warrants and conversion option derivative are subject to the limitation of the Binominal model that incorporated market data and involved uncertainty in estimates used by management in the assumptions. Because the Binominal model requires the input of highly subjective assumptions, including the volatility of share price, changes in subjective input assumptions can materially affect the fair value estimate. Details of the assumptions used are disclosed in Notes 30 and 33.

For other derivative financial instruments, (i.e. foreign currency forward contracts), assumptions are made based on market rates adjusted for specific features of the instruments. Details of the assumptions used are disclosed in Note 30.

Fair value of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates. In relying on the valuation report, management has exercised its judgment and is satisfied that the method of valuation is reflective of the current market conditions.

4. 主要會計判斷及不確定性估計之主要來源(續)

衍生金融工具之公平值

本公司董事以其判斷挑選適當估值技巧，供於活躍市場內並無報價之金融工具使用。所用之估值技巧乃市場從業員慣常使用者。

購股權、認股權證及兌換期權衍生工具之公平值，公平值受到二項式模式所限，該模式結合市場數據，並涉及管理層於假設內所用推測之不明確性。由於二項式模式須要投入頗為主觀之假設，包括股價波幅，主觀投入假設之變化，或會重大影響對公平值之推測。假設詳情於附註30及33披露。

其他衍生金融工具(即外匯遠期合約)方面，假設乃按市場利率作出，並就工具之具體特性予以調整。所用假設詳情於附註30披露。

投資物業之公平值

投資物業乃按公平值列賬，公平值則按獨立專業估值師所進行之估值得出。釐定公平值時，估值師乃按一套涉及若干推測之估值法進行。依賴估值報告時，管理層已作出判斷，並信納估值法已因應現時市況。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Income taxes

No deferred tax asset has been recognised in respect of tax losses of HK\$285,380,000 (2007: HK\$234,896,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In case where the actual future profits generated are more than expected, additional recognition of deferred tax assets may arise, which should be recognised in the consolidated income statement for the period in which it takes place.

Estimated impairment of trade marks

Determining whether trade marks are impaired requires an estimation of the value in use. The value in use calculation requires the Group to estimate the future cash flows expected to arise. The cash flows used are consistent with the most up-to-date budgets and plans formally approved by management and are based on reasonable and supportable assumptions. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31st March 2008, an impairment loss of HK\$36,915,000 has been recognised in the consolidated income statement. Details of the recoverable amount calculation are disclosed in Note 19.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debt and equity balance.

The capital structure of the Group consists of total equity, comprising issued capital, reserves and retained profits as disclosed in Note 35 and consolidated statement of changes in equity, respectively.

4. 主要會計判斷及不確定性估計之主要來源(續)

所得稅

由於日後溢利來源之不可預測性，並無就稅項虧損約285,380,000港元(二零零七年：234,896,000港元)確認任何遞延稅項資產。遞延稅項資產之實現能力，主要視乎是否日後會有足夠未來溢利或應課稅臨時差額。若日後所產生之實際溢利超過預期，或須額外確認遞延稅項資產，並將於出現期間之綜合收益表內確認。

估計商標減值

釐定商標有否減值須估算在用值。在用值之計算要求本集團對預期產生之未來現金流量作出估計。所用現金流量與管理層批准之最新預算及計劃一致並基於合理及可信假設作出。倘實際未來現金流量少於預期，則可能產生重大減值虧損。於二零零八年三月三十一日，減值虧損36,915,000港元已於綜合收益表確認。可收回額之計算方法於附註19披露。

5. 資本風險管理

本集團之資本管理旨在確保本集團內之實體均可持續經營，同時透過優化債務及權益結餘為股東謀求最大回報。

本集團之資本架構包括總權益，包括分別於附註35及綜合股權變動表內披露的已發行股本、儲備及保留溢利。

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5. CAPITAL RISK MANAGEMENT (CONTINUED)

The Directors of the Company review the capital structure periodically. As part of this review, the Directors of the Company prepare the annual budget taking into account of the provision of funding. Based on the proposed annual budget, the Directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts or the redemption of existing debt, if necessary.

The Group's overall strategy remains unchanged from prior year.

6. FINANCIAL INSTRUMENTS

The Group's and the Company's major financial instruments include trade and other receivables, amounts due from related companies, amounts due from subsidiaries, pledged bank deposits, bank balances, trade and other payables, amount due to ultimate holding company, amount due to a subsidiary, amount due to a related company, bank borrowings, derivative financial instruments and convertible bonds. The risks associated with these financial instruments include market risk (interest rate risk, foreign currency risk, and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the Group's exposure to these kinds of risks or the manner in which it manages and measures.

5. 資本風險管理(續)

本公司董事定期檢討資本架構。作為檢討一環，本公司董事編製年度預算案，當中已考慮到資金撥備。按照年度預算案，本公司董事考慮資本成本及各資本類別所附帶之風險。按照本集團管理層之建議，本集團將於有需要時透過派付股息、發行新股，以及發行新債或贖回現有債項以平衡其整體資本架構。

本集團之整體策略與過往年度並無變化。

6. 財務工具

本集團及本公司之主要財務工具包括應收及其他賬款、應收關連公司款項、應收附屬公司款項、已抵押銀行存款、銀行結存、應付及其他賬款、應付最終控股股東款項、應付一間附屬公司款項、應付一間關連公司款項、銀行貸款、衍生金融工具及可換股債券。與該等金融工具相連之風險包括市場風險(利率風險、外幣風險及其他價格風險)、信貸風險及資金流量風險。下文載列減低該等風險之政策。管理層管理及監察該等風險，以確保適時及有效地採取適當措施。

本集團所面臨之該等類別風險或彼等管理及計量之方式並無變動。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments

		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
Financial assets	金融資產				
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及 現金等價物)	4,242,230	2,633,880	4,334,591	1,424,022
Financial liabilities	金融負債				
Amortised cost	攤銷成本	(2,558,273)	(1,340,633)	(1,190,563)	(94,845)
Derivative financial instruments	衍生金融工具	(1,433,432)	-	(1,386,771)	-

(b) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits and variable-rate borrowings. The Group is also exposed to fair value interest rate risk which related primarily to its fixed-rate pledged bank deposits, fixed-rate bank borrowings and the liability component of convertible bonds issued by the Company. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

6. 財務工具(續)

(a) 財務工具類別

(b) 利率風險

本集團之現金流量利率風險來自銀行存款及浮息信託收據貸款現行市場利率之波動。本集團之公平值利率風險則主要來自其定息已抵押銀行貸款、定息銀行借款及本公司所發行可換股債券之負債部份。本集團現時並無訂有利率掉期對沖政策。然而，管理層監察利率風險，並會於有需要時考慮對沖其公平值利率風險。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate bank deposits and borrowings and the analysis is prepared assuming the amount of assets and liabilities outstanding at the balance sheet date were outstanding for the whole year. A 50 basis point increase or decrease is used for the management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31st March, 2008 would increase/decrease by HK\$9,164,000 (2007: HK\$2,274,000).

(c) Foreign currency risk

Certain trade and other receivables, bank balances and cash, trade and other payables and bank borrowings of the Group are denominated in foreign currencies. During the year, the Group entered into several forward foreign contracts with a bank to reduce its exposure to currency fluctuations risk of certain bank deposits that are denominated in RMB. These derivatives are not accounted for under hedge accounting as the Group currently does not have a formal currency hedging policy. However, the management monitors foreign exchange exposure and will further consider hedging significant foreign currency exposure should the need arise.

6. 財務工具(續)

(b) 利率風險(續)

敏感度分析

下文之敏感度分析，乃按浮動利息銀行存款及借款之利率風險而定，分析之編製乃假設於結算日之未償還負債額及資產額於全年內均未償還。上升或下降50個基點乃用作供管理層評估利率之合理可能變動。

若利率上升／下降50個基點，其他變數維持不變，即本集團於截至二零零八年三月三十一日止年度之溢利將增加／減少9,164,000港元(二零零七年：2,274,000港元)。

(c) 外幣風險

本集團若干應收貿易款項及其他應收款項、銀行結餘及現金、應付貿易款項及其他應付款項以及銀行借款以外幣為單位。年內，本集團與一家銀行訂立數份遠期外匯合約，藉以將所面對若干以人民幣計值銀行存款之貨幣波動風險最低。該等衍生工具乃以對沖會計法入賬，因本集團現時並無正式貨幣對沖政策。然而，管理層會監視外幣交易風險，並進一步於有需要時考慮對沖重大外幣風險。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Foreign currency risk (continued)

The carrying amounts of the Group's and the Company's monetary assets and monetary liabilities denominated in currencies other than the respective functional currencies of the relevant group entities at the reporting date are as follows:

THE GROUP

	Assets 資產		Liabilities 負債	
	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
Hong Kong dollars ("HKD") 港元(「港元」)	55,404	4,503	2,448,435	64,864
United States dollars ("USD") 美元(「美元」)	920	2,684	-	8,841
Renminbi ("RMB") 人民幣(「人民幣」)	2,683,345	1,825,283	578,964	771,137

THE COMPANY

	Assets 資產		Liabilities 負債	
	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
HKD 港元	2,022,275	1,424,022	2,577,256	94,845
USD 美元	2,312,099	-	78	-

6. 財務工具(續)

(c) 外幣風險(續)

本集團及本公司之金錢負債及金錢資產賬面值(按並非各相關集團實體於申報當日之功能貨幣為單位)如下:

本集團

本公司

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Foreign currency risk (continued)

Sensitivity Analysis

In the opinion of Directors, since Hong Kong dollars is pegged to United States dollars, no sensitivity analysis in relation to Hong Kong dollars against United States dollars is presented.

The following table details the Group's sensitivity to a 5% increase and decrease in the relevant functional currencies against the foreign currencies. 5% is the sensitivity rate used for the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis includes external receivables and payables as well as receivables from and payables to foreign operations within the Group entities where the denomination of the receivables and payables is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates for the year and other equity where the respective functional currencies strengthen 5% against the relevant foreign currencies. For a 5% weakening of respective functional currencies against the relevant currency, there would be an equal and opposite impact on the profit for the year, and the balances below would be negative.

6. 財務工具(續)

(c) 外幣風險(續)

敏感度分析

董事認為，由於港元與美元掛鉤，故不呈列有關港元兌美元之敏感度分析。

下表詳述本集團於各相關功能貨幣兌外幣上升及下降5%時之敏感度。管理層使用5%敏感度比率對外幣匯率之合理可能變化進行評估。敏感度測試僅包括尚未行使並以外幣為單位之金錢項目，並於年終按該外幣之年末匯率作出5%變動。敏感度分析包括對外應收款項及應付款項，以及應收及應付本集團實體旗下境外經營業務之款項，而應收款項及應付款項以貸方或借方之功能貨幣以外之貨幣為單位。下表之正數表示年度於各功能貨幣兌相關外幣升值5%時，溢利及其他股本權益之增加。各功能貨幣兌相關貨幣貶值5%時，其對本年度溢利之影響乃等額而相反，而下表之結餘亦將為負數。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Foreign currency risk (continued)

Sensitivity Analysis (continued)

		RMB impact 人民幣之影響		HKD impact 港元之影響		USD impact 美元之影響	
		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
THE GROUP	本集團						
(Decrease) increase in profit for the year	年度溢利 (減少)增加	(95,748)	(48,662)	22,939	(54,828)	95,405	259
THE COMPANY	本公司						
(Increase) decrease in profit for the year	年度溢利 (增加)減少	-	-	(22,893)	54,829	95,371	-

The sensitivity analysis excludes the effects of certain forward foreign currency contracts which were entered into to hedge the currency fluctuations risk of bank deposits which are denominated in RMB. The sensitivity of the forward foreign currency contract is provided in note 6(d)(ii).

敏感度分析不包括訂立以對沖人民幣計值銀行存款之貨幣波動風險之若干遠期外部合約之影響。遠期外幣合約之敏感度於附註6(d)(ii)提供。

(d) Other price risk

(i) Conversion option derivative, warrants and share options

The Group and the Company are required to estimate the fair value of the conversion option derivative of the convertible bonds, warrants and options issued by the Company at each balance sheet date, which therefore exposed the Group and the Company to equity price risk. The fair value adjustment will be affected either positively or negatively, amongst others, by the changes in risk free rate, the Company's share price and share price volatility. Details of the convertible bonds, warrants and options issued by the Company are set out in Notes 33 and 30 respectively.

(d) 其他價格風險

(i) 兌換權衍生工具、認股權證及購股權

本集團及本公司需於各結算日估計本公司所發行可換股債券、認股權證及購股權之兌換期權衍生工具之公平值，並因而使本集團及本公司面臨資本權益價格風險。公平值之調整，將受到(其中包括)無風險率變動、本公司之股價，以及股價波動性之正面或負面影響。本公司所發行可換股債券、認股權證及購股權之詳情分別載於附註33及30。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Other price risk (continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to the Company's share price, volatility and foreign currency rate risk at the reporting date only as the Directors consider that the change in risk-free rate may not have significant financial impact on the fair values of conversion option derivative, warrants and share options.

Changes in share price

If the share price of the Company had been 10% higher/lower while all other input variables of the valuation models were held constant, the Group's profit for the year would (decrease) increase and the Company's loss for the year would (increase) decrease as follows:

6. 財務工具(續)

(d) 其他價格風險(續)

敏感度分析

下文之敏感性分析，僅按本公司股價、波幅及外幣匯率風險於申報當日所面臨之風險而定，此乃因為董事認為無風險率之變化不會對兌換期權衍生工具、認股權證及購股權之公平值構成財務影響。

股價之變動

若本公司股價上升/下降10%，估值模式內之其他變數維持不變，即本集團年度溢利之減少/增加情況及本公司之年度虧損情況如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Higher by 10%	上升10%		
Derivative financial instruments:	衍生金融工具：		
Share options	購股權	(33,923)	-
Warrants	認股權證	(59,095)	-
Conversion option derivative	兌換選擇權衍生工具	(124,242)	-
Lower by 10%	減少10%		
Derivative financial instruments:	衍生金融工具：		
Share options	購股權	33,747	-
Warrants	認股權證	56,190	-
Conversion option derivative	兌換選擇權衍生工具	120,258	-

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Other price risk (continued)

Changes in volatility

If the volatility to the valuation model had been 10% higher/lower while all other variables were held constant, the Group's profit would (decrease) increase and the Company's loss for the year would increase as follows:

Higher by 10%	上升10%		
Derivative financial instruments:	衍生金融工具：		
Share options	購股權	(14,146)	—
Warrants	認股權證	(24,395)	—
Conversion option derivative	兌換權衍生工具	(92,965)	—

Lower by 10%	下降10%		
Derivative financial instruments:	衍生金融工具：		
Share options	購股權	16,807	—
Warrants	認股權證	24,771	—
Conversion option derivative	兌換權衍生工具	97,219	—

Change in foreign currency

If the foreign currency rate of RMB against Hong Kong dollars had been 5% higher/lower while all other variables were held constant, the Group's profit would (decrease) increase and the Company's loss for the year would increase (decrease) as follows:

Higher by 5%	上升5%		
Derivative financial instruments:	衍生金融工具：		
Convertible bonds	可換股債券	(39,629)	—
Share options	購股權	(13,695)	—
Warrants	認股權證	(16,014)	—

Lower by 5%	下降5%		
Derivative financial instruments:	衍生金融工具：		
Conversion bonds	可換股債券	39,629	—
Share options	購股權	13,695	—
Warrants	認股權證	16,014	—

6. 財務工具(續)

(d) 其他價格風險(續)

波幅之變動

若估值模式中之波幅上升/下降10%，而所有其他輸入變數不變，則本集團之本年度溢利(減少)增加，而本公司之本年度虧損將增加如下：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Higher by 10%		
Derivative financial instruments:		
Share options	(14,146)	—
Warrants	(24,395)	—
Conversion option derivative	(92,965)	—
Lower by 10%		
Derivative financial instruments:		
Share options	16,807	—
Warrants	24,771	—
Conversion option derivative	97,219	—

外幣匯率之變動

若人民幣兌港元之外幣匯率上升/下降5%而所有其他變數不變，本集團之溢利將(減少)增加而本公司之本年度虧損將增加(減少)如下：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Higher by 5%		
Derivative financial instruments:		
Convertible bonds	(39,629)	—
Share options	(13,695)	—
Warrants	(16,014)	—
Lower by 5%		
Derivative financial instruments:		
Conversion bonds	39,629	—
Share options	13,695	—
Warrants	16,014	—

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Other price risk (continued)

In Director's opinion, the sensitivity analyses are unrepresentative of the inherent market risk as the pricing model used in the fair value valuation of the conversion option component of convertible bonds, warrants and share options involve multiple variables and certain variables are inter-dependent.

(ii) Foreign currency forward contracts

During the year, the Group has entered into several foreign currency forward contracts with a bank to reduce its exposure to currency fluctuations risk of bank deposits which are denominated in RMB. These derivatives are not accounted for under hedge accounting. The Group are required to estimate the fair value of the forward currency contracts at each balance sheet date, which therefore exposed the group to other price risk.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to the Company's forward buying rate risk at the reporting date only.

Changes in forward exchange rate

If the forward exchange rate of RMB against USD had been 5% higher/lower while all other input variables of the valuation models were held constant, the Group's profit for the year would increase (decrease) as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Higher by 5%	上升5%		
Derivative financial instruments:	衍生金融工具：		
Foreign currency forward contracts	外匯遠期合約	31,513	-
Lower by 5%	下降5%		
Derivative financial instruments:	衍生金融工具：		
Foreign currency forward contracts	外匯遠期合約	(23,807)	-

6. 財務工具(續)

(d) 其他價格風險(續)

董事認為，敏感度分析不能代表固有市場風險，乃因為就可換股債券兌換期權部份、認股權證及購股權之公平值進行估值時涉及多項變數，而若干變數之間又互有關連。

(ii) 外幣遠期合約

年內，本集團與一銀行訂立多份外匯遠期合約，將因以人民幣為單位之若干銀行存款而面對之外匯波動風險減少。該等衍生工具並無按對沖會計法入賬。本集團須於各結算日估計外匯遠期合約(使本集團面對其他價格風險)之公平值。

敏感度分析

以下敏感度分析乃基於各有關報告書日期本公司所承受遠期購入匯率風險而釐定。

遠期匯率之變動

倘人民幣兌美元之遠期匯率上升/下降5%，而估值模式之所有其他輸入變數不變，則本集團之本年度溢利增加(減少)如下：

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Credit risk

As at 31st March, 2008, the Group's and the Company's maximum exposure to credit risk which will cause a financial loss to the Group and the Company due to failure to discharge an obligation by the counterparties is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated and the Company's balance sheet; and
- the amount of contingent liabilities in relation to financial guarantee issued by the Company as disclosed in Note 44.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or stated-owned bank in the People's Republic of China (the "PRC").

6. 財務工具(續)

(e) 信貸風險

於二零零八年三月三十一日，本集團及本公司所面臨之最大信貸風險乃交易對手未能履行來自下列各項之責任，導致本集團及本公司蒙受財務上損失：

- 綜合及本公司資產負債表所述，各經認可金融資產之賬面值；及
- 附註44所披露，有關本公司之財務擔保之或然負債額。

為了盡量減低信貸風險，本集團管理層已授權小組專責釐定信貸額、信貸批核及其他監察程序，以確保採取跟進措施收回逾期之債務。此外，本集團於各結算日檢討各個別應收賬款之可收回款額，以確保就無法收回之款額作出足夠之減值虧損撥備。就此而言，本公司董事認為本集團之信貸風險已顯著降低。

流動資金之信貸風險有限，原因為交易對手方均為獲國際信貸評級機構評定優良信貸評級之銀行或中華人民共和國(「中國」)之國營銀行。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Credit risk (continued)

The Group's concentration of credit risk by geographical locations is mainly in the United States of America ("USA"). 45% (2007: 82%) of the balance of trade receivables as at 31st March, 2008 comprise receivables derived from USA. In addition, the Group has significant concentration of credit risk by individual customers with exposure to the Group's five largest customers comprising 32% (2007: 47%) of these outstanding trade receivables.

The Company is exposed to concentration of credit risk on a few subsidiaries on the amounts due from subsidiaries.

(f) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's and the Company's short, medium and long-term funding and liquidity management requirements. The Group and the Company's manage liquidity risk by maintaining adequate reserves, banking facilities and reserve.

The Group and the Company relies on bank borrowings as a significant source of liquidity. As at 31st March, 2008, the Group has available unutilised bank loan facilities of approximately HK\$73,766,000 (2007: HK\$102,251,000).

The following table details the Group's and the Company's remaining contractual maturity for its financial liabilities, including liability component of convertible bonds and foreign currency forward contracts. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

6. 財務工具(續)

(e) 信貸風險(續)

本集團按地點劃分之信貸風險集中程度主要位於美利堅合眾國(「美國」)45%(二零零七年: 82%)。應收賬款於二零零八年三月三十一日之結餘包括54%來自美國之應收賬款。另外,本集團存在個別客戶之高度之信貸集中風險明顯集中,包括該等未償還應收貿易賬款32%(二零零七年: 47%),分佈於本集團五大客戶。

本公司承受一間同系附屬公司之應收附屬公司款項之信貸集中風險。

(f) 流動資金風險

流動資金風險之最終責任在於董事會,彼已為本集團及本公司管理短期、中期及長期資金及流動資金管理之需要,建立恰當於流動資金風險管理框架。本集團及本公司不斷監察預測及實際現金流及貸款,藉著維持適當儲備、銀行信貸額及儲備。

本集團及本公司依賴銀行借款為重大流動資金來源。於二零零八年三月三十一日,本集團有未動用之可用銀行貸款額度約73,766,000港元(二零零七年: 102,251,000港元)。

下表詳述本集團及本公司金融負債(包括可換股債券之債務部分及外匯遠期合約)之所餘契約有效期。已基於本集團須要還款之最早日期,按金融負債之未貼現現金流列表。此表包括利息及本金之現金流。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Liquidity risk (continued) THE GROUP

		Weighted average interest rate 加權平均 利率	Less than 3 months 三個月以下 HK\$'000 千港元	3-6 months 三至六個月 HK\$'000 千港元	6 months to 1 year 六個月至一年 HK\$'000 千港元	1-2 years 一至二年 HK\$'000 千港元	2-5 years 二至五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流總額 HK\$'000 千港元	Carrying amount at 31.3.2008 於二零零八年 三月三十一日 HK\$'000 千港元
2008	二零零八年								
Trade and other payables	應收賬款及 其他應收款項	-	206,288	-	-	-	-	206,288	206,288
Liability component of convertible bonds	可換股債券 之負債部份	7.50%	-	53,201	53,201	106,403	1,897,517	2,110,322	1,047,552
Bank borrowings	銀行借款								
- fixed rate	- 固定利息	5.64%	-	375,235	258,489	-	-	633,724	616,187
- variable rate	- 浮動利息	6.56%	328,018	360,898	-	-	-	688,916	676,080
Foreign currency forward contracts	外幣遠期合約	-	-	32,609	15,071	-	-	47,680	46,661
Obligations under finance leases	融資租約債務	5.37%	44	44	91	176	164	519	436
Amount due to ultimate holding company	應付最終控股 公司款項	-	30	-	-	-	-	30	30
Amount due to a related company	應付一間關連 公司款項	-	11,700	-	-	-	-	11,700	11,700
			546,080	821,987	326,852	106,579	1,897,681	3,699,179	2,604,934

		Weighted average interest rate 加權平均 利率	Less than 3 months 三個月以下 HK\$'000 千港元	3-6 months 三至六個月 HK\$'000 千港元	6 months to 1 year 六個月至一年 HK\$'000 千港元	1-2 years 一至二年 HK\$'000 千港元	2-5 years 二至五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流總額 HK\$'000 千港元	Carrying amount at 31.3.2007 於二零零七年 三月三十一日 HK\$'000 千港元
2007	二零零七年								
Trade and other payables	應收賬款及 其他應收款項	-	134,535	53	-	-	-	134,588	134,588
Bank borrowings	銀行借款								
- variable rate	- 浮動利息	6.40%	274,838	785,867	158,549	-	-	1,219,254	1,193,033
Obligations under finance leases	融資租約債務	4.86%	52	52	89	263	31	487	432
Amount due to ultimate holding company	應付最終控股 公司款項	-	880	-	-	-	-	880	880
Amount due to a related company	應付一間關連 公司款項	-	11,700	-	-	-	-	11,700	11,700
			422,005	785,972	158,638	263	31	1,366,909	1,340,633

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Liquidity risk (continued) THE COMPANY

		Weighted average effective interest rate 權平均 加實際利率	Less than 3 months 三個月以下 HK\$'000 千港元	3-6 months 三至六個月 HK\$'000 千港元	6 months to 1 year 六個月至一年 HK\$'000 千港元	1-2 years 一至二年 HK\$'000 千港元	2-5 years 二至五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流總額	Carrying amount at 31.3.2008 於二零零八年 三月三十一日
								HK\$'000 千港元	HK\$'000 千港元
2008	二零零八年								
Other payables	其他應收款項	-	1,379	-	-	-	-	1,379	1,379
Liability component of convertible bonds	可換股債券 之負債部份	7.50%	-	53,201	53,201	106,403	1,897,517	2,110,322	1,047,552
Amount due to ultimate holding company	應付最終控股 公司款項	-	30	-	-	-	-	30	30
Amount due to a subsidiary	應付一間附屬 公司款項	-	129,902	-	-	-	-	129,902	129,902
Amount due to a related company	應付一間關連 公司款項	-	11,700	-	-	-	-	11,700	11,700
			143,011	53,201	53,201	106,403	1,897,517	2,253,333	1,190,563

		Weighted average effective interest rate 加權平均 實際利率	Less than 3 months 三個月以下 HK\$'000 千港元	3-6 months 三至六個月 HK\$'000 千港元	6 months to 1 year 六個月至一年 HK\$'000 千港元	1-2 years 一至二年 HK\$'000 千港元	2-5 years 二至五年 HK\$'000 千港元	Total undiscounted cash flows 貼現現金 未流總額	Carrying amount at 31.3.2007 於二零零七年 三月三十一日
								HK\$'000 千港元	HK\$'000 千港元
2007	二零零七年								
Other payables	其他應付款項	-	52,815	-	-	-	-	52,815	52,815
Amount due to ultimate holding company	應付最終控股 公司款項	-	330	-	-	-	-	330	330
Amount due to a subsidiary	應付一間附屬公司款項	-	30,000	-	-	-	-	30,000	30,000
Amount due to a related company	應付一間關連 公司款項	-	11,700	-	-	-	-	11,700	11,700
			94,845	-	-	-	-	94,845	94,845

Note: Liquidity risk analysis excludes conversion options derivative, warrants and share options which do not involve cash settlement.

附註：流動資金風險分析不包括非涉及現金結算之兌換權、認股權證及購股權。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(g) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input; and
- the fair value of other financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input. For an options based derivative, the fair value is estimated using option pricing model (Binominal Model).

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their corresponding fair values.

6. 財務工具(續)

(g) 金融工具之公平值

金融資產及金融負債之公平值釐定方法如下：

- 金融資產及金融負債(不包括衍生工具)之公平值乃以貼現現金流分析為基準之公認定價模式或現有市場交易價格或費率作為輸入數據；及
- 其他金融資產及金融負債(包括衍生工具)之公平值乃基於貼現現金流分析以可觀察得現有市場交易之價格及比率作為輸入數據，按公認定價模式釐定。就期權基礎之衍生工具，其公平值以期權定價模式(二項式模式)估算。

董事認為，綜合財務報表中按攤銷成本列賬之金融資產及金融負債之賬面值與彼等之公平值相若。

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7. SEGMENT INFORMATION

In prior financial year, no analysis of the business segments was presented as the Group was only engaged in the development and sales of digital consumer products. The Group's primary segment information in previous years was reported by geographical. Followed the acquisition of certain properties through acquisition of subsidiaries during the year as detailed in Note 38, the Group diversifies its business to property development and property investment other than the development and sales of digital consumer products.

The operations of the Group are currently divided into three businesses, which are development and sales of digital consumer products, property development and property investment. Comparative figures have been restated to conform with current years' presentation.

7. 分類資料

由於本集團僅從事數碼消費產品之開發及銷售，故於上個財政年度並無呈列業績分類分析。本集團於往年之主要分類資料按地區報告。於年內透過收購附屬公司而收購若干物業後（詳情載於附註38），除數碼消費產品開發及銷售外，本集團業務分散至物業發展及物業投資。

本集團業務現時分為三類—數碼消費產品開發及銷售，物業發展及物業投資。比較數字已經重列，以符合本年度之呈列方式。

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7. SEGMENT INFORMATION (CONTINUED)

Business segments

Segment information about these business is presented below.

For the year ended 31st March, 2008

Revenue and results

7. 分類資料(續)

業務分類

有關這些業務之分類資料呈列如下。

截至二零零八年三月三十一日止年度

收益及業績

		Development and sales of digital consumer products		Property development		Property investment		Consolidated	
		數碼消費產品開發及銷售		物業發展		物業投資		綜合	
		2008	2007	2008	2007	2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Turnover	營業額	4,297,788	3,070,579	-	-	-	-	4,297,788	3,070,579
Segment results	分類業績	421,531	300,785	(45,593)	-	1,549,094	-	1,925,032	300,785
Interest income	其他收入							36,436	10,859
Unallocated corporate expenses	未分配公司開支							(36,413)	(17,673)
Gain on disposals of subsidiaries	出售附屬公司之收益	19,619	-	-	-	-	-	19,619	-
Finance costs	財務費用							(237,917)	(81,029)
Losses on derivative financial instruments	衍生金融工具之虧損							(548,795)	-
Profit before taxation	除稅前溢利							1,157,962	212,942
Taxation	稅項							(471,312)	(10,765)
Profit for the year	本年度溢利							686,650	202,177

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7. SEGMENT INFORMATION (CONTINUED)

Business segments (continued)

For the year ended 31st March, 2008

Assets and liabilities

7. 分類資料(續)

業務分類(續)

截至二零零八年三月三十一日止年度

資產及負債

		Development and sales of digital consumer products		Property development		Property investment		Consolidated	
		數碼消費產品開發及銷售	物業發展	物業投資	綜合				
		2008	2007	2008	2007	2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Assets	資產								
Segment assets	分類資產	1,200,647	1,491,279	1,195,326	-	2,790,400	-	5,186,373	1,491,279
Unallocated corporate assets	未分配公司資產							3,473,907	1,755,136
Consolidated total assets	綜合總資產							8,660,280	3,246,415
Liabilities	負債								
Segment liabilities	分類負債	(209,899)	(151,187)	(50,757)	-	-	-	(260,656)	(151,187)
Unallocated corporate liabilities	未分配公司負債							(4,310,222)	(1,299,486)
Consolidated total liabilities	綜合總負債							(4,570,878)	(1,450,673)

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7. SEGMENT INFORMATION (CONTINUED)

Business segments (continued)

For the year ended 31st March, 2008 (continued)

Assets and liabilities (continued)

7. 分類資料(續)

業務分類(續)

截至二零零八年三月三十一日止年度
(續)

資產及負債(續)

	Development and sales of digital consumer products 數碼消費產品 開發及銷售		Property development 物業發展		Property investment 物業投資		Unallocated 未分配		Consolidated 綜合	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	二零零八年 HK\$'000 千港元	二零零七年 HK\$'000 千港元	二零零八年 HK\$'000 千港元	二零零七年 HK\$'000 千港元	二零零八年 HK\$'000 千港元	二零零七年 HK\$'000 千港元	二零零八年 HK\$'000 千港元	二零零七年 HK\$'000 千港元	二零零八年 HK\$'000 千港元	二零零七年 HK\$'000 千港元
Additions to property, plant and equipment	4,890	6,345	1,807	-	-	-	1,980	-	8,677	6,345
(Reversal of) allowance for bad and doubtful debts	(4,022)	11,701	-	-	-	-	-	-	(4,022)	11,701
Release of prepaid lease payments	108	135	-	-	-	-	-	-	108	135
Allowance (reversal of allowance) for inventories	11,530	(5,217)	-	-	-	-	-	-	11,530	(5,217)
Amortisation of trade marks	12,630	12,630	-	-	-	-	-	-	12,630	12,630
Impairment loss on trade marks	36,915	-	-	-	-	-	-	-	36,915	-
Depreciation of property, plant and equipment	23,440	30,487	-	-	-	-	-	-	23,440	30,487
Loss on disposal of property, plant and equipment	122	58	-	-	-	-	-	-	122	58
Share-based payments expenses	32,267	-	-	-	-	-	-	-	32,267	-

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7. SEGMENT INFORMATION (CONTINUED)

Geographical segments

The Group's operations in development and sales of digital consumer products, property development and property investment are principally located in the PRC, excluding Hong Kong.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

7. 分類資料(續)

地區分類

本集團之數碼消費產品開發及銷售、物業發展及投資業務主要位於中國，不包括香港。

下表提供本集團按地區市場分類之銷售之分析(不論貨品/服務之來源地)：

		Sales revenue by Geographical market	
		按地區市場分類之銷售收益	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Europe	歐洲	1,050,598	542,340
USA	美國	1,935,600	1,456,916
Hong Kong	香港	825,407	74
Other regions in the PRC	中國其他地區	253,622	948,965
Others	其他	232,561	122,284
		4,297,788	3,070,579

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7. SEGMENT INFORMATION (CONTINUED)

Geographical segments (continued)

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipments analysed by the geographical area in which the assets are located:

		Carrying amounts of segment assets 分類資產賬面值		Additions to property, plant and equipment 添置物業、廠房及設備	
		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
Hong Kong	香港	15,006	27,055	2,960	1,007
Other regions in the PRC	中國其他地區	4,992,648	1,232,063	5,703	5,254
Others	其他	4,074	7,971	14	84
		5,011,728	1,267,089	8,677	6,345

8. OTHER INCOME

Other income for the year includes the following:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Interest received on bank deposits	銀行存款收取之利息	36,436	10,859

7. 分類資料(續)

地區分類(續)

以下為分類資產賬面值及添置物業、廠房及設備按資產所在地區進行之分析：

8. 其他收入

年內之其他收入包括以下各項：

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9. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

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

The emoluments paid or payable to each of the five (2007: six) Directors were as follows:

		Other emoluments 其他酬金			
		Salaries and other benefits 薪金及 其他福利	Pension costs 退休成本	Total emoluments 酬金總額	
		Fees 袍金 HK\$'000 千港元	Fees 其他福利 HK\$'000 千港元	Fees 退休成本 HK\$'000 千港元	Total 酬金總額 HK\$'000 千港元
Pan Su Tong ("Mr. Pan")	潘蘇通(「潘先生」)	–	15,000	12	15,012
Huang Xiaojian	黃孝建	–	660	–	660
Lai Chi Kin, Lawrence	黎志堅	410	–	–	410
Ng Lai Man, Carmen	吳麗文	341	–	–	341
Cheung Kwan Wai, Sunny	鄭君威	273	–	–	273
Total for 2008	二零零八年總額	1,024	15,660	12	16,696

		Other emoluments 其他酬金			
		Salaries and other benefits 薪金及 其他福利	Pension costs 退休成本	Total emoluments 酬金總額	
		Fees 袍金 HK\$'000 千港元	Fees 其他福利 HK\$'000 千港元	Fees 退休成本 HK\$'000 千港元	Total 酬金總額 HK\$'000 千港元
Mr. Pan	潘先生	–	5,200	–	5,200
Lai Chi Kin, Lawrence	黎志堅	390	–	–	390
Huang Xiaojian	黃孝建	–	403	–	403
Ng Lai Man, Carmen	吳麗文	325	–	–	325
Cheung Kwan Wai, Sunny	鄭君威	260	–	–	260
Dong Zhi Qiang (Note)	董志強(附註)	–	–	–	–
Total for 2007	二零零七年總額	975	5,603	–	6,578

Note: Mr. Dong Zhi Qiang resigned as a Director of the Company on 31st October, 2006.

9. 董事及五名最高薪僱員酬金

(i) 董事酬金詳情如下：

已付或應付五名(二零零七年：六名)董事每名之酬金如下：

		Other emoluments 其他酬金			
		Salaries and other benefits 薪金及 其他福利	Pension costs 退休成本	Total emoluments 酬金總額	
		Fees 袍金 HK\$'000 千港元	Fees 其他福利 HK\$'000 千港元	Fees 退休成本 HK\$'000 千港元	Total 酬金總額 HK\$'000 千港元
Pan Su Tong ("Mr. Pan")	潘蘇通(「潘先生」)	–	15,000	12	15,012
Huang Xiaojian	黃孝建	–	660	–	660
Lai Chi Kin, Lawrence	黎志堅	410	–	–	410
Ng Lai Man, Carmen	吳麗文	341	–	–	341
Cheung Kwan Wai, Sunny	鄭君威	273	–	–	273
Total for 2008	二零零八年總額	1,024	15,660	12	16,696

		Other emoluments 其他酬金			
		Salaries and other benefits 薪金及 其他福利	Pension costs 退休成本	Total emoluments 酬金總額	
		Fees 袍金 HK\$'000 千港元	Fees 其他福利 HK\$'000 千港元	Fees 退休成本 HK\$'000 千港元	Total 酬金總額 HK\$'000 千港元
Mr. Pan	潘先生	–	5,200	–	5,200
Lai Chi Kin, Lawrence	黎志堅	390	–	–	390
Huang Xiaojian	黃孝建	–	403	–	403
Ng Lai Man, Carmen	吳麗文	325	–	–	325
Cheung Kwan Wai, Sunny	鄭君威	260	–	–	260
Dong Zhi Qiang (Note)	董志強(附註)	–	–	–	–
Total for 2007	二零零七年總額	975	5,603	–	6,578

附註：董志強先生於二零零六年十月三十一日辭任本公司董事。

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

(ii) Employees' remuneration:

Of the five highest paid individuals of the Group, one (2007: one) is the Director of the Company whose emoluments are disclosed above. The emoluments of the remaining four (2007: four) are employees of the Group, details of whose remuneration 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
Salaries, allowances and other benefits	薪金、津貼及其他福利	4,543	4,043
Pension costs	退休成本	20	43
		4,563	4,086

Their emoluments were within the following bands:

		2008 二零零八年	2007 二零零七年
Nil to HK\$1,000,000	零港元至1,000,000港元	1	3
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	3	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	-	1
		4	4

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

9. 董事及五名最高薪僱員酬金 (續)

(ii) 僱員酬金：

在本集團五名最高薪人士中，一名(二零零七年：一名)為本公司之董事，彼等之酬金如上披露。其餘本集團之四名(二零零七年：四名)僱員之酬金詳情如下：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Salaries, allowances and other benefits	4,543	4,043
Pension costs	20	43
	4,563	4,086

彼等之酬金介乎下列範圍：

	2008 二零零八年	2007 二零零七年
Nil to HK\$1,000,000	1	3
HK\$1,000,001 to HK\$1,500,000	3	-
HK\$1,500,001 to HK\$2,000,000	-	1
	4	4

於兩年內，本集團並無支付酬金予董事或五位最高薪僱員作為加入本集團時或吸引加入本集團之獎金或作為離職之賠償。於兩年內亦無董事放棄或同意放棄任何酬金。

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10. FINANCE COSTS

10. 財務費用

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Interest on:	下列各項之利息：		
– Bank borrowings wholly repayable within five years	– 須於五年內悉數償還之銀行借款	(126,187)	(80,975)
– Finance leases	– 融資租約	(40)	(54)
Effective interest expenses on convertible bonds	– 可換股債券之實際利息開支	(111,690)	–
		(237,917)	(81,029)

11. LOSSES ON DERIVATIVE FINANCIAL INSTRUMENTS

11. 衍生金融工具之虧損

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Fair value change on share options granted to other participants	授予其他參與者之購股權之公平值變化	(273,901)	–
Fair value change on convertible option derivatives in convertible bonds	兌換期權衍生工具可換股債券之公平值變化	(161,088)	–
Fair value change on warrants	認股權證之公平值變化	(67,145)	–
Fair value change on foreign currency forward contracts	外匯遠期合約之公平值變化	(46,661)	–
		(548,795)	–

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12. PROFIT BEFORE TAXATION

12. 除稅前溢利

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利已扣除(計入)以下各項:		
(Reversal of) allowance for bad and doubtful debts	(撥回)呆壞賬撥備	(4,022)	11,701
Release of prepaid lease payments (included in administrative expenses)	預付租賃款項攤銷(計入為行政費用)	108	135
Auditors' remuneration	核數師酬金	3,119	2,100
Cost of sales comprises:	銷售成本包括:		
Cost of inventories recognised as expenses	確認為開支之存貨成本	3,634,704	2,628,037
Allowance (reversal of allowance) for inventories	存貨撥備(撥備撥回)	11,530	(5,217)
Amortisation of trade marks	商標之攤銷	12,630	12,630
Impairment loss on trademarks	商標之減值虧損	36,915	-
Depreciation of property, plant and equipment	物業、機器及設備之折舊	23,440	30,487
Foreign exchange loss, net	外匯虧損淨額	6,965	13,398
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	122	58
Operating lease rentals in respects of rented premises	租賃物業之經營租約租金	22,458	13,878
Pre-development expenditure (Note)	開發前支出(附註)	70,468	-
Research and development costs expensed	研發成本支出	4,388	2,375
Royalty expenses	版權費支出	565	759
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)		
Salaries, bonuses and allowances	薪金、花紅及津貼	60,364	43,522
Retirement benefits cost	退休福利成本	2,292	2,518
Share-based payments expenses	以股份為基礎之付款	32,267	-
		94,923	46,040

Note: The amount represented expenses incurred before the development of a property development projects for both property development and property investment segments.

附註：該款項指物業發展及物業投資兩個分類開發一項物業開發項目前產生之開支。

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13. TAXATION

13. 稅項

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
The charge comprises:	稅項支出包括：		
The Company and subsidiaries:	本公司及附屬公司：		
PRC Enterprise Income Tax	中國企業所得稅		
– Current year	– 本年度	(45,215)	(11,765)
– (Under) overprovision in prior years	– 以往年度(不足)超額撥備	(301)	1,000
		(45,516)	(10,765)
Deferred tax	遞延稅項	(425,796)	–
Taxation charge for the year	年度稅項支出	(471,312)	(10,765)

No Hong Kong Profits Tax is provided as there was no assessable profit for the year. Taxation arising in other countries or other regions in the PRC is calculated at the rates prevailing in the relevant jurisdiction. Pursuant to relevant laws and regulations in the PRC, certain subsidiaries are entitled to exemption from Enterprise Income Tax under certain tax holidays and concessions. And one of the subsidiaries established in Macau was entitled to exemption from income tax under relevant tax concessions. This Macau subsidiary was disposed of during the year.

因本年度並無應課稅溢利，故無計提香港利得稅。其他國家或中國其他地區之稅項乃按有關司法權區所採用之現行稅率計算。根據中國相關法例及法規，若干附屬公司有權按若干免稅期及減免豁免繳納企業所得稅。另澳門成立之一間附屬公司根據相關稅務優惠獲豁免所得稅。此澳門附屬公司已於年內出售。

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13. TAXATION (CONTINUED)

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

On 16th March, 2007, the PRC promulgated the Law of the PRC on Enterprise Income (the "New Law") by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations have changed the tax rate to 25% from 1st January, 2008 after the Tax benefit Period.

13. 稅項(續)

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

於二零零七年三月十六日，中國以中國主席令第63號頒佈中國企業所得法(「新稅法」)。於二零零七年十二月六日，中國國務院發出新稅法之實施細則。新稅法及實施細則已由二零零八年一月一日起於稅務優惠期後將稅率改為25%。

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13. TAXATION (CONTINUED)

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

13. 稅項(續)

年度稅項支出可與綜合收益表之除稅前溢利對賬如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit before taxation	除稅前溢利	1,157,962	212,942
Tax charge at the domestic income tax rate of 33% (2007: 33%)	按本地所得稅率33% (二零零七年：33%) 計算之稅項支出	(382,127)	(70,271)
Tax effect of income not taxable for tax purpose	就課稅而言毋須課稅收入之稅務影響	13,603	12,407
Tax effect of expenses not deductible for tax purpose	就課稅而言不得扣減開支之稅務影響	(317,797)	(10,643)
Tax effect of tax losses not recognised	並無確認之稅項虧損之稅務影響	(30,046)	(25,482)
Withholding tax on undistributed earnings of subsidiaries (Note 34)	附屬公司未分派盈利之預扣稅(附註34)	(29,100)	-
Effect of tax exemptions granted to the PRC subsidiaries	授予中國附屬公司之稅項豁免之影響	-	(6,959)
Effect of tax exemptions for offshore profits	就離岸溢利之稅項豁免之影響	17,622	59,327
Income tax on concessionary rate	按優惠率計算之所得稅	138,591	29,856
Effect of tax rate differential between 33% and 25%	33%及25%稅率不同之影響	117,634	-
(Under)overprovision in prior year	過往年度之(撥備不足)超額撥備	(301)	1,000
Others	其他	609	-
Taxation charge for the year	年度稅項支出	(471,312)	(10,765)

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14. DIVIDENDS**14. 股息**

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
2007 proposed final dividend of HK6.5 cents per share	二零零七年擬派末期股息每股6.5港仙	-	51,593
Dividends recognised as distribution during the year:	年內確認作分派之股息：		
Final dividend in respect of previous year	上一年度末期股息	51,612	27,477
2007 interim dividend of HK 7.5 cents per share	二零零七年中期股息每股7.5港仙	-	51,519
Total dividends paid/payable	已付／應付股息總額	51,612	78,996

No final dividend in respect of year ended 31st March, 2008 has been proposed by the Directors of the Company. The final dividend in respect of year ended 31st March, 2007 of HK6.5 cents per share on 793,734,683 ordinary shares had been proposed by the Directors of the Company.

本公司董事並不建議派付截至二零零八年三月三十一日止年度之末期股息。本公司董事建議派付截至二零零七年三月三十一日止年度793,734,683股每股面值6.5港仙之普通股股息。

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15. EARNINGS PER SHARE

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

Earnings

Profit for the purpose of basic and diluted earnings per share (profit for the year attributable to equity holders of the Company)

盈利

就計算每股基本及攤薄盈利(本公司權益持有人應佔年度溢利)

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
		686,650	202,177
		2008 二零零八年 Number of shares 股份數目	2007 二零零七年 Number of shares (Restated) 股份數目 (經重列)
<u>Number of shares</u>	<u>股份數目</u>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利之普通股加權平均數	1,064,669,451	764,719,318
Effect of dilutive potential ordinary shares – Share options	潛在攤薄普通股之影響 – 購股權	19,919,784	12,605,037
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就每股攤薄盈利之普通股加權平均數	1,084,589,235	777,324,355

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share has been adjusted for the rights issue on 28th August, 2007.

The computation of diluted earnings per share for the year ended 31st March, 2008 does not assume the conversion of the Company's outstanding convertible bonds and warrants since their exercise would result in an increase in profit per share.

15. 每股盈利

每股基本及攤薄盈利乃根據下列資料計算：

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
	686,650	202,177

	2008 二零零八年 Number of shares 股份數目	2007 二零零七年 Number of shares (Restated) 股份數目 (經重列)
	1,064,669,451	764,719,318
	19,919,784	12,605,037
	1,084,589,235	777,324,355

就計算每股基本及攤薄盈利之普通股加權平均數已因二零零七年八月二十八日之供股而作出調整。

於截至二零零八年三月三十一日止年度之每股攤薄盈利之計算並不假設有兌換本公司尚未行使之可換股債券及認股權證，因其行使導致每股溢利增加。

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16. PROPERTY, PLANT AND EQUIPMENT**16. 物業、機器及設備**

		Buildings	Plant and machinery	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
		樓宇	機器及設備	租賃物業裝修	傢俬、裝修及器材	汽車	總額
		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
THE GROUP	本集團						
AT COST	成本						
At 1st April, 2006	於二零零六年四月一日	108,760	165,844	3,698	6,084	4,404	288,790
Exchange realignment	匯兌調整	4,568	14,022	-	428	166	19,184
Additions	增加	1,178	2,939	1,008	647	573	6,345
Disposals	出售	-	-	(289)	(179)	(145)	(613)
At 31st March, 2007	於二零零七年三月三十一日	114,506	182,805	4,417	6,980	4,998	313,706
Exchange realignment	匯兌調整	3,111	9,491	48	655	210	13,515
Additions	增加	-	1,641	3,406	1,883	1,747	8,677
Disposals	出售	-	-	(1,890)	(12)	(893)	(2,795)
Disposals of subsidiaries	出售附屬公司	(35,491)	(96,396)	(1,652)	(2,108)	(808)	(136,455)
At 31st March, 2008	於二零零八年三月三十一日	82,126	97,541	4,329	7,398	5,254	196,648
DEPRECIATION	折舊						
At 1st April, 2006	於二零零六年四月一日	4,658	45,940	2,428	4,285	1,744	59,055
Exchange realignment	匯兌調整	331	2,983	-	141	49	3,504
Provided for the year	年度撥備	4,566	21,839	1,263	1,933	886	30,487
Eliminated on disposals	出售時抵銷	-	-	(289)	(102)	(89)	(480)
At 31st March, 2007	於二零零七年三月三十一日	9,555	70,762	3,402	6,257	2,590	92,566
Exchange realignment	匯兌調整	432	3,270	17	330	78	4,127
Provided for the year	年度撥備	3,009	16,398	1,503	1,609	921	23,440
Eliminated on disposals	出售時抵銷	-	-	(1,579)	-	(691)	(2,270)
Disposals of subsidiaries	出售附屬公司	(7,002)	(46,547)	(1,568)	(1,767)	(371)	(57,255)
At 31st March, 2008	於二零零八年三月三十一日	5,994	43,883	1,775	6,429	2,527	60,608
CARRYING AMOUNTS	賬面值						
At 31st March, 2008	於二零零八年三月三十一日	76,132	53,658	2,554	969	2,727	136,040
At 31st March, 2007	於二零零七年三月三十一日	104,951	112,043	1,015	723	2,408	221,140

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16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Note: On 31st July, 2003, the Group entered into a purchase agreement to acquire the entire equity interests in Best Concord Group Limited, which beneficially owned a plant under construction situated at Shenzhen, the PRC, from Matsunichi Communications (Hong Kong) Limited, a company which was wholly and beneficially owned by Mr. Pan, a beneficial owner of Jade Forest and a Director of the Company, at a consideration of HK\$78,000,000, which is included in the buildings. The remaining balance outstanding as at 31st March, 2008 of HK\$11,700,000 has been included in the amount due to a related company in the current liabilities (see Note 29) which shall be payable upon completion of due registration of the title of the plant in the name of Best Concord Group Limited, when all necessary licences for commencing operation of the plant by Best Concord Group Limited have been obtained. As at 31st March, 2008, the title of the plant was registered under the name of a subsidiary directly held by Best Concord Group Limited.

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

The carrying amounts of the Group's motor vehicles and furniture, fixtures and equipment include an amount of HK\$342,000 (2007: HK\$436,000) and HK\$203,000 (2007: HK\$21,000), respectively, in respect of assets held under finance leases.

16. 物業、機器及設備(續)

*附註：*於二零零三年七月三十一日，本集團訂立一項購買協議，向松日資訊(香港)有限公司收購Best Concord Group Limited之全部股權。松日資訊(香港)有限公司乃由Jade Forest實益擁有人及本公司董事潘先生全資及實益擁有。Best Concord Group Limited則實益擁有位於中國深圳市之興建中廠房。有關之代價為78,000,000港元。有關物業已列入樓宇。於二零零八年三月三十一日應付而未付之餘款為11,700,000港元，已列入流動負債中應付一間關連公司款項(見附註29)，應付時間為完成廠房業權以Best Concord Group Limited名義正式登記，以及取得Best Concord Group Limited將廠房投產所需之一切許可證明文件。於二零零八年三月三十一日，廠房業權已以Best Concord Group Limited直接持有之附屬公司名義登記。

該樓宇位於以中期租約持有之土地上並位於中國。

本集團名下汽車及傢俬、裝修及器材之賬面值中以融資租約持有之資產所佔款額分別為342,000港元(二零零七年：436,000港元)及203,000港元(二零零七年：21,000港元)。

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16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Buildings	Over the estimated useful life of 20 years, or the unexpired term of the relevant lease, whichever is shorter
Plant and machinery	10% – 20%
Leasehold improvements	Over the estimated useful life of 5 years or the unexpired term of the relevant lease, whichever is shorter
Furniture, fixtures and equipment	20% – 33 $\frac{1}{3}$ %
Motor vehicles	20%

16. 物業、機器及設備(續)

上述物業、機器及設備乃以直線法按下列年率折舊：

樓宇	二十年之估計可用年期或尚餘有關租約期內(以較短期者為準)
機器及設備	10% – 20%
租賃物業裝修	五年之估計可用年期或尚餘有關租約期內(以較短期者為準)
傢俬、裝置及器材	20% – 33 $\frac{1}{3}$ %
汽車	20%

17. INVESTMENT PROPERTIES

17. 投資物業

		HK\$'000 千港元
At 1st April, 2006, 1st April, 2007 and 31st March, 2008	於二零零六年四月一日、二零零七年四月一日及二零零八年三月三十一日	–
Acquired through acquisition of subsidiaries	透過收購附屬公司	1,105,290
Additions	添置	21,028
Increase in fair value recognised in the consolidated income statement	於綜合收益表確認之公平值之增加	1,586,786
Exchange realignment	匯兌調整	77,296
At 31st March, 2008	於二零零八年三月三十一日	2,790,400

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17. INVESTMENT PROPERTIES (CONTINUED)

The fair value of the Group's investment properties at 31st March, 2008 has been arrived at on the basis of a valuation carried out on that date by Knight Frank Petty Limited, independent qualified professional valuers not connected with the Group, who has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to "First Edition of The HKIS Valuation Standards on Properties" published by Hong Kong Institute of Surveyors, was arrived at by adopting the direct comparison approach making reference to the recent transactions of similar properties under the prevailing property market conditions.

All of the Group's investment properties represented leasehold lands located in the PRC under long lease, which were held for undetermined future use.

18. PREPAID LEASE PAYMENTS

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

17. 投資物業(續)

本集團投資物業於二零零八年三月三十一日之公平值已按與本集團並無關連之獨立合資格專業估值師萊坊測計師行有限公司於當日作出之估值計算，萊坊測計師行有限公司於相關地區類似物業之估值具備合適資格及近期經驗。估值乃遵照香港測量師學會刊印之「香港測量師學會物業估值標準第一版」，參照現時物業市場狀況類似物業之近期交易，採用直接比較法計算。

本集團之全部投資物業位於中國，為以長期租約持有及並未決定日後用途之土地。

18. 預付租賃款項

本集團之預付租賃款項乃指以中期租約持有位於中國之土地使用權。

		THE GROUP	
		本集團	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Analysed for reporting purposes as:	就報告目的作出分析：		
Current portion	流動部份	63	135
Non-current portion	非流動部份	2,741	5,936
		2,804	6,071

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19. INTANGIBLE ASSETS**19. 無形資產**

		Trade marks 商標 HK\$'000 千港元	Club debentures 會所債券 HK\$'000 千港元	Total 總計 HK\$'000 千港元
THE GROUP	本集團			
AT COST	成本			
At 1st April, 2006, 31st March, 2007 and 31st March, 2008	於二零零六年四月一日、 二零零七年三月三十一日 及二零零八年三月三十一日 之結餘	251,650	610	252,260
AMORTISATION	攤銷			
At 1st April, 2006	於二零零六年四月一日之結餘	14,830	-	14,830
Charge for the year	年度支出	12,630	-	12,630
At 31st March, 2007	於二零零七年三月三十一日結餘	27,460	-	27,460
Charge for the year	年度支出	12,630	-	12,630
At 31st March, 2008	於二零零八年三月三十一日結餘	40,090	-	40,090
IMPAIRMENT	減值			
At 1st April, 2006 and 31st March, 2007	於二零零六年四月一日及 二零零七年三月三十一日 之結餘	-	520	520
Impairment loss for the year	年度減值虧損	36,915	-	36,915
At 31st March, 2008	於二零零八年三月三十一日	36,915	520	37,435
CARRYING AMOUNTS	賬面值			
At 31st March, 2008	於二零零八年三月三十一日	174,645	90	174,735
At 31st March, 2007	於二零零七年三月三十一日	224,190	90	224,280

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19. INTANGIBLE ASSETS (CONTINUED)**19. 無形資產(續)**

		Trade marks	Club debentures	Total
		商標	會所債券	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
THE COMPANY	本公司			
AT COST	成本			
At 1st April, 2006,	於二零零六年四月一日、			
31st March, 2007	二零零七年三月三十一日			
and 31st March, 2008	及二零零八年三月三十一日			
	之結餘	-	610	610
IMPAIRMENT	減值			
At 1st April, 2006,	於二零零六年四月一日、			
1st April, 2007	二零零七年四月一日			
and 31st March, 2008	及二零零八年三月三十一日			
	之結餘	-	520	520
CARRYING AMOUNTS	賬面值			
At 31st March, 2008	於二零零八年三月三十一日	-	90	90
At 31st March, 2007	於二零零七年三月三十一日	-	90	90

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19. INTANGIBLE ASSETS (CONTINUED)

Trade marks

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

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

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

19. 無形資產(續)

商標

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

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

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

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19. INTANGIBLE ASSETS (CONTINUED)

Trade marks (continued)

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

Both the non-PRC trade marks and the PRC trade marks are amortised over their useful lives of 20 years (2007: 20 years). In the opinion of the directors of the Company, the underlying value of the trade marks was not less than their carrying amounts at 31st March, 2008.

The trade marks are classified under the business segment of development and sales of digital consumer products and assessed impairment based on the cash-generating unit of certain production lines in respect of the sales of digital consumer products.

Due to the disposal of certain subsidiaries during the year, the management expects the capacity of the Group's production to digital consumer products will be reduced, which will lead to a decrease in sales of the digital consumer products. Hence, cash flow forecast was prepared by the management to estimate the recoverable amounts of the trade marks.

The recoverable amounts of the trade marks have been determined on the basis of their value in use. The key assumptions for the value in use calculations are those regarding the discount rate, growth rate and expected changes in sales and direct costs of digital consumer products during the forecasted period. Management estimates discount rate of 17% that reflects current market assessments of the time value of money and the risk specific to the Group's business in manufacture and trading of digital consumer products. As the recoverable amount of the trade marks is estimated to be less than its carrying amount, the carrying amount of the trade marks is reduced to its recoverable amount through recognition of an impairment loss against the trade marks of HK\$36,915,000 for the year.

19. 無形資產(續)

商標(續)

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

非中國商標及中國商標乃於其可用年期20年(二零零七年: 20年)內攤銷。董事認為，商標之基本價值不低於其於二零零八年三月三十一日之賬面值。

商標乃分類為數碼消費產品開發及銷售業務分類以及基於有關銷售數碼消費產品若干生產線產現單位之經評估減值。

由於年內出售若干附屬公司，故管理層預期本集團就數碼消費產品之生產能力將會下跌，因而導致數碼消費產品銷售減少。因此，管理層編製現金流量預測，以估計商標之可收回金額。

商標之可收回金額按其使用價值釐定。計算使用價值之主要假設就預測期間之貼現率、增長率及銷售預期變動及數碼消費者產品之直接成本作出。管理層估計之貼現率17%，反映現時市場評估之貨幣時間價值及本集團數碼消費產品製造及買賣業務特定風險。由於商標之可收回金額估計低於其賬面值，商標之賬面值透過年內確認商標36,915,000港元之減值虧損，減少至其可收回金額。

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19. INTANGIBLE ASSETS (CONTINUED)

Club debentures

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

19. 無形資產(續)

會所債券

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

20. INVESTMENTS IN SUBSIDIARIES

20. 附屬公司投資

		THE COMPANY	
		本公司	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份，按成本	127,517	83,468
Unlisted capital contribution, at cost	非上市注資，按成本	288,582	157,720
		416,099	241,188
Less: Impairment loss recognised	減：已確認之減值虧損	(24,378)	(5,103)
		391,721	236,085

Particulars of the Company's principal subsidiaries at 31st March, 2008 and 2007 are set out in Note 47. During the year, impairment loss of HK\$19,275,000 was fully recognised to income statement.

本公司主要附屬公司於二零零八年及二零零七年三月三十一日之資料載於附註47。年內，減值虧損19,275,000港元全數於收益表確認。

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21. INVENTORIES

21. 存貨

		THE GROUP	
		本集團	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原料	55,924	45,043
Work in progress	半製成品	4,245	6,855
Finished goods	製成品	8,664	7,186
		68,833	59,084

22. PROPERTIES UNDER DEVELOPMENT

In the opinions of the Directors, the amount is expected not to be realised within twelve months from the balance sheet date.

22. 發展中物業

董事認為，該款項預期不會於結算日起計十二個月內變現。

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23. TRADE AND OTHER RECEIVABLES

23. 應收賬款及其他應收款項

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Trade receivables	應收賬款	722,845	815,914	-	-
Less: Allowance for doubtful debts	減：呆賬撥備	(9,198)	(34,554)	-	-
		713,647	781,360	-	-
Other receivables	其他應收款項	271,169	199,434	11,685	-
Total trade and other receivables	應收賬款及其他應收款項總額	984,816	980,794	11,685	-

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23. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group allows a credit period ranging from 30 days to 120 days to its trade customers. Long credit periods are granted to several well established customers with long business relationship. The following is an aged analysis of trade receivables net of allowance of doubtful debts at the reporting date:

0 – 30 days	零至30日
31 – 90 days	31至90日
91 – 180 days	91至180日
Over 180 days	180日以上

The average age of trade receivables is 62 days (2007: 56 days). Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically.

23. 應收賬款及其他應收款項 (續)

本集團給予其客戶之信貸期介乎30日至120日。數名已建立長期良好業務關係之客戶可獲得較長之信貸期。以下為於報告日期以賬齡劃分之應收賬款減呆賬撥備分析：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
145,702	262,028
447,127	445,733
112,710	44
8,108	73,555
713,647	781,360

應收賬款之平均賬齡為62日(二零零七年：56日)。接納任何新客戶前，本集團評估潛在客戶信貸質素及確定信貸限額。向客戶授出之信貸限額乃定期進行審閱。

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23. TRADE AND OTHER RECEIVABLES (CONTINUED)

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$431,364,000 (2007: HK\$568,920,000) which are past due at the reporting date for which the Group has not provided for impairment loss. For those past due but not impaired receivables, although no collateral is hold, the Group has assessed the creditworthiness, past payment history and substantial settlement after the balance sheet date, and considered that the default risk is low, and accordingly no impairment has been provided. Trade receivables which are neither overdue nor impaired are in good quality. The Group does not hold any collaterals over these balances. The average age of these receivables is 35 days (2007: 54 days).

Other receivables mainly represent proceeds receivable from factoring of trade receivables and accrued bank deposit interest. The counterparties of proceeds receivable from factoring of trade receivables and accrued bank deposit interests are financial institutions with high credit ratings assigned by international credit rating agencies. In this regard, the directors consider that the Group's credit risk is significant reduced and there is no credit provision required at the balance sheet date.

23. 應收賬款及其他應收款項 (續)

本集團應收賬款結餘中包括於報告日期已到期但本集團並未作出減值虧損撥備之應收賬款，賬面值合共431,364,000港元（二零零七年：568,920,000港元）。就已到期但並未減值之應收賬款而言，雖然並無抵押，但本集團已評估有關客戶的信譽及過往還款紀錄，而大部份款項已於結算日之後結清。本集團認為違約風險低，故並無就減值作出撥備。並未逾期或減值之應收賬款屬信貸良好。本集團並無就這些結餘持有任何抵押。這些應收賬款之平均賬齡為35日（二零零七年：54日）。

其他應收款項主要指應收貿易款項讓售之應收所得款項及應計銀行存款利息。應收貿易款項讓售之應收所得款項、應計銀行存款利息之交易對手均為獲國際信貸評級機構評以高信貸評級之金融機構。就此而言，董事認為本集團之信貸風險已予明顯降低，故於結算日無須作出信貸撥備。

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23. TRADE AND OTHER RECEIVABLES (CONTINUED)

Ageing of trade receivables which are past due
but not impaired

Within 30 days	30日內
31 – 90 days	31至90日
91 – 180 days	91至180日
Over 180 days	180日以上
Total	總計

The Group has provided fully for all receivables over 180 days and with no subsequent settlement because historical experience is that such receivables are generally not recoverable.

23. 應收賬款及其他應收款項 (續)

已到期但未減值之應收貨款之賬齡

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
310,587	154,355
279	353,349
112,390	82
8,108	61,134
431,364	568,920

本集團已就全部180日以上及並無於期後清償之應收賬款作出全數撥備，乃因根據過往經驗，該等應收賬款一般不可收回。

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23. TRADE AND OTHER RECEIVABLES (CONTINUED)

Movement in the allowance for doubtful debts

23. 應收賬款及其他應收款項 (續)

呆賬撥備變動

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
At 1st April	於四月一日	34,554	23,436
Eliminated upon disposal of subsidiaries	出售附屬公司時對銷	(21,477)	-
Impairment losses recognised on receivables	應收賬款之已確認減值虧損	6,200	10,886
Amounts written off as uncollectible	撇銷作不可收回之金額	(286)	-
Amounts recovered during the year	年內收回金額	(10,222)	-
Exchange realignment	匯兌調整	429	232
At 31st March	於三月三十一日	9,198	34,554

The Group's trade and other receivables that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

以相關集團實體之功能貨幣以外之貨幣為單位之本集團應收賬款及其他應收款項如下：

		USD 美元 HK\$'000 千港元	HKD 港元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元
At 31st March, 2008	於二零零八年三月三十一日	596	11,687	14,944
At 31st March, 2007	於二零零七年三月三十一日	6	-	113,116

All of the Company's other receivables of HK\$11,685,000 are denominated in Hong Kong dollars ("HKD"), a currency other than the functional currency of the Company.

本公司其他應付款項11,685,000港元按港元計值，港元並非本公司之功能貨幣。

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24. AMOUNTS DUE FROM RELATED COMPANIES

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

Name of related company 關連公司名稱	Balance at 31st March, 2008 於二零零八年 三月三十一日 之結餘 HK\$'000 千港元	THE GROUP	
		本集團 Balance at 1st April, 2007 於二零零七年 四月一日 之結餘 HK\$'000 千港元	Maximum amount outstanding during the year 年內尚未 收回款項之 最高款額 HK\$'000 千港元
廣東松日通訊科技股份有限公司	84	753	753
松日高科電子(深圳)有限公司	160	11	160
松日信息上海分公司	1,688	2,209	2,209
	1,932	2,973	

The amounts are unsecured, interest-free and repayable on demand.

本公司董事潘先生擁有實益權益之應收關連公司款項之詳情如下：

有關款項乃無抵押、免息及按要求償還。

25. AMOUNTS DUE FROM SUBSIDIARIES/ AMOUNT DUE TO A SUBSIDIARY THE COMPANY

The amounts due from subsidiaries are unsecured, carry effective interest at 5.25% per annum and are repayable on demand.

The amount due to a subsidiary is unsecured, interest-free and repayable on demand.

25. 應收附屬公司款項／應付一間附屬公司款項

本公司
應收附屬公司款項乃無抵押、按實際年利率5.25%計息及按要求償還。

應付一間附屬公司款項乃無抵押、免息及按要求償還。

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26. PLEDGED BANK DEPOSITS/BANK BALANCE AND CASH

Pledged bank deposits

Pledged bank deposits represent deposits pledged to a bank to secure short-term banking facilities granted to the Group and are therefore classified under current assets. The pledged bank deposits will be released upon the settlement of the relevant bank borrowings.

The Group's pledged bank deposits that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

Pledged bank deposits	已抵押銀行存款	RMB 人民幣 HK\$'000 千港元
At 31st March, 2008	於二零零八年三月三十一日	662,292
At 31st March, 2007	於二零零七年三月三十一日	-

All bank deposits carry interest at market rates which range from 1.98% to 4.14% (2007: 0.14% to 1.98%) per annum.

26. 已抵押銀行存款／銀行結存及現金

已抵押銀行存款

有關款項乃指抵押予銀行之存款，以取得授予本集團之短期銀行融資，故此被分類為流動資產。已抵押銀行存款將於償還有關銀行借款後解除抵押。

以相關集團實體之功能貨幣以外之貨幣為單位之本集團之已抵押銀行存款如下：

全部銀行存款按市場利率計算，息率為每年1.98%至4.14%（二零零七年：0.14%至1.98%）。

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26. PLEDGED BANK DEPOSITS/BANK BALANCE AND CASH (CONTINUED)

Bank balances and cash

The Group's bank balances and cash are denominated in currencies other than the functional currency of the relevant group entities are set out below:

		USD 美元 HK\$'000 千港元	HKD 港元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元
Bank balances and cash	銀行結存及現金			
At 31st March, 2008	於二零零八年三月三十一日	324	43,717	2,004,176
At 31st March, 2007	於二零零七年三月三十一日	2,678	4,503	1,709,194

All of the Company's bank balances and cash of HK\$43,717,000 (2007: HK\$4,496,000) are denominated in HKD, a currency other than the functional currency of the Company.

As at 31st March 2008, included in bank balances and cash is cash-in-transit of HK\$1,218,214,000 (2007: nil).

All bank deposits carry interest at market rates which range from 1.98% to 4.14% (2007: 0.14% to 1.98%) per annum.

26. 已抵押銀行存款／銀行結存及現金(續)

銀行結存及現金

以相關集團實體之功能貨幣以外之貨幣為單位之本集團之銀行結存及現金如下：

		USD 美元 HK\$'000 千港元	HKD 港元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元
全部本公司之銀行結存及現金				
43,717,000港元(二零零七年：4,496,000港元)按港元計值，港元並無本公司之功能貨幣。				
於二零零八年三月三十一日，計入銀行結存及現金有在途現金1,218,214,000港元(二零零七年：無)。				
全部銀行存款按市場利率計算，息率為每年1.98%至4.14%(二零零七年：0.14%至1.98%)。				

全部本公司之銀行結存及現金43,717,000港元(二零零七年：4,496,000港元)按港元計值，港元並無本公司之功能貨幣。

於二零零八年三月三十一日，計入銀行結存及現金有在途現金1,218,214,000港元(二零零七年：無)。

全部銀行存款按市場利率計算，息率為每年1.98%至4.14%(二零零七年：0.14%至1.98%)。

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27. TRADE AND OTHER PAYABLES

An aged analysis of trade payables at the balance sheet date is set out 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
0 – 90 days	零至90日	105,523	22,457	-	-
91 – 180 days	91至180日	13,598	9,174	-	-
Over 180 days	180日以上	12,358	24,382	-	-
		131,479	56,013	-	-
Dividend payable	應付股息	1,102	52,594	1,102	52,594
Other payable	其他應付款項	164,054	122,070	3,257	221
		296,635	230,677	4,359	52,815

The Group's trade payables that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

		USD 美元 HK\$'000 千港元	HKD 港元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元
At 31st March, 2008	於二零零八年三月三十一日	-	2,382	125,851
At 31st March, 2007	於二零零七年三月三十一日	8,841	52,834	18,866

The average credit period on purchases of goods is 75 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

27. 應付賬款及其他應付款項

以下為於結算日以賬齡劃分之應付賬款分析：

以下為相關集團實體功能貨幣以外之貨幣列值之本公司其他應付款項：

購買貨品之平均信貸期為75日。本集團具有財務風險管理政策，以確保全部應付款項於信貸期內清償。

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27. TRADE AND OTHER PAYABLES (CONTINUED)

The Company's other payables that are denominated in currencies other than the functional currencies of the Company are set out below:

		HKD 港元 HK\$'000 千港元
At 31st March, 2008	於二零零八年三月三十一日	1,378
At 31st March, 2007	於二零零七年三月三十一日	52,815

28. AMOUNT DUE TO ULTIMATE HOLDING COMPANY THE GROUP AND THE COMPANY

The amount is unsecured, interest-free and repayable on demand.

29. AMOUNT DUE TO A RELATED COMPANY THE GROUP AND THE COMPANY

The amount represents amount due to Matsunichi Communications (Hong Kong) Limited in which Mr. Pan is the controlling shareholder and a director (see Note 16).

The amount is unsecured, interest-free and repayable on demand.

27. 應付賬款及其他應付款項 (續)

以下為本公司功能貨幣以外之貨幣列值之本公司其他應付款項：

28. 應付最終控股公司款項

本集團及本公司
有關款項乃無抵押、免息及按要求償還。

29. 應付一間關連公司款項

本集團及本公司
該款項為應付松日資訊(香港)有限公司之款項。潘先生為松日資訊(香港)有限公司之控股股東及董事(見附註16)。

該款項乃無抵押、免息及按要求償還。

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30. DERIVATIVE FINANCIAL INSTRUMENTS

30. 衍生金融工具

	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
Foreign currency forward contracts (Note a)	46,661	—	—	—
Share options (Note b)	273,901	—	273,901	—
Warrants (Note c)	320,281	—	320,281	—
	640,843	—	594,182	—

	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
Represented as:				
Current liabilities (Note d)	46,661	—	—	—
Non-current liabilities (Note e)	594,182	—	594,182	—
	640,843	—	594,182	—

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30. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Notes:

- (a) During the year, the Group has entered into several foreign currency forward contracts with a bank to reduce its exposure to currency fluctuations risk of bank deposits that denominated in RMB. These derivatives are not accounted for under hedge accounting.

At 31st March, 2008, the Group had outstanding foreign currency forward contracts denominated in United States dollars with total notional amount of US\$85,411,000 (equivalent to HK\$664,660,000). These contracts are subject to net settlement at various maturity dates and are measured at fair value at the balance sheet date. Their fair values are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. The major terms of these foreign currency forward contracts are as follows:

Notional amount 名義金額	Maturity date 到期日	Exchange rates 匯率
Buy US\$85,411,000 買入85,411,000美元	various dates from 18th August, 2008 to 18th March, 2009 由二零零八年八月十八日至二零零九年三月十八日多個日期	range from RMB6.820/US\$1 to RMB7.349/US\$1 由1美元兌人民幣6.820元至1美元兌人民幣7.349元

30. 衍生金融工具(續)

附註：

- (a) 年內，本集團與一家銀行訂立多份外匯遠期合約，以減少若干以人民幣為單位之銀行存款之匯率波動風險。該等衍生工具並無按對沖會計法入賬。

於二零零八年三月三十一日，本集團有以美元為單位之未行使外匯遠期合約，總名義額為85,411,000美元(相當於664,660,000港元)。該等合約需於各自之到期日予以淨結算，並於結算日按公平值計量。彼等之公平值乃按所報之遠期匯率及源自有效期而合約相若者所報利率之孳息曲線而計量。遠期外匯合約之主要條款如下：

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30. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Notes: (continued)

- (b) On 27th November, 2007, 64,000,000 share options with estimated fair values of HK\$263,336,000 were granted to potential investors at nil consideration.

The fair value of the share options at 31st March, 2008 is HK\$273,901,000.

These fair values at 27th November, 2007 and 31st March, 2008 were calculated using The Binomial model. The inputs into the model were as follows:

		27th November, 2007 二零零七年 十一月二十七日	31st March, 2008 二零零八年 三月三十一日
Share price	股價	HK\$6.56港元	HK\$6.85港元
Exercise price	行使價	HK\$6.56港元	HK\$6.56港元
Expected volatility	預期波幅	60.60%	61.00%
Remaining life	剩餘年期	10 years年	9.7 years年
Risk-free rate	無風險息率	3.27%	2.56%
Expected dividend yield	預期股息收益	1.20%	1.20%
Exercise multiple	行使倍數	4.90	4.90

Expected volatility was determined by using the historical volatility of the Company's share price before the grant date for previous three years. The exercise multiple was to account for the early exercise behaviour of the share options granted by the Company.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in comprising the fair value of share options are based on Director's last estimate. The value of an option varies with different variables of certain subjective assumptions.

30. 衍生金融工具(續)

附註：(續)

- (b) 於二零零七年十一月二十七日，估計公平值263,336,000港元之64,000,000份購股權已無償授予潛在投資者，行使價6.56港元。

購股權於二零零八年三月三十一日之公平值為273,901,000港元。

於二零零七年十一月二十七日及二零零八年三月三十一日之公平值乃以二項式模式計算。該模式之輸入數據如下：

	27th November, 2007 二零零七年 十一月二十七日	31st March, 2008 二零零八年 三月三十一日
Share price	HK\$6.56港元	HK\$6.85港元
Exercise price	HK\$6.56港元	HK\$6.56港元
Expected volatility	60.60%	61.00%
Remaining life	10 years年	9.7 years年
Risk-free rate	3.27%	2.56%
Expected dividend yield	1.20%	1.20%
Exercise multiple	4.90	4.90

過去三年預期波幅採用本公司股價於授出日期前之歷史波幅釐定。行使倍數乃用以說明本公司所授出購股權之提前行使行為。

二項式模式已用作估計購股權之公平值。達成購股權公平值時所用之變數及假設均基於董事之最後推測。購股權價值可因若干主觀假設之不同變數而改變。

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30. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Notes: (continued)

- (c) On 28th August, 2007, the Company, issued 397,017,341 new shares of the Company of HK\$0.05 each under the rights issue as mentioned in Note 35. Warrants with exercise price of HK\$6.00 per share were issued by way of bonus in the proportion of three warrants for every ten new shares, resulting 119,105,202 units of warrant being issued. All Warrants are exercisable from the grant date to 28th August 2010. The new issued shares and warrants were immediately separable upon the issue date.

1,844,249 new shares of HK\$0.05 each in the Company were issued during the year. Total amount of HK\$16,675,000, representing proceed in excess of new share issued of HK\$10,973,000 and fair value adjustment to the warrants exercised of HK\$5,702,000, was recognised as share premium. 117,260,953 units of warrants is still outstanding at 31st March, 2008. The fair value of the warrants at 28th August, 2007 and 31st March, 2008 amounted to HK\$ 258,838,000 and HK\$320,281,000, respectively. These fair values at 28th August, 2007 and 31st March, 2008 were calculated using The Binomial model. The inputs into the model were as follows:

Share price	股價
Exercise price	行使價
Expected volatility	預期波幅
Remaining life	剩餘年期
Risk free rate	無風險息率
Expected dividend yield	預期股息收益

Expected volatility was determined by using the historical volatility of the Company's share price before the grant date for previous three years.

The Binominal model has been used to estimate the fair value of the warrants. The variables and assumptions used in comprising the fair value of warrants are based on Director's last estimate. The value of a warrant varies with different variables of certain subjective assumptions.

- (d) Foreign currency forward contracts having various maturity dates within one year are deemed as held for trading and are settled by cash. They are classified as current liabilities.
- (e) Share options and warrants will be settled by the Company's equity shares and is therefore classified as non-current liabilities.

30. 衍生金融工具(續)

附註：(續)

- (c) 於二零零七年八月二十八日，本公司（根據附註35所述之供股）發行397,017,341股本公司每股面值0.05港元之新股份。認股權證（行使價為每股6.00港元）乃按每十股新股份可獲配三份認股權證之紅利方式發行，結果發行119,105,202份認股權證。所有認股權證可於授出日期至二零一零年八月二十八日行使。新發行股份及認股權證於發行日隨即予分開。

1,844,249股每股面值0.05港元之本公司新股份已於年內發行。總額16,675,000港元（即所發行新股份之所得款項中之溢價10,973,000港元及已行使認股權證之公平值調整5,702,000港元）已予確認為股份溢價。117,260,953份認股權證於二零零八年三月三十一日尚未行使。認股權證於二零零七年八月二十八日及二零零八年三月三十一日之公平值分別為258,838,000港元及320,281,000港元。於二零零七年八月二十八日及二零零八年三月三十一日之公平值乃以二項式模式計算。該模式之輸入數據如下：

28th August, 2007 二零零七年 八月二十八日	31st March, 2008 二零零八年 三月三十一日
HK\$5.55港元	HK\$6.85港元
HK\$6.00港元	HK\$6.00港元
61%	61%
3.0 years 年	2.4 years 年
4.05%	1.36%
1.2%	1.2

預期波幅採用本公司股價於授出日期前三年之過往波幅釐定。

二項式模式已用作估計認股權證之公平值。達成認股權證公平值時所用之變數及假設均基於董事之最後推測。認股權證價值可因若干主觀假設之不同變數而改變。

- (d) 外匯遠期合約具有不同到期日（均於一年內），被視為持作買賣及以現金結算。彼等被分類為流動資產。
- (e) 購股權及認股權證將以本公司之股本權益股份結算，因而被分類為非流動負債。

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31. BANK BORROWINGS

31. 銀行借款

		THE GROUP	
		本集團	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Bank loans	銀行貸款	1,159,196	421,751
Trust receipt loans	信託收據貸款	133,071	771,282
		1,292,267	1,193,033
Analysis as:		分析如下：	
Secured	有抵押	616,187	90,418
Unsecured	無抵押	676,080	1,102,615
		1,292,267	1,193,033

The Group's bank borrowings that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

以相關集團實體之功能貨幣以外貨幣計值之本集團銀行借款載列如下：

		RMB
		人民幣
		HK\$'000
		千港元
At 31st March, 2008	於二零零八年三月三十一日	453,113
At 31st March, 2007	於二零零七年三月三十一日	752,271

All bank loans are under fixed-rate borrowings while all trust-receipt loan are under variable-rate borrowings. The average effective interest rates of borrowings range from 3.18% to 7.22% (2007: 5.58% to 7.01%) per annum.

全部銀行貸款為定息借款，而全部信託貸款均為浮息借款。借款之平均實際利率為每年3.18%至7.22%不等（二零零七年：5.58%至7.01%）。

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32. OBLIGATIONS UNDER FINANCE LEASES**32. 融資租約債務**

		Minimum lease payments 最低支付租金額		Present value of minimum lease payments 最低支付租金額之現值	
		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
THE GROUP	本集團				
Amounts payable under finance leases:	根據融資租約應付之金額：				
Within one year	一年內	181	193	139	158
In the second to fifth years inclusive	第二至第五年 (包括首尾兩年)	340	289	297	274
		521	482	436	432
Less: Future finance charges	減：未來融資費用	(85)	(50)	-	-
Present value of lease obligations	租約債務之現值	436	432	436	432
Less: Amount due for settlement within one year	減：一年內到期償還款額			(139)	(158)
Amount due for settlement after one year	一年後到期償還款額			297	274

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

租約年期為五年。利率於訂立合約日期釐訂。所有租約均採用固定還款基準，並無訂立任何有關支付或然租金之安排。

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33. CONVERTIBLE BONDS

On 28th August, 2007, convertible bonds with an aggregate principle value of HK\$1,418,704,000 were issued by the Company ("Convertible Bonds"). The Convertible Bonds are denominated in Hong Kong dollars.

The proceeds received from the issue of the Convertible Bonds have been split into liability component, conversion option derivative, and equity participants reserve. The excess of the fair value of the convertible bonds issued on 28th August, 2007 to all shareholders over the proceeds received from the issue of Convertible Bonds was debited to equity participant reserve. The liability component and the conversion option derivative are measured at fair value.

The movements of the liability component and conversion option derivative of the Convertible Bonds for the year is set out as below:

33. 可換股債券

於二零零七年八月二十八日，本公司發行總本金額為1,418,704,000港元之可換股債券（「可換股債券」）。可換股債券以港元為單位。

發行可換股債券時所收取之所得款項已分為負債部份、兌換期權衍生工具及股本參與人儲備。二零零七年八月二十八日向全體股東發行之可換股債券之公平值與超出發行可換股債券收取之所得款項之部分，乃借記入股本參與者儲備。負債部份及換股權衍生工具按公平值計值。

可換股債券之負債部份及兌換期權衍生工具於年內之變動如下：

		THE GROUP AND THE COMPANY		
		本集團及本公司		
		Liability component	Conversion option derivative	Total
		負債部份	兌換期權衍生工具	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1st April, 2006 and 31st March, 2007	於二零零六年四月一日及二零零七年三月三十一日	-	-	-
Convertible bonds issued on 28th August, 2007	可換股債券於二零零七年八月二十八日發行	989,063	631,501	1,620,564
Interest expenses	利息支出	111,690	-	111,690
Interest paid	已付利息	(53,201)	-	(53,201)
Changes in fair value	公平值之變化	-	161,088	161,088
At 31st March, 2008	於二零零八年三月三十一日	1,047,552	792,589	1,840,141

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33. CONVERTIBLE BONDS (CONTINUED)

The Convertible Bonds are unsecured, carry interest at 7.5% per annum and will mature on 28th August, 2012 ("Maturity Date"). Interest is repayable semi-annually after the date of issue of the Convertible Bonds. The effective interest rate is 20% per annum.

The principal terms of the Convertible Bonds are set out as follows:

Conversion

At the option of the holders, the Convertible Bonds will be converted into fully paid ordinary shares of the Company on any business day during the period between the third anniversary of the date of issue of the Convertible Bonds and the maturity date, at an initial conversion price of HK\$6 per share (subject to adjustments).

The conversion price shall be adjusted downwards on the date falling 6 months from the date of issue of the Convertible Bonds and every 6 months thereafter (the "Reset Date") to the arithmetic average price of the Company's share for each of the 30 consecutive trading days immediately prior to the Reset Date, provided that the adjusted conversion price shall never be below HK\$3.50, subject to the customary adjustments such as for sub-divisions, consolidation and reductions in the share capital of the Company.

33. 可換股債券(續)

可換股債券無抵押，以年息7.5厘計息，於二零一二年八月二十八日（「到期日」）屆滿。由發行可換股債券當日起計，須每半年償還利息。實際利率為每年21.63%。

可換股債券之主要條款如下：

兌換

按持有人選擇，可換股債券可於發行可換股債券當日起計第三個週年日至屆滿日期間之任何營業日全數兌換為本公司之已繳足普通股，初步兌換價為每股6港元（可予調整）。

兌換價可於發行可換股債券日期起計滿六個月當日及其後每六個月（「重定價日」）下調至本公司於緊接重定價日前連續30個交易日之股份算術平均價，惟經調整兌換價不得低於3.50港元，惟可作出拆細、合併及削減本公司股本等常見調整。

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33. CONVERTIBLE BONDS (CONTINUED)

Redemption

No Convertible Bonds may be redeemed by the Company prior to the maturity date. Any Convertible Bonds which remains outstanding by 4:00 p.m. (Hong Kong time) on the Maturity Date shall be redeemed by the Company at 115% of its then outstanding principal amount.

The conversion option derivative is carried at fair value at the balance sheet date with change in fair value recognised in profit and loss. At 28th August, 2007 and 31st March, 2008, the fair values of the conversion option derivative in the Convertible Bonds are HK\$631,501,000 and HK\$792,589,000, respectively, and are calculated using the Binominal model. Details of the variables and assumptions of the model are as follows:

		28th August, 2007 二零零七年 八月二十八日	31st March, 2008 二零零八年 三月三十一日
Share price of the Company	授出日期之股價	HK\$ 5.55港元	HK\$6.85港元
Exercise price	行使價	HK\$6.00港元	HK\$6.00港元
Remaining life	剩餘年期	5 years年	4.41 years年
Risk-free rate	無風險率	4.20%	2.04%
Expected volatility	預期波幅	61.0%	61.0%
Expected dividend yield	預期股息收益	1.2%	1.2%

Expected volatility was determined by using the historical volatility of the Company's share price before the grant date for previous three years.

33. 可換股債券(續)

贖回

本公司不得於到期日前贖回可換股債券。任何於到期日下午四時正(香港時間)尚未行使之可換股債券須由本公司按當時未行使本金額之115%予以贖回。

兌換期權衍生工具按結算日之公平值列賬，公平值之變動於損益內確認。於二零零七年八月二十八日及二零零八年三月三十一日，可換股債券兌換期權衍生工具之公平值分別為631,501,000港元及792,589,000港元，乃以二項式模式計算。該模式所用變數及假設如下：

過去三年預期波幅乃以授出日期前本公司股價之歷史波幅釐定。

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34. DEFERRED TAXATION

The following are the movements in major deferred tax liabilities recognised during the year:

		Undistributed earnings of subsidiaries 附屬公司之未分派溢利 HK\$'000 千港元	Revaluation of properties 物業重估 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st April, 2006 and 31st March, 2007	於二零零六年四月一日及二零零七年三月三十一日	—	—	—
Charge to consolidated income statement for the year	年內計入綜合收益表	29,100	396,696	425,796
At 31st March, 2008	於二零零八年三月三十一日	29,100	396,696	425,796

According to a joint circular of Ministry of Finance and state Administration of Taxation. Lai Shui [2008] No.1, dividend distributed of the profits generated since 1st January, 2008 shall be subject to EIT at 10% and which held by the PRC entity pursuant to Articles 3 and 27 of the EIT Law and Articles 91 of the Detailed Implementation Rules. Deferred tax liability on the undistributed earnings during the three months ended 31st March, 2008 has been account at the tax rate of 10%.

At 31st March, 2008, the Group had unused tax losses of approximately HK\$104,441,000 (2007: HK\$234,896,000) available to offset future profits. The losses may be carried forward indefinitely. No deferred taxation asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. The subsidiaries disposed of during the year have unused tax losses of HK\$165,864,000 and HK\$224,748,000 as at 31st March, 2007 and upon disposal date respectively. There were no other significant temporary differences arising during the year or at the balance sheet date.

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

34. 遞延稅項

年內之已確認主要遞延稅項負債之變動下：

	Undistributed earnings of subsidiaries 附屬公司之未分派溢利 HK\$'000 千港元	Revaluation of properties 物業重估 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st April, 2006 and 31st March, 2007	—	—	—
Charge to consolidated income statement for the year	29,100	396,696	425,796
At 31st March, 2008	29,100	396,696	425,796

按照財政部及國家稅務總局之聯合通知財稅[2008]1號，二零零八年一月一日以來自所產生溢利分派之股息須按10%繳納股權稅並根據股權稅法第3及第27條及其實施細則第91條由中國實體預扣。截至二零零八年三月三十一日止三個月之未分派溢利之遞延稅務負債已按稅率10%入賬。

於二零零八年三月三十一日，本集團未動用之稅項虧損約104,441,000港元（二零零七年：234,896,000港元）可用於抵銷日後溢利。有關稅項虧損可無限期結轉。由於日後溢利來源之不可預測性，並無就稅項虧損確認任何遞延稅項資產。年內出售之附屬公司於二零零七年三月三十一日及出售日期分別有未動用稅務虧損165,864,000港元及224,748,000港元。年內或於結算日並無其他重大暫時差異。

本公司年內或於結算日並無重大暫時差異。

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35. SHARE CAPITAL AND WARRANTS

35. 股本及認股權證

		Number of shares		Share capital	
		股份數目		股本	
	Notes	2008	2007	2008	2007
	附註	二零零八年	二零零七年	二零零八年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Ordinary shares of HK\$0.05 each	每股面值0.05港元之普通股				
Authorised:	法定：				
At 1st April and 31st March	於四月一日及於三月三十一日	10,000,000,000	10,000,000,000	500,000	500,000
Issued and fully paid:	已發行及繳足：				
At 1st April	於四月一日	787,824,683	686,924,683	39,391	34,346
Issue of new shares by way of placement	以配售方式發行新股份	(a) -	100,000,000	-	5,000
Issue of new shares upon exercise of share options	因行使購股權發行新股份	(b) 35,778,420	900,000	1,789	45
Issue of new shares by way of rights issue	以供股方式發行新股份	(c) 397,017,341	-	19,851	-
Issue of new shares upon exercise of warrants	因行使認股權證發行新股份	(d) 1,844,249	-	92	-
At 31st March	於三月三十一日	1,222,464,693	787,824,683	61,123	39,391

(a) On 15th January, 2007, 100,000,000 new shares of HK\$0.05 each in the Company were being subscribed at a price of HK\$2.75 per share. The proceeds were used to provide additional general working capital for the Company. These new shares were issued under the general mandate granted to the directors at the annual general meeting of the Company held on 28th August, 2006 and rank pari passu with other shares in issue in all respects.

(a) 二零零七年一月十五日，有100,000,000股每股面值0.05港元之本公司新股份按每股2.75港元之價格認購。所得款項用作為本公司提供額外一般營運資金。該等新股份已按本公司於二零零六年八月二十八日舉行之股東週年大會上授予董事之一般授權發行，在各方面均與其他已發行股份享有同等權益。

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35. SHARE CAPITAL AND WARRANTS (CONTINUED)

- (b) During the current year, 10,124,210 new shares and 400,000 new shares of HK\$0.05 each in the Company were issued at a price of HK\$1.20 per share and HK\$1.30 per share, respectively, upon exercise of share options granted on 5th February, 2004. Another 18,236,140 new shares and 1,360,000 new shares of HK\$0.05 each in the Company were issued at a price of HK\$1.42 per share and HK\$1.54 per share, respectively, upon exercise of share options granted on 20th April, 2004. A further 108,070 new shares and 5,550,000 new shares of HK\$0.05 each in the Company were issued at a price of HK\$1.32 per share and HK\$1.43 per share, respectively, upon exercise of share options granted on 28th September, 2005. The new shares issued rank pari passu with the existing share in issue in all respects.

In the last year, 700,000 shares of HK\$0.05 each in the Company were issued at a price of HK\$1.54 per share upon exercise of share options granted on 20th April, 2004. Another 200,000 shares of HK\$0.05 each in the Company was issued at a price of HK\$1.43 per share upon exercise of share options granted on 28th September, 2005. The new shares issued rank pari passu with the existing shares in issue in all respects.

- (c) On 28th August, 2007, the Company completed an open offer of one offer share (with warrants) (the "Rights Shares") for every two shares held by members on the register of members, at an issue price of HK\$4.50 per offer share, resulting in the issue of 397,017,341 shares of the Company of HK\$0.05 each for a total consideration, before expenses of HK\$9,402,000, of HK\$1,786,578,000.

35. 股本及認股權證(續)

- (b) 於本年度，於二零零四年二月五日授出之購股權行使時，已分別按每股1.20港元及每股1.30港元之價格發行本公司每股面值0.05港元之約10,124,210股及400,000股新股份。分別按每股1.42港元及每股1.54港元之價格發行本公司每股面值0.05港元之18,236,140股及1,360,000股新股份。另外，於二零零五年九月二十八日授出之購股權行使時，已分別按每股1.32港元及1.43港元之價格發行每股面值0.05港元之108,070股及5,550,000股新股份。所發行之新股份於各方面與現有股份享有同等權益。

去年，於二零零四年四月二十日授出之購股權行使時，已按每股1.54港元之價格發行每股面值0.05港元之700,000股本公司股份。另外，於二零零五年九月二十八日授出之購股權行使時，已按每股1.43港元之價格發行本公司每股面值0.05港元之200,000股股份。已發之新股份在各方面與現有股份享有同等權益。

- (c) 於二零零七年八月二十八日，本公司完成以名列股東名冊之股東持有每兩股股份認購一股發售股份(含認股權證)(「供股股份」)之公開發售，每股發售股份之發行價為4.50港元，導致發行397,017,341股每股面值0.05港元之本公司股份，總代價為1,786,578,000港元(扣除開支9,402,000港元前)。

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35. SHARE CAPITAL AND WARRANTS (CONTINUED)

(c) (continued)

Warrants with exercise price of HK\$6.0 were issued by way of bonus in the proportion of three warrants for every ten Rights Shares. Upon the completion to the open offer, 119,105,202 units of warrants were issued (the "Warrants"). The Warrants are exercisable within a period from the date of issue to the third anniversary of the date of issue of the Warrants (both dates inclusive).

The fair value of the Warrants at the issue date was HK\$258,838,000 and the Warrants were recognised as derivative financial instruments.

The gross cash proceeds credited to share capital, share premium and derivative financial instruments were amounted to HK\$19,851,000, HK\$1,507,889,000 and HK\$258,838,000, respectively. The new shares issued rank pari passu with the existing shares in issue in all respects.

(d) During the year, 1,844,249 new shares of HK\$0.05 each in the Company were issued at a price of HK\$6.00 per share upon exercise of 1,844,249 units of Warrants. The subscription money of approximately HK\$11,065,000 has been received in full upon the exercise. The new share issued rank pari passu with existing share in issue in all respects.

As at 31st March, 2008, 117,260,953 units of Warrants were still outstanding which would, under the present capital structure of the Company, result in the issue of 117,260,953 additional shares of HK\$0.05 each of the Company. Assume the outstanding warrants were exercised in full and there has been no change to the initial subscription price, the total subscription money received will amount to HK\$703,566,000.

35. 股本及認股權證 (續)

(c) (續)

認股權證之行使價為6.0港元，以紅股方式發行，比例為每十股供股股份可獲配三份認股權證。公開發售完成時，有119,105,202份已發行之認股權證（「認股權證」）。認股權證於發行日期起至認股權證發行日期第三個週年之期間（包括首尾兩日）內可行使。

認股權證於發行日期之公平值為258,838,000港元，認股權證於初步確認時被確認為衍生金融工具。

計入股本、股份溢價及衍生金融工具之現金所得款項總額分別為19,851,000港元、1,507,889,000港元及258,838,000港元。已發行新股份於各方面與現有已發行股份具同等地位。

(d) 年內，1,844,249股每股面值0.05港元之本公司股份因行使1,844,249份認股權證按每股股份6港元之價格發行。認購款項11,065,000港元於行使時已全數收取。所發行之新股份於各方面與現有股份享有同等權益。

於二零零八年三月三十一日，117,260,953份認股權證尚未發行，按本公司現時之資本架構，導致額外發行117,260,953股每股面值0.05港元之本公司股份。假設尚未發行之認股權證已全數行使，而初步認購價並無任何變動，獲得之認購款項總額將為703,566,000港元。

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36. RESERVES THE GROUP

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

Capital reserve represented the loans waived by former minority shareholders of a wholly-owned subsidiary in the PRC. Pursuant to local regulations, this amount had been transferred to a non-distributable reserve of the subsidiary. The capital reserve was released to consolidated income statement upon the disposal of the subsidiary during the year.

PRC statutory reserves as at 1st April, 2007 comprised statutory surplus reserve, enterprise expansion reserve and statutory public welfare fund which represented 20% of the annual audited net profit after taxation two PRC subsidiaries of the Company in accordance with the respective Articles of Association. The ratios for appropriations among these reserves are determined at the discretion of the board of directors of the respective PRC subsidiary. When the balance of such reserves reaches 50% of the subsidiaries' registered capital, no further appropriation is required. During the year, the statutory public welfare fund of HK\$46,869,000 was cancelled upon resolutions passed by directors of the subsidiaries and was therefore transferred to retained profits. Upon the disposal of a subsidiary during the year, statutory reserves of HK\$18,128,000 in that subsidiary was transferred to retained profits. Statutory reserves as at 31st March, 2008 comprise statutory surplus reserve and enterprise expansion reserve which represented 12% of the annual audited net profit after taxation of a PRC subsidiary as approved by the directors of the subsidiaries.

Equity participants reserve represented the excess of the fair value of the Convertible Bonds issued at 28th August, 2007 to all shareholders over the proceeds received from the issue of Convertible Bonds.

The statutory surplus reserve can be used to set off against accumulated losses whilst the enterprise expansion reserve can be used for expansion of production facilities or increase in registered capital.

36. 儲備 本集團

本集團儲備變動詳情載於綜合權益變動表內。

資本儲備指中國全資附屬公司之前少數股東豁免之貸款。根據當地規例，該款項已轉撥至附屬公司之不可分派儲備內。資本儲備於年內出售附屬公司時轉至綜合收益表。股本儲備於年內出售附屬公司時於綜合收益表時撥回。

於二零零七年四月一日之中國法定儲備，由法定公積金、企業拓展儲備及法定公益金組成，根據各自之公司章程，佔本公司兩家中國附屬公司年度經審核除稅後純利之20%。該等儲備之分配比例乃各中國附屬公司之董事會釐定決定。若儲備達附屬公司註冊資本之50%，則無須再作撥款。年內，經該等附屬公司之董事通過決議案，為數46,869,000港元之法定公益金已予取銷，並轉至保留溢利。年內出售一附屬公司後，該附屬公司之18,128,000港元法定儲備已轉撥至保留溢利。於二零零八年三月三十一日之法定儲備，由法定公積金及企業拓展儲備組成，經該等附屬公司批准，佔一中國附屬公司年度經審核除稅後純利之12%。

股本參與人儲備指於二零零七年八月二十八日向全體股東發行之可換股債券公平值相對於發行可換股債券所得款項之盈餘。

法定公積金可用以抵銷累計虧損，而企業拓展儲備則可用作拓展生產設施或增加註冊資本。

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36. RESERVES (CONTINUED)

THE COMPANY

36. 儲備(續)

本公司

		Share-based Share premium	Share-based compensation reserve 股份 酬金儲備	Equity participants reserve 股本參與人 儲備	Capital redemption reserve 資本 贖回儲備	Translation reserve 換算儲備	Retained profits (accumulated loss)	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st April, 2006	於二零零六年四月一日	1,125,948	9,510	-	173	-	60,056	1,195,687
Issue of new shares (Note 35)	發行新股份(附註35)	270,000	-	-	-	-	-	270,000
Expenses incurred in connection with issue of shares	發行股份所產生之開支	(4,235)	-	-	-	-	-	(4,235)
Exercise of share options	行使購股權	1,388	(70)	-	-	-	-	1,318
Lapse of share options	購股權失效	-	(1,409)	-	-	-	1,409	-
Profit for the year	本年度溢利	-	-	-	-	-	142,187	142,187
Final dividend for 2006	二零零六年末期股息	-	-	-	-	-	(27,477)	(27,477)
Interim dividend for 2007	二零零七年中期股息	-	-	-	-	-	(51,519)	(51,519)
At 31st March, 2007	於二零零七年三月三十一日	1,393,101	8,031	-	173	-	124,656	1,525,961
Exchange differences arising on translation of functional currency to presentation currency recognised directly in equity	於股本直接確認因換算功能貨幣至呈列貨幣產生之匯兌差額	-	-	-	-	90,357	-	90,357
Loss for the year	本年度虧損	-	-	-	-	-	(977,325)	(977,325)
Total recognised income and expense for the year	年內已確認之收入及開支總額	-	-	-	-	90,357	(977,325)	(886,968)
Issue of new shares (Note 35)	發行新股份(附註35)	1,507,889	-	-	-	-	-	1,507,889
Deemed distribution upon issue of convertible bonds	因發行可換股債券視作分派	-	-	(96,794)	-	-	-	(96,794)
Expenses incurred in connection with issue of shares	與發行股份有關之開支	(9,402)	-	-	-	-	-	(9,402)
Exercise of share options	行使購股權	53,437	(6,488)	-	-	-	-	46,949
Exercise of warrants	行使認股權證	16,675	-	-	-	-	-	16,675
Recognition of equity settled share-based payments	確認以股本結算之股份為基礎之付款	-	32,267	-	-	-	-	32,267
Lapse of share options	購股權失效	-	(50)	-	-	-	50	-
Final dividend for 2007	二零零七年末期股息	-	-	-	-	-	(51,612)	(51,612)
At 31st March, 2008	於二零零八年三月三十一日	2,961,700	33,760	(96,794)	173	90,357	(904,231)	2,084,965

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37. SHARE-BASED PAYMENTS

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

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

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

37. 以股份基礎之付款

本公司運作一項購股權計劃（「該計劃」），以鼓勵或嘉許任何參與者。

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

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

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37. SHARE-BASED PAYMENTS (CONTINUED)

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

37. 以股份基礎之付款(續)

下表披露年內由僱員(董事除外)持有之本公司購股權之詳情及有關持有量之變動:

Date of grant	Subscription price per share 每股認購價		Exercisable period	Number of share options 購股權數目				Number of share options 購股權數目							
	Before adjustment (Note 1) (附註1)	After adjustment (Note 2) (附註2)		Outstanding at 1.4.2006	Reclassification during the year	Lapsed during the year	Exercised during the year	Outstanding at 1.4.2007	Exercised during the period	Lapsed during the period	Before adjustment	After adjustment	Granted during the period	Exercised during the period	Outstanding at 31.3.2008
授出日期	調整前 HK\$ 港元 (Note 1) (附註1)	調整後 HK\$ 港元 (Note 2) (附註2)	行使期	於二零零六年 四月一日 尚未行使	年內重新分類 (Note 3) (附註3)	年內已失效	年內已行使	於二零零七年 四月一日 尚未行使	期內已行使	期內已失效	調整前	調整後 (Note 2) (附註2)	期內已授出 (Note 4) (附註4)	期內已行使	於二零零八年 三月三十一日 尚未行使
5.2.2004 二零零四年二月五日	1.30	1.20	5.2.2005 to 4.2.2014 二零零五年二月五日至 二零一四年二月四日	1,275,000	(150,000)	(625,000)	-	500,000	-	-	500,000	540,350	-	(204,035)	336,315
5.2.2004 二零零四年二月五日	1.30	1.20	5.2.2006 to 4.2.2014 二零零六年二月五日至 二零一四年二月四日	1,325,000	(150,000)	(625,000)	-	550,000	-	(50,000)	500,000	540,350	-	(204,035)	336,315
20.4.2004 二零零四年四月二十日	1.54	1.42	20.4.2004 to 19.4.2014 二零零四年四月二十日至 二零一四年四月十九日	6,400,000	(100,000)	(2,250,000)	(200,000)	3,850,000	(60,000)	-	3,790,000	4,095,853	-	(3,528,070)	567,783
28.9.2005 二零零五年九月二十八日	1.43	1.32	28.9.2005 to 27.9.2015 二零零五年九月二十八日至 二零一五年九月二十七日	7,800,000	-	(350,000)	(200,000)	7,250,000	(5,550,000)	(100,000)	1,600,000	1,729,120	-	(108,070)	1,621,050
27.11.2007 二零零七年十一月二十七日	-	6.56	27.11.2007 to 26.11.2017 二零零七年十一月二十七日 至 二零一七年十一月二十六日	-	-	-	-	-	-	-	-	-	10,000,000	-	10,000,000
				16,800,000	(400,000)	(3,850,000)	(400,000)	12,150,000	(5,610,000)	(150,000)	6,390,000	6,905,673	10,000,000	(4,044,210)	12,861,463

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37. SHARE-BASED PAYMENTS (CONTINUED)

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

37. 以股份基礎之付款(續)

於上表所述由本公司董事持有之購股權詳情如下：

Date of grant	Subscription price per share 每股行使價		Exercisable period	Number of share options 購股權數目										
	Before adjustment (Note 1) (附註1)	After adjustment (Note 2) (附註2)		Outstanding at 1.4.2006	Reclassification during the year	Lapsed during the year	Outstanding at 22.8.2007 於二零零七年八月二十二日尚未行使					Granted during the period	Exercised during the period	Outstanding at 31.3.2008
							Outstanding at 1.4.2007	Exercised during the period	Lapsed during the period	Before adjustment	After adjustment			
授出日期	調整前 HK\$ 港元 (Note 1) (附註1)	調整後 HK\$ 港元 (Note 2) (附註2)	行使期	於二零零六年 四月一日 尚未行使	年內重新分類 (Note 3) (附註3)	年內已失效	於二零零七年 四月一日 尚未行使	期內已行使	期內已失效	調整前	調整後 (Note 2) (附註2)	期內已授出	期內已行使	於二零零八年 三月三十一日 尚未行使
5.2.2004 二零零四年二月五日	1.30	1.20	5.2.2005 to 4.2.2014 二零零五年二月五日至 二零一四年二月四日	150,000	150,000	(150,000)	150,000	(100,000)	-	50,000	54,035	-	(54,035)	-
5.2.2004 二零零四年二月五日	1.30	1.20	5.2.2006 to 4.2.2014 二零零六年二月五日至 二零一四年二月四日	150,000	150,000	(150,000)	150,000	-	-	150,000	162,105	-	(162,105)	-
20.4.2004 二零零四年四月二十日	1.54	1.42	20.4.2004 to 19.4.2014 二零零四年四月二十日至 二零一四年四月	500,000	100,000	(500,000)	100,000	-	-	100,000	108,070	-	(108,070)	-
28.9.2005 二零零五年九月二十八日	1.43	1.32	28.9.2005 to 27.9.2015 二零零五年九月二十八日至 二零一五年九月二十七日	1,500,000	-	(1,500,000)	-	-	-	-	-	-	-	-
				2,300,000	400,000	(2,300,000)	400,000	(100,000)	-	300,000	324,210	-	(324,210)	-

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37. SHARE-BASED PAYMENTS (CONTINUED)

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

37. 以股份基礎之付款(續)

本公司其他參與者持有之購股權詳情如下：

Date of grant	Subscription price per share 每股行使價			Number of share options 購股權數目									
	Before adjustment	After adjustment	Exercisable period	Outstanding at 22.8.2007 於二零零七年八月二十二日尚未行使						Before adjustment	After adjustment	Exercised during the period	Outstanding at 31.3.2008
				Outstanding at 1.4.2006	Exercised during the year	Lapsed during the year	Outstanding at 1.4.2007	Exercised during the year	Lapsed during the period				
	授出日期	調整前 HK\$ 港元 (Note 1) (附註1)	調整後 HK\$ 港元 (Note 2) (附註2)	行使期	於二零零六年 四月一日 尚未行使	年內已行使	年內已失效	於二零零七年 四月一日 尚未行使	期內已行使	期內已失效	調整前	調整後 (Note 2) (附註2)	期內已行使
5.2.2004 二零零四年二月五日	1.30	1.20	5.2.2005 to 4.2.2014 二零零五年二月五日至 二零一四年二月四日	5,400,000	-	-	5,400,000	(300,000)	-	5,100,000	5,511,570	(4,750,000)	761,570
5.2.2004 二零零四年二月五日	1.30	1.20	5.2.2005 to 4.2.2014 二零零五年二月五日至 二零一四年二月四日	6,150,000	-	-	6,150,000	-	-	6,150,000	6,646,305	(4,750,000)	1,896,305
20.4.2004 二零零四年四月二十日	1.54	1.42	20.4.2004 to 19.4.2014 二零零四年四月二十日至 二零一四年四月十九日	15,650,000	(500,000)	-	15,150,000	(1,300,000)	-	13,850,000	14,967,695	(14,600,000)	367,695
				27,200,000	(500,000)	-	26,700,000	(1,600,000)	-	25,100,000	27,125,570	(24,100,000)	3,025,570

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37. SHARE-BASED PAYMENTS (CONTINUED)

Notes:

1. The closing prices of the Company's shares immediately preceding the date of grant of 5th February, 2004, 20th April, 2004, 28th September, 2005 and 27th November, 2007 were HK\$1.30, HK\$1.48, HK\$1.43 and HK\$6.56, respectively.
2. As a result of the open offer issue of the Company on 28th August, 2007, the number of share options and the exercise prices have been adjusted in accordance with the requirements of Rule 17.03(13) of the Listing Rules and the supplementary guidance issued by the Stock Exchange of Hong Kong Limited on 5th September, 2005.
3. One of the employees of the Company was appointed as director of the Company during the year ended 31st March, 2007.
4. On 27th November, 2007, 10,000,000 share options with estimated fair values of HK\$32,267,000 were granted to employees at the exercise price of HK\$6.56.

37. 以股份基礎之付款(續)

附註：

1. 本公司股份於緊接授出日期二零零四年二月五日、二零零四年四月二十日、二零零五年九月二十八日及二零零七年十一月二十七日之收市價分別為1.30港元、1.48港元、1.43港元及6.56港元。
2. 根據上市規則第17.03(13)條之規定及香港聯合交易所有限公司於二零零五年九月五日發出之指引附註，購股權數目及行使價已因於二零零七年八月二十二日以供股發行股份而作出調整。
3. 有一名本公司僱員於截至二零零七年三月三十一日止年度內獲委任為本公司董事。
4. 於二零零七年十一月二十七日，10,000,000份購股權(估計公平值為32,267,000港元)已以行使價6.56港元授予僱員。

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37. SHARE-BASED PAYMENTS (CONTINUED)

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

In respect of the share options exercised during the year, the weighted average share price at the date of exercise is HK\$6.33 (2007: HK\$3.33).

These fair values were calculated using The Binomial model. The inputs into the model for share options granted to employees on 27th November, 2007 were as follows:

		Employees 僱員
Share price as at grant date	授出日期之股價	HK\$6.56港元
Exercise price	行使價	HK\$6.56港元
Expected volatility	預期波幅	60.60%
Remaining life	剩餘年期	10 years
Risk-free rate	無風險率	3.27%
Expected dividend yield	預期股息收益	1.2%
Exercise multiple	行使倍數	4.00
Exit rate	僱員退出率	10.00%

Expected volatility was determined by using the historical volatility of the Company's share price before the grant date for previous three years. The exercise multiple was to account for the early exercise behaviour of the share options granted by the Company.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in comprising the fair value of share options are based on Director's last estimate. The value of an option varies with different variables of certain subjective assumptions.

37. 以股份基礎之付款(續)

歸屬期於購股權行使期間日期開始時結束。

就年內已行使之購股權而言，於行使日期之加權平均股價為6.33港元(二零零七年：3.33港元)。

公平值乃採用二項式模式計算。於二零零七年十一月二十七日向僱員授出之購股權之模式計入之因素如下：

過去三年預期波幅乃以本公司股價於授出日期前之歷史波幅釐定。行使倍數乃用以說明本公司所授出購股權之提前行使行為。

二項式模式已用作估計購股權之公平值。達成購股權公平值時所用之變數及假設均基於董事之最後推測。購股權價值可因若干主觀假設之不同變數而改變。

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38. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

During the year, the Group acquired certain properties and its related assets and liabilities through public auction, at a consideration of RMB2,026 million (approximately HK\$2,067 million) from 天津海泰控股集團有限公司 Tianjin Hi-Tech Holding Group Company Limited, an independent third party. The purchase was by way of acquisition of the entire equity interests of 天津海泰新星投資有限公司 Tianjin Hi-Tech New Star Investment Company Limited and 天津海泰陽光投資有限公司 Tianjin Hi-Tech Sun Investment Company Limited. This transaction has been accounted as a purchase of assets and liabilities.

38. 藉收購附屬公司收購資產及負債

年內，本集團通過拍賣以代價人民幣2,026,000,000元（約2,067,000,000港元）向獨立第三方天津海泰控股集團有限公司收購若干物業及其相關資產及負債。收購以收購天津海泰新星投資有限公司及天津海泰陽光投資有限公司全部股權之方式進行。此宗交易已按購入資產及負債入賬。

		HK\$'000 千港元
Net assets acquired:	所收購資產淨值：	
Investment properties	投資物業	1,105,290
Properties under development	發展中物業	961,230
Bank balances and cash	銀行結存及現金	35
Trade and other payables	應付貿易賬款及其他應付款項	(35)
<hr/>		
Total consideration satisfied by cash	總代價，以現金支付	2,066,520
<hr/>		
Bank balances and cash acquired	購入之銀行結存及現金	35
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39. DISPOSAL OF SUBSIDIARIES

On 26th November, 2007, the Company entered into an agreement with Golden Result Group Limited, an independent third party, for the sale of its entire equity interests in Matsunichi Hi-Tech Limited, Matsunichi Digital (Macao Commercial Offshore) Limited and Matsunichi technology (Dalian) Company Limited (the "Disposed Companies") at a consideration of HK\$6,723,000. The Disposed Companies were engaged in manufacture and trading of digital consumer products.

Net liabilities disposed of:

39. 出售附屬公司

於二零零七年十一月二十六日，本公司與獨立第三方Golden Result Group Limited就以代價6,723,000港元出售彼於松日高科有限公司、Matsunichi Digital (Macao Commercial Offshore) Limited及松日科技(大連)有限公司(「已出售公司」)全部股權訂立協議。已出售公司從事製造及買賣數碼消費產品。

出售之負債淨額：

		Total 總計 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	79,200
Prepaid lease payments	預付租賃款項	3,402
Inventories	存貨	5,238
Trade and other receivables	應收賬款及其他應收款項	68,067
Tax recoverable	可收回稅項	178
Pledged bank deposits	已抵押銀行存款	801
Bank balances and cash	銀行結存及現金	11,146
Trade and other payables	應付賬款及其他應付款項	(55,234)
Bank borrowings	銀行借款	(112,863)
		(65)
Gain on disposals	出售收益	19,619
Release of translation reserve upon disposal	出售時解除匯兌儲備	(9,226)
Release of capital reserve upon disposal	出售時解除資本儲備	(3,605)
Total consideration	總代價	6,723
Satisfied by:	支付方式：	
Cash	現金	6,723
Net cash outflow arising on disposals:	出售產生之現金淨流出：	
Cash consideration	現金代價	6,723
Bank balances, deposits and cash disposed of	所出售之銀行結存、訂金及現金	(11,146)
		(4,423)

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39. DISPOSAL OF SUBSIDIARIES (CONTINUED)

For the year ended 31st March, 2008, the Disposed Companies contributed HK\$504 million to the Group's turnover and profit of HK\$15 million to the Group's profit for the year.

The net cash flows of the Disposed Companies for the year before the disposals were as follows:

		HK\$'000 千港元
Net cash used in operating activities	經營業務現金流出	(80,473)
Net cash used in investing activities	投資活動現金流出	(544)
Net cash from financing activities	融資活動現金流入	16,579
		(64,438)

40. PLEDGE OF ASSETS

At 31st March, 2008, certain borrowings of the Group were secured by the bank deposits of HK\$662,292,000 (2007: HK\$799,000). At 31st March, 2007, a factory building with carrying amount of HK\$15,324,000 was also pledged to a bank to secure the banking facilities grant to the Group, which was released during the year.

39. 出售附屬公司(續)

於截至二零零八年三月三十一日止年度，已出售公司分別為本集團之營業額及本年度溢利貢獻504,000,000港元及溢利15,000,000港元。

已出售公司於出售前年度之淨現金流量如下：

	HK\$'000 千港元
	(80,473)
	(544)
	16,579
	(64,438)

40. 資產抵押

於二零零八年三月三十一日，本集團之若干借款以銀行存款662,292,000港元(二零零七年：799,000港元)作抵押。於二零零七年三月三十一日，賬面淨值15,324,000港元之廠房亦已向銀行抵押，以取得銀行融資，並於年內解除。

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41. RETIREMENT BENEFIT SCHEMES

Retirement benefit scheme contributions

41. 退休福利計劃

退休福利計劃供款

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Contributions to mandatory provident fund scheme ("MPF Scheme")	強制性公積金計劃 (「強積金計劃」) 供款	393	308
Contributions to PRC state-managed pension schemes	中國國家管理退休金計劃供款	1,899	2,210
Amount charged to consolidated income statement	從綜合收益表扣除之款額	2,292	2,518

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

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

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41. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Retirement benefit scheme contributions (continued)

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

42. OPERATING LEASE ARRANGEMENTS

The Group as lessee

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

		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
Within one year	一年內	5,077	3,299
In the second to fifth years inclusive	第二至第五年 (包括首尾兩年在內)	2,626	3,229
		7,703	6,528

Leases are negotiated for a term ranged from 2 to 3 years. Matsunichi Communications (Hong Kong) Limited, a company in which Mr. Pan is the ultimate shareholder and a director, is acting as agent for signing one of the tenancy agreement in relation to office on behalf of the Group.

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

41. 退休福利計劃(續)

退休福利計劃供款(續)

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

42. 經營租約安排

本集團作為承租人

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

磋商之租約年期介乎兩至三年。松日資訊(香港)有限公司(潘先生為最終股東及董事之公司)充當代表本集團簽訂其中一份有關租賃協議之代理人。

本公司於結算日並無任何重大經營租約承擔。

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43. CAPITAL COMMITMENTS

43. 資本承擔

		THE GROUP	
		本集團	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of:	已訂約但未於綜合財務報告中就購入下列項目作出撥備之資本開支：		
Property, plant and equipment	物業、機器及設備	-	394
		-	394

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

本公司於結算日並無任何重大資本承擔。

44. CONTINGENT LIABILITIES

At 31st March, 2007, the Company provided several unlimited and limited guarantee to certain banks in respect of credit facilities granted to certain subsidiaries. The limited guarantee amounted to HK\$287,300,000. The aggregated amount utilised by the subsidiaries at 31st March, 2007 were HK\$768,673,000. Upon the disposal of certain subsidiaries, the corporate guarantee provided to these disposed subsidiaries were released.

At 31st March, 2008, the Company provided an unlimited guarantee and limited guarantee of HK\$194,548,000 to a bank in respect of credit facilities granted to a subsidiary. The aggregate amounts utilised by the subsidiary at 31st March, 2008 were HK\$222,967,000.

44. 或然負債

於二零零七年三月三十一日，本公司就若干附屬公司之信貸融資而向若干銀行作出多項無限擔保、一項287,300,000港元之擔保。於二零零七年三月三十一日，該等附屬公司已動用之有關總額共768,673,000港元。出售若干附屬公司後，向該等已出售附屬公司提供之公司擔保已予解除。

於二零零八年三月三十一日，本公司就一間附屬公司之信貸融資而向若干銀行作出一項無限擔保、一項194,548,000港元之擔保。於二零零八年三月三十一日，該附屬公司已動用之有關總額共222,967,000港元。

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45. RELATED PARTY TRANSACTIONS

Save as disclosed in Notes 16, 24, 28, 29 and 42 above, the Company has issued Convertible Bonds with aggregate principal value of HK\$1,325,607,000 and 220,324,447 Rights Shares to Jade Forest and Mr. Pan during the year. The interest expenses on Convertible Bonds that paid to Jade Forest and Mr. Pan during the year amounted to HK\$49,981,892. HK\$2,319,812,000 was received from Jade Forest and Mr Pan upon the issue of Convertible Bonds and Rights Shares during the year. 73,441,482 warrants had been issued to Jade Forest and Mr. Pan in conjunction with the Rights Shares.

During the year ended 31st March, 2007, the Group sold goods amounting to HK\$348,000 to 松日信息上海分公司, a company in which Mr. Pan has a beneficial interest.

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Short-term benefits	短期福利	18,727	9,106
Post-employment benefits	解聘後福利	12	-
		18,739	9,106

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

45. 關連人士交易

除上文附註16、24、28及42所披露者外，本公司於年內曾發行本金總額為1,325,607,000港元之可換股債券及220,324,447股供股股份予Jade Forest及潘先生。年內付予Jade Forest及潘先生之利息支出為49,981,892港元。於年內發行可換股債券及供股股份時，曾收取Jade Forest及潘先生2,319,812,000港元。73,441,482份認股權證已於供股同時發行予Jade Forest及潘先生。

於截至二零零七年三月三十一日止年度，本集團出售為數348,000港元之貨品予松日信息上海分公司（為潘先生擁有實益權益之公司）。

主要管理人員之薪酬

董事及其他主要管理人員於年內之酬金如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Short-term benefits	短期福利	18,727	9,106
Post-employment benefits	解聘後福利	12	-
		18,739	9,106

董事及其他主要管理人員之酬金乃按個別人士之表現及市場走勢，由薪酬委員會釐定。

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46. POST BALANCE SHEET EVENTS

On 10th June, 2008, the Company has entered into an agreement with Grace Dragon International Holdings Limited ("Grace Dragon") to sell the entire equity interest in a wholly owned subsidiary, Matsunichi Digital Technology (Shenzhen) Company Limited, with mainly amount due to a group entity of HK\$109,970,000 for a cash consideration of RMB100,069,000 (equivalent to HK\$109,075,000). Mr. Pan, Director of the Company, has beneficial interest in Grace Dragon.

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31st March, 2007 and 2008 are as follows:

46. 結算日後事項

於二零零八年六月十日，本公司與悅龍國際集團有限公司（「悅龍」）訂立協議，以現金代價人民幣10,069,000元（相當於109,075,000港元）出售全資附屬公司松日數碼科技（深圳）有限公司之全部股本權益（連主要為應付集團實體款項109,970,000港元）。本公司董事潘先生於悅龍擁有實益權益。

47. 主要附屬公司詳情

本公司之主要附屬公司於二零零七年及二零零八年三月三十一日之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 註冊或成立/ 營運地點	Paid up issued/ registered ordinary share capital 繳足已發行/ 註冊普通股本	Proportion of equity interests held by the Company				Principal activities 主要業務
			本公司		所持股權百分比		
			2008 二零零八年		2007 二零零七年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Ample Field Investments Limited	British Virgins Islands (B.V.I.)/ Hong Kong 英屬處女群島 (「英屬處女群島」)/ 香港	US\$10,000 10,000美元	100%	-	100%	-	Investment holding and trading of digital consumer products 投資控股及買賣數碼消費產品
Best Concord Group Limited	B.V.I./ Hong Kong 英屬處女群島/香港	US\$1 1美元	100%	-	100%	-	Investment holding 投資控股

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

47. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 註冊或成立/ 營運地點	Paid up issued/ registered ordinary share capital 繳足已發行/ 註冊普通股本	Proportion of equity interests held by the Company 本公司 所持股權百分比				Principal activities 主要業務
			2008 二零零八年		2007 二零零七年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Goldin Properties Group Limited	Hong Kong 香港	HK\$1 1港元	100%	-	-	-	Provision of administrative service 提供行政服務
Matsunichi Digital (Macao Commercial Offshore) Ltd.	Macau 澳門	MOP500,000 500,000澳門幣	-	-	-	100%	Trading of digital consumer products 買賣數碼消費產品
Matsunichi Digital Technology (Shenzhen) Co., Ltd. 松日數碼科技(深圳)有限公司	PRC* 中國*	RMB99,216,000 人民幣99,216,000元	100%	-	100%	-	Manufacture and trading of digital consumer products 製造及買賣數碼消費產品
Matsunichi Digital Technology Limited	Taiwan 台灣	NT\$10,000,000 新台幣10,000,000元	100%	-	100%	-	Manufacture and trading of digital consumer products 製造及買賣數碼消費產品
Matsunichi Hi-Tech Germany GmbH	Germany 德國	Eur300,000 300,000歐羅	100%	-	100%	-	Inactive 清盤中

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

47. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 註冊或成立/ 營運地點	Paid up issued/ registered ordinary share capital 繳足已發行/ 註冊普通股本	Proportion of equity interests held by the Company 本公司 所持股權百分比				Principal activities 主要業務
			2008 二零零八年		2007 二零零七年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Matsunichi Hi-Tech Limited 松日高科有限公司	Hong Kong 香港	HK\$100 100港元	-	-	-	100%	Trading of digital consumer products 買賣數碼消費產品
Matsunichi Information Technology (Shenzhen) Co., Ltd. 松日信息科技(深圳)有限公司	PRC* 中國*	RMB164,796,974 人民幣164,796,974元	-	100%	-	100%	Manufacture and trading of digital consumer products 製造及買賣數碼消費產品
Matsunichi (Shenzhen) R&D Centre Co., Ltd. 松日通訊控股研發(深圳)有限公司	PRC* 中國*	RMB9,551,700 人民幣9,551,700元	100%	-	100%	-	Manufacture and trading of digital consumer products 製造及買賣數碼消費產品
Matsunichi Technology (Dalian) Co., Ltd. 松日科技(大連)有限公司	PRC* 中國*	RMB59,945,220 人民幣59,945,220元	-	-	100%	-	Manufacturing and trading of digital consumer products 製造及買賣數碼消費產品
Shaoguan Manhattan Enterprise Limited	PRC* 中國*	US\$49,950,000 49,950,000美元	-	100%	-	100%	Investment holding 投資控股

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

47. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 註冊或成立/ 營運地點	Paid up issued/ registered ordinary share capital 繳足已發行/ 註冊普通股本	Proportion of equity interests held by the Company 本公司 所持股權百分比				Principal activities 主要業務
			2008 二零零八年		2007 二零零七年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Tianjin Hi-Tech New Star Investment Company Limited 天津海泰新星投資 有限公司	PRC* 中國*	RMB10,000,000 人民幣10,000,000元	-	100%	-	-	Property development and investment 物業發展及投資
Tianjin Hi-Tech Sun Investment Company Limited 天津海泰陽光投資 有限公司	PRC* 中國*	RMB10,000,000 人民幣10,000,000元	-	100%	-	-	Property development and investment 物業發展及投資

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

* 該等公司以外商獨資企業形式在中國成立。

(a) None of the subsidiaries had any debt securities subsisting at 31st March, 2008 or at any time during the year.

(a) 於二零零八年三月三十一日或年內任何時間，各附屬公司並無任何債務證券。

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

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

FINANCIAL SUMMARY

財政概要

Year ended 31st March,

截至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	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
RESULTS	業績					
Turnover	營業額	4,297,788	3,070,579	2,313,706	1,703,752	613,059
Profit before taxation	除稅前溢利	1,157,962	212,942	219,706	215,111	77,791
Taxation	稅項	(471,312)	(10,765)	(4,654)	(18,888)	(7,653)
Profit for the year	年度溢利	686,650	202,177	215,052	196,223	70,138

於三月三十一日

At 31st March,

		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
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	8,660,280	3,246,415	2,480,723	1,872,172	781,236
Total liabilities	負債總額	(4,570,878)	(1,450,673)	(1,135,276)	(683,550)	(204,658)
Total equity	權益總額	4,089,402	1,795,742	1,345,447	1,188,622	576,578



Matsunichi Communication Holdings Limited
松日通訊控股有限公司

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