



ANNUAL REPORT 2010



ASIA COMMERCIAL HOLDINGS LIMITED

**(Incorporated in Bermuda with limited liability)
(Stock Code: 104)**

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

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

Independent non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

AUTHORISED REPRESENTATIVES

Eav Ming Keong, Kinson
Au Shiu Leung, Alex

COMPANY SECRETARY

Au Shiu Leung, Alex

AUDITOR

CCIF CPA Limited
Certified Public Accountants
34th Floor, The Lee Gardens
33 Hysan Avenue
Causeway Bay
Hong Kong

董事

執行董事

楊仁 (別名楊啟仁) (*主席*)
楊明強
區肇良

獨立非執行董事

王穎好
賴思明
李達祥

審核委員會

賴思明 (*委員會主席*)
王穎好
李達祥

薪酬委員會

楊仁 (別名楊啟仁) (*委員會主席*)
賴思明
王穎好
李達祥

授權代表

楊明強
區肇良

公司秘書

區肇良

核數師

陳葉馮會計師事務所有限公司
執業會計師
香港
銅鑼灣
希慎道33號
利園34樓

PRINCIPAL REGISTRAR

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

BRANCH REGISTRAR

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

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

19th Floor
9 Des Voeux Road West
Hong Kong

BANKERS

Standard Chartered Bank
Bank of Communications
Hang Seng Bank Limited

COMPANY'S WEBSITE

www.asiacommercialholdings.com

STOCK CODE

Stock Exchange of Hong Kong: 104

股份過戶及登記處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

股份過戶及登記分處

卓佳秘書商務有限公司
香港
灣仔皇后大道東28號
金鐘匯中心26樓

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

香港主要營業地點

香港
德輔道西9號
19樓

銀行

渣打銀行
交通銀行
恒生銀行

公司網址

www.asiacommercialholdings.com

股份代號

香港聯合交易所：104



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員簡介

BOARD OF DIRECTORS

Executive Directors

Mr. Eav Yin (alias Duong Khai Nhon), aged 70, is the founder of the Company and a member of Chaozhou Committee of Guangdong Province of the Chinese People's Political Consultative Conference (廣東省潮州市政協委員) and was appointed as an Executive Director and the Chairman of the Company on 22nd November 2006. He is also the chairman of the remuneration committee of the Company. Mr. Eav Yin is a Cambodian Chinese and prior to his establishing of a Hong Kong company in 1968 as an importing agent for watch distribution business in Cambodia, had extensive experience of distributing watches in Cambodia and Vietnam. Mr. Eav Yin is the father of Mr. Eav Ming Keong, Kinson and the spouse of Mdm. Lam Kim Phung, a controlling shareholder of the Company. Mr. Eav Yin is a director and a controlling shareholder of Century Hero International Limited, which is a controlling shareholder of the Company.

Mr. Eav Ming Keong, Kinson, aged 35, holds a Bachelor of Arts degree in Interior Design and Technology and a Master of Arts degree in Art, Design and Visual Culture from the London Guildhall University. After graduation, Mr. Eav Ming Keong, Kinson has practiced in an architecture firm in London for 2 years. Mr. Eav Ming Keong, Kinson is a son of Mr. Eav Yin. He was appointed as an Executive Director of the Company on 22nd November 2006.

Mr. Au Shiu Leung, Alex, aged 45, has held positions as chief financial officer and financial controller of certain Hong Kong listed companies. He was appointed as an Executive Director of the Company on 11th January 2007 and as company secretary on 19th April 2007. He was previously employed by the Company from 1995 to 1997 and was its company secretary from 1996 to 1997. Mr. Au is a member of The Institute of Chartered Accountants in England and Wales and an associate of The Hong Kong Institute of Certified Public Accountants. He holds a Bachelor of Commerce (Accounting) degree with honours from the University of Birmingham.

Independent Non-executive Directors

Mr. Lai Si Ming, aged 52, is a fellow member of the Hong Kong Institute of Surveyors and an associate member of the Royal Institution of Chartered Surveyors. He was appointed as an independent non-executive Director of the Company on 8th August 1998. He is also the chairman of the audit committee and a member of the remuneration committee of the Company. Mr. Lai was elected as the Vice Chairman, General Practice Division of the Hong Kong Institute of Surveyors during the years from 2001 to 2003. Mr. Lai has been practicing as a professional surveyor since 1983 and has considerable experience in the property field. Mr. Lai holds a Master Degree of Business Administration from Chinese University of Hong Kong. Mr. Lai held directorship as independent non-executive director of The Sun's Group Limited during the years from 2002 to 2003.

董事會

執行董事

楊仁先生(別名楊啟仁)，現年七十歲，為本集團創辦人、並為廣東省潮州市政協委員，於二零零六年十一月廿二日被委任為本公司主席及執行董事，同時亦為本公司薪酬委員會主席。楊仁先生為柬埔寨華僑，於一九六八年成立一家香港公司作為柬埔寨鐘錶分銷業務之進口代理前，具有在柬埔寨及越南分銷鐘錶的豐富經驗。楊仁先生為楊明強先生之父親，及本公司控股股東林金鳳之配偶。楊仁先生為世雄國際有限公司之董事及控股股東，該公司則為本公司之控股股東。

楊明強先生，現年三十五歲，持有英國倫敦市政大學頒發之室內設計及技術文學士學位及藝術、設計及視覺文化碩士學位。於畢業後，楊明強先生於倫敦一間建築師樓工作兩年。楊明強先生為楊仁先生之兒子。於二零零六年十一月廿二日，彼被委任為本公司執行董事。

區肇良先生，現年四十五歲，於香港若干上市公司擔任財務總監及財務主管職務。於二零零七年一月十一日被委任為本公司執行董事及於二零零七年四月十九日為本公司公司秘書。彼過往於一九九五年至一九九七年間受聘於本公司，並於一九九六年至一九九七年擔任本公司秘書。區先生為英格蘭及威爾斯特許會計師公會會員，以及香港會計師公會會員。彼持有伯明翰大學頒發的商業(會計)榮譽學士學位。

獨立非執行董事

賴思明先生，現年五十二歲，為香港測量師學會資深會員及英國皇家特許測量師學會之會員，於一九九八年八月八日被委任為本公司獨立非執行董事。彼亦為本公司審核委員會主席及薪酬委員會委員。賴先生於二零零一年至二零零三年期間被選為香港測量師學會之產業測量組之副主席。賴先生自一九八三年起開始以專業測量師之身份執業，並在地產界具豐富經驗。賴先生持有香港中文大學之工商管理碩士學位。二零零二年至二零零三年期間，賴先生持有新銀集團有限公司之獨立非執行董事職位。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員簡介

Ms. Wong Wing Yue, Rosaline, aged 40, graduated with LLB (Hons) at King's College, London University, UK in 1992, and was admitted to both the UK Bar (Middle Temple, UK) and the Hong Kong Bar in 1993. Ms. Wong is a practicing barrister in Hong Kong. She was appointed as an independent non-executive Director of the Company on 16th December 2006. She is also a member of the audit committee and the remuneration committee of the Company.

Mr. Lee Tat Cheung, Vincent, aged 40, has around 20 years experience in accounting and auditing and is the sole proprietor of a firm of Certified Public Accountants practicing in Hong Kong. Mr. Lee is an associate member of The Institute of Chartered Accountants in England and Wales, a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. He holds a Master Degree in Corporate Finance from the Hong Kong Polytechnic University. He was appointed as an independent non-executive Director of the Company on 16th December 2006. He is also a member of the audit committee and the remuneration committee of the Company.

SENIOR MANAGEMENT

Mr. Jonathan Darracott, aged 44, holds a BA Hons degree in jewellery and silversmithing design and is a graduate member of the British Horological Institute, the Antiquarian Horological Society and a Freeman of the Worshipful Company of Clockmakers. He joined the Group in March 2007 as general manager responsible for the Group's Juvenia operations and business development. Prior to joining the Group, Mr. Darracott has worked for a major watch company in London and for twelve years in Sotheby's international auction house where he became the head for the European Watch department. He was involved in setting two then world records: the most expensive watch and the most expensive horological collection ever sold at auction.

Mr. Poon Kwok Sing, Sammy, aged 51, joined the Group in 1989. Mr. Poon has considerable experience in watch retailing, wholesale and brand management. During the period from April 1992 to March 1993, he was elected as the Director of the Federation of Hong Kong Watch Trades & Industries Limited which is an official association representing the watch industry in Hong Kong. Mr. Poon is the general manager in charge of the Group's watch retailing business in the PRC.

王穎好女士，現年四十歲，一九九二年畢業於英國倫敦大學King's College，取得榮譽法律學士學位，並於一九九三年獲准為英國(英國Middle Temple)及香港大律師。王女士為香港執業大律師。二零零六年十二月十六日，彼被委任為本公司獨立非執行董事，彼同時亦為本公司審核委員會及薪酬委員會委員。

李達祥先生，現年四十歲，於會計及審計方面擁有約二十年經驗，並為香港一間執業會計師行的獨資經營者。李先生為英格蘭及威爾斯特許會計師公會特許會計師，並為香港會計師公會及英國特許公認會計師公會資深會員。彼持有香港理工大學企業金融碩士學位。二零零六年十二月十六日，彼被委任為本公司獨立非執行董事，彼同時亦為本公司審核委員會及薪酬委員會委員。

高層管理人員

Jonathan Darracott先生，現年四十四歲，持有珠寶及銀器設計榮譽文學士學位，為英國鐘錶技術學院、古文物鐘錶技術學會(the Antiquarian Horological Society)之畢業會員，及鐘錶商名家公會會員(Freeman of the Worshipful Company of Clockmakers)。彼於二零零七年三月加入本集團任總經理，負責本集團「尊皇」業務及業務拓展。加入本集團前，Darracott先生曾任職於倫敦一間大型鐘錶公司，並於蘇富比國際拍賣行任職十二年，其間擔任歐洲鐘錶部門主管。他曾參與兩項當時世界紀錄拍賣：最貴手錶及最貴的鐘錶收藏。

潘國成先生，現年五十一歲，於一九八九年加入本集團。潘先生於鐘錶零售、批發及品牌管理擁有豐富經驗。於一九九二年四月至一九九三年三月止期間，彼獲代表香港鐘錶業之正式協會—香港鐘錶業總會推選為會董。潘先生為本集團鐘錶零售業務總經理，現時負責本集團於中國的零售業務。





1. 冠亞名表城北京新東安尊皇專賣店 Timecity Beijing APM - Juvenia Boutique | 2. 冠亞名表城北京新東安格拉蘇蒂專賣店 Timecity Beijing APM - Glashütte Boutique | 3. 冠亞名表城北京新東安寶珀專賣店 Timecity Beijing APM - Blancpain Boutique | 4. 冠亞名表城北京新東安卡地亞專賣店 Timecity Beijing APM - Cartier Boutique | 5. 冠亞名表城北京新東安江詩丹頓專賣店 Timecity Beijing APM - Vacheron Constantin Boutique | 6. 冠亞名表城北京新東安旗艦店 Timecity Beijing APM Flagship store | 7. 冠亞名表城上海南京西路旗艦店 Timecity Shanghai Nan Jing Road West Flagship store



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL HIGHLIGHTS 財務摘要		2010 二零一零年 HK\$ million 百萬港元	2009 二零零九年 HK\$ million 百萬港元	Change 變動 %
Operations	經營			
Turnover	營業額	777	619	26
Profit attributable to owners of the Company	歸屬於本公司持有 人之溢利	51	40	28
Earnings per share – Basic	每股盈利 – 基本	8.53 HK cents 8.53港仙	6.61 HK cents 6.61港仙	29
Final dividend proposed after the end of the reporting period	報告期末後擬派發之 末期股息	9	6	50
		2010 二零一零年 HK\$ million 百萬港元	2009 二零零九年 HK\$ million 百萬港元	Change 變動 %
Financial position	財務狀況			
Total assets	總資產	520	462	13
Shareholders' funds	股東權益	404	357	13



1. 冠亞名表城北京新東安寶璣專賣店 Timecity Beijing APM - Breguet Boutique | 2. 冠亞名表城北京新東安豪雅專賣店 Timecity Beijing APM - TagHeuer Boutique | 3. 冠亞名表城北京新東安真利時專賣店 Timecity Beijing APM - Zenith Boutique | 4. 冠亞名表城北京新東安萬國專賣店 Timecity Beijing APM - IWC Boutique | 5. 冠亞名表城北京新東安歐米茄專賣店 Timecity Beijing APM - Omega Boutique | 6. 冠亞名表城瀋陽商貿帝舵專賣店 Timecity Shenyang Trader Tudor Boutique | 7. 冠亞名表城上海南京西路萬國專賣店 Timecity Shanghai Nan Jing Road West IWC Boutique | 8. 冠亞名表城上海南京西路愛彼專賣店 Timecity Shanghai Nan Jing Road West Audemars Piguet Boutique



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The year under review was a mixed challenge year for us. In the first six months of the financial year, the financial tsunami continuing to affect the global economy but the PRC economy remained stable during that period. The Group's turnover increased by 53% in the second half of the financial year compared with the same period in the previous year which was adversely affected by the start of the financial crisis. Overall, turnover for the year increased by 26% over last year to HK\$777 million. Same store sales growth maintained similar growth rate compared with last year. The competition in the luxury watch market mentioned in last year's annual report continued and our gross profit margin dropped from last year's 37% to this year's 32%.

Distribution costs increased by 8% compared by last year. The increase was mainly attributable to extra rental expenses as and staff costs in line with the increase in turnover as well as additional rental from new or expanded shops. Administrative expenses increased due to transaction fees charged on credit card sales which rose in line with the increase in credit card transactions and foreign exchange losses.

With the overall improvement in market sentiment, the market value of the investment properties and the available-for-sale investments held by the Group have increased resulting in valuation gain of approximately HK\$12 million.

In Shenyang, the Group opened its fourth Vacheron Constantin boutique as well as two other new brand boutiques specializing in Tudor and Girard-Perregaux. The Timecity Shenyang flagship store was closed temporarily for renovation. In Shanghai, the Group's Timecity multi-brand store on Nanjing Road West was closed for redevelopment into Audemars Piguet and IWC boutiques. In Hong Kong, the expanded Rolex/Tudor boutique reopened for business as we entered into the 2009/2010 financial year.

During the year, the Group continued to make investments to improve its operations as part of our ongoing process. Timecity upgraded its ERP system to facilitate better management and control of resources. New training programs are being put in place to improve the service quality of our associates in different areas such as customer service, selling techniques, product knowledge, etc.

業務回顧

就本集團而言本回顧年度乃充滿各樣挑戰的一年。於上半年度，金融海嘯繼續影響全球經濟，惟中國經濟於期內仍維持穩定。本集團下半年度之營業額比去年同期增長53%，此乃由於去年同期業績嚴重受到金融危機開始爆發所影響。整體而言，本年度之營業額比去年度增長26%，達777,000,000港元。同店銷售增長比去年度維持類似的增長率。在去年年報提及的豪華鐘錶市場的競爭持續，令集團毛利率由去年度的37%跌至今年度的32%。

分銷成本比去年度增加8%。增長主要由於額外的租金費用及員工成本與營業額增長一致，以及新增或擴充店舖所需的額外租金。行政費用增加乃由於以信用卡簽帳的交易費用增長與信用卡交易的增長一致，以及外匯虧損所致。

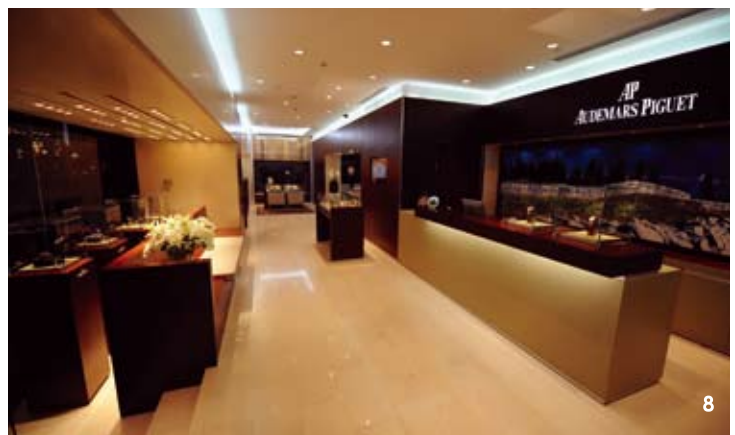
鑒於整體市場情緒轉好，令本集團持有之物業投資及可供出售投資的市場價值有所增長，並錄得重估收益約12,000,000港元。

於瀋陽，本集團開設第四間江詩丹頓專賣店，以及兩間其他新增品牌專賣店專門售賣帝舵錶及芝柏錶。冠亞名表城瀋陽旗艦店因裝修而暫時停業。於上海，本集團位於南京西路專賣多個品牌的冠亞名表城，因重整成為愛彼專賣店及萬國錶專賣店而關閉。於香港，經擴充的勞力士／帝舵專賣店在進入二零零九／二零一零年度時經已重開營業。

於年內，本集團繼續以投資改善經營作為持續不斷的進程。冠亞名表城提升其企業資源計劃系統以達致更佳的資源管理及控制。為提升不同地區聯營單位包括客戶服務、銷售技巧以及產品知識等等的服務質素，新的培訓計劃經已就位。



1. 冠亞名表城上海新世界勞力士及帝舵專賣店 Timecity Shanghai New World Rolex & Tudor Boutique | 2. 冠亞名表城上海時代廣場歐米茄專賣店 Timecity Shanghai Time Square Omega Boutique | 3. 冠亞名表城北京寶珀專賣店 Timecity Beijing Blancpain Boutique | 4. 冠亞名表城北京江詩丹頓專賣店 Timecity Beijing Vacheron Constantin Boutique | 5. 冠亞名表城天津遠東店 Timecity Tianjin Far Eastern Department store | 6. 冠亞名表城成都春熙路旗艦店 Timecity Chengdu Chun Xi Road Flagship store | 7. 冠亞名表城北京東方廣場店 Timecity Beijing Oriental Plaza store | 8. 冠亞名表城北京愛彼專賣店 Timecity Beijing Audemars Piguet Boutique



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

	As at 31st March 2010 於二零一零年 三月三十一日	As at 31st March 2009 於二零零九年 三月三十一日
Beijing 北京	6	6
Shanghai 上海	8	10
Shenyang 瀋陽	9	8
Chengdu, Chongqing and Urumuqi 成都、重慶及烏魯木齊	4	4
Hong Kong 香港	1	1
	28	29

FINANCIAL REVIEW

Results review

The Group recorded turnover of HK\$777 million for the year ended 31st March 2010, (2009: HK\$619 million) representing an increase of 26% (2009: 30%) over the last year. The increase was attributable to the contribution from our new POSs compared with the prior reporting year.

Distribution costs increased by 8% to HK\$183 million mainly due to increase in rental expenses as more POSs came into operation during the year. Administrative expenses also rose 18% from HK\$32 million to HK\$37 million due to the increase in bank charges, depreciation charges and exchange losses as a result of the increase in sales activity.

Owing to the recovery of the property market in Hong Kong during the year, our investment properties recorded valuation gains of HK\$9.55 million (2009: valuation losses of HK\$4.5 million).

財務回顧

業績回顧

截至二零一零年三月三十一日止年度，本集團錄得營業額777,000,000港元（二零零九年：619,000,000港元），較去年同期增加26%（二零零九年：30%），此營業額增加歸因於與去年同期比較新增店鋪的營業額貢獻的增加。

分銷成本增加8%至183,000,000港元，主要由於年內有多間新店鋪相繼投入經營而使租金開支成本增加。行政費用亦從32,000,000港元增至37,000,000港元，上升18%，此乃因為銷售活動增多而導致銀行支出、折舊支出以及外匯損失增加。

由於年內香港物業市場復甦，本公司之物業投資錄得9,550,000港元之估值收益（二零零九年：估值虧損4,500,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity, financial resources and capital structure

As at 31st March 2010, the Group's total cash balance amounted to HK\$66 million (2009: HK\$50 million). The increase was mainly due to cash generated from operating activities which is slightly offset by the increase in renovation charges and payment of dividend. The Group has banking facilities amounting to HK\$40 million which were secured by certain leasehold properties, prepaid lease payments as well as certain investment properties. During the year, the Group has borrowed a money market loan of HK\$10 million from these facilities and fully repaid it before the year end. Gearing rate of the Group, expressed as a ratio of total borrowing over total equity, was 0% as at 31st March 2010 (2009: 1%).

Foreign exchange risks

The Group views its main currencies as Hong Kong dollars, Renminbi and Swiss Francs. The Group monitors its exposure to foreign exchange risks, and when it considers necessary and appropriate, will hedge its foreign exchange risks by using financial instruments.

PROSPECTS

According to statistics from the Federation of the Swiss Watch Industry, export of Swiss watches to China for the period of January to June 2010 reached approximately 483 million Swiss Francs representing an increase of approximately 91% over the same period in the previous year. With the continued growth in China economy and the increasing number of China tourists visiting Hong Kong, we will continue our development strategy to continue expansion of the Timecity development program into the second and third tier cities as well as in Hong Kong. The preparation for the opening of a number of new POSs are well underway and, since the year end, Timecity has opened in Wuxi as well as a new POS in Shenyang Hang Lung Plaza Phase 1. Search and negotiations for other suitable locations in mainland China and Hong Kong are part of our plan to strengthen our foothold.

There is no doubt that the market will continue to be competitive. Now that the global economy has stabilized, we are confident that, with the support of the top Swiss brands, we are on track with our development plan.

流動資金、財務資源及資本結構

於二零一零年三月三十一日，本集團之現金結餘總額為66,000,000港元（二零零九年：50,000,000港元）。現金增加主要由於從經營活動產生之現金僅輕微被增加之裝修開支及股息支付抵銷所致。本集團備有40,000,000港元之銀行信貸額，由若干租賃物業、租賃預付款項及若干投資物業作擔保。年內，本集團由該等備用貸款借入10,000,000港元之貨幣市場貸款，並於年度完結前全數清還。於二零一零年三月三十一日，本集團之借貸比率（以總借貸除以總權益表示）為0%（二零零九年：1%）。

外匯風險

本集團之主要貨幣為港元、人民幣及瑞士法郎。本集團對外匯風險實行監控，會在必要及適當時運用金融工具對沖其外匯風險。

展望

根據瑞士鐘錶業總會之數據，於二零一零年一月至六月期間瑞士鐘錶銷售往中國的出口額達約483,000,000瑞士法郎，比去年同期增加約91%。由於中國經濟持續增長，加上越來越多中國遊客前往香港旅遊，本集團將繼續其發展策略，擴展冠亞名表城至二、三線城市及香港。開設多間銷售點的計劃已進行得如火如荼，而自年末以來，本集團已於無錫開設冠亞名表城，以及於瀋陽恒隆廣場第一期開設一個新的銷售點。本集團計劃物色和商議中國大陸及香港的其他合適地點，以加強其銷售據點。

市場將繼續充滿競爭是無可置疑的。惟現在全球經濟已穩定下來，加上得到高級瑞士品牌的支持，本集團有信心將按著集團的發展目標而行。

DIRECTORS' REPORT

董事會報告

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 31st March 2010.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are set out in Note 17 on the financial statements.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries ("the Group") during the financial year are set out in Note 17 on the financial statements.

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31st March 2010 and the state of the Company and the Group's affairs as at that date are set out in the financial statements on pages 28 to 102.

SHARE CAPITAL

Particulars of the share capital of the Company during the year are set out in Note 26 on the financial statements.

DIVIDENDS

The Directors resolved not to pay interim dividend (2009: HK\$Nil) but have proposed a final dividend of 1.5 HK cents per share for the year ended 31st March 2010 (2009: 1 HK cent per share) subject to the approval by the shareholders at the forthcoming annual general meeting. The period for closure of register of members of the Company and the date of annual general meeting would be announced later.

PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries of the Company are set out in the Note 17 on the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment are set out in Note 14 on the financial statements.

INVESTMENT PROPERTIES

Details of the movements in investment properties during the year are set out in Note 16 on the financial statements.

RESERVES

Details of reserves available for distribution to shareholders and movements in the reserves of the Company and the Group during the year are set out in Note 28 on the financial statements.

董事會欣然提呈截至二零一零年三月三十一日止年度之報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股及其附屬公司之主要業務載於財務報表附註17。

本公司及其附屬公司(「本集團」)於本財政年度內之主要業務分析及經營地點載於財務報表附註17。

財務報表

本集團截至二零一零年三月三十一日止年度之溢利以及本公司及本集團於該日之財務狀況載於財務報表第28至第102頁。

股本

本公司於年內之股本詳情載於財務報表附註26。

股息

董事議決不派付中期股息(二零零九年:零港元),但建議派付截至二零一零年三月三十一日止年度之末期股息每股1.5港仙(二零零九年:每股1港仙),有關股息須如於應屆股東週年大會上獲得股東通過。有關本公司股東暫停辦理股份過戶登記手續期間及股東週年大會舉行日期將於稍後公佈。

主要附屬公司

本公司主要附屬公司之詳情載於財務報表附註17。

物業、機器及設備

物業、機器及設備之變動詳情載於財務報表附註14。

投資物業

本年度投資物業之變動詳情載於財務報表附註16。

儲備

本公司及本集團年內儲備變動詳情以及可供分派儲備予股東詳情載於財務報表附註28。



DIRECTORS' REPORT

董事會報告

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of Company's listed securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year.

BORROWING

Details of the borrowing are set out in Note 25 on the financial statements.

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended 31st March 2010, the Group's largest supplier contributed approximately 31.8% of the total purchases for the year and the aggregate amount of purchases attributable to the Group's top five suppliers represented approximately 79% of the Group's total purchases.

Since the customer base of the Group is very wide, the aggregate sales attributable to the Group's five largest customers are approximately 3.3% of total sales during the year.

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

FINANCIAL SUMMARY

A financial summary of the Group for the past five financial years is set out on page 103.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors:

Eav Yin (*Chairman*)
Eav Ming Keong, Kinson
Au Shiu Leung, Alex

Independent non-executive Directors:

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

Mr. Eav Yin, Mr. Au Shiu Leung, Alex and Mr. Eav Ming Keong, Kinson shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

購買、出售或贖回上市證券

本公司或任何其附屬公司於年內概無於香港聯合交易所有限公司(「聯交所」)購買、出售或贖回本公司任何上市證券。

借貸

借貸之詳情載於財務報表附註25。

主要供應商及客戶

截至二零一零年三月三十一日止年度，本集團最大供應商佔本年度總採購額約31.8%；而本集團五大家供應商之總採購額佔本集團採購總額約79%。

由於本集團之客戶基礎龐大，年內本集團五大客戶之總銷售額約佔本集團銷售總額3.3%。

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

財務摘要

本集團於過去五個財政年度之財務摘要載於第103頁。

董事及董事之服務合約

年內及截至本報告日止，本公司董事為：

執行董事：

楊仁(主席)
楊明強
區肇良

獨立非執行董事：

賴思明
王穎好
李達祥

楊仁先生、區肇良先生和楊明強先生將會在應屆股東週年大會退任，惟合資格並願意膺選連任。

DIRECTORS' REPORT

董事會報告

The independent non-executive Directors are subject to retirement by rotation in accordance with the Company's Bye-Laws.

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st March 2010, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") were as follows:

Long positions in shares of the Company

Name of Directors 董事姓名	Nature of interest 權益性質	Number of ordinary shares held 持有普通股數目	Approximate percentage of aggregate interests to total issued share capital 總權益佔已發行股本總額概約百分比
Mr. Eav Yin	楊仁先生	346,764,261	57.73
Mr. Eav Ming Keong, Kinson	楊明強先生	707,400	0.12

Note: Among the 346,764,261 shares in which Mr. Eav Yin is deemed to have interests under the SFO (a) 19,531,800 shares are personal interest of Mr. Eav Yin, (b) 804,600 shares are held by Mdm. Lam Kim Phung (spouse of Mr. Eav Yin), (c) 253,633,692 shares by Century Hero International Limited, (d) 932,400 shares by Debonair Company Limited, (e) 9,986,364 shares by Goodideal Industrial Limited, (f) 1,275,336 shares by Hexham International Limited, (g) 1,423,269 shares by Goodness Management Limited and (h) 59,176,800 shares by Chanchhaya Trustee Holding Corporation (as a trustee of Eav An Unit Trust). Century Hero International Limited, Debonair Company Limited, Hexham International Limited, and Goodness Management Limited are wholly owned and Goodideal Industrial Limited is 87% owned by Mr. Eav Yin. Eav An Unit Trust is a discretionary trust of which Mr. Eav Yin is the founder, the beneficiaries include Mr. Eav Yin, his wife and their children.

根據本公司細則，獨立非執行董事須輪值退任。

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

董事及主要行政人員於股份、相關股份及債券中之權益

於二零一零年三月三十一日，本公司董事及主要行政人員在本公司或其任何相聯法團(定義見《證券及期貨條例》(「證券及期貨條例」)第XV部)的股份、相關股份或債券證中擁有，而根據證券及期貨條例第XV部第7及第8分部須通知本公司及聯交所的權益及淡倉(包括根據證券及期貨條例之該等條文彼等被當作或視為擁有之權益及淡倉)，或根據證券及期貨條例第352條規定須列入而已列入須予備存之登記冊或依據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)須通知本公司及聯交所的權益及淡倉如下：

於本公司股份之好倉

Name of Directors 董事姓名	Nature of interest 權益性質	Number of ordinary shares held 持有普通股數目	Approximate percentage of aggregate interests to total issued share capital 總權益佔已發行股本總額概約百分比
Mr. Eav Yin	楊仁先生	346,764,261	57.73
Mr. Eav Ming Keong, Kinson	楊明強先生	707,400	0.12

附註：楊仁先生於根據證券及期貨條例被視為擁有權益之346,764,261股股份中，(a)19,531,800股股份屬楊仁先生之個人權益；(b)804,600股股份由林金鳳女士(楊仁先生之配偶)持有；(c)253,633,692股股份由世雄國際有限公司持有；(d)932,400股股份由Debonair Company Limited持有；(e)9,986,364股股份由Goodideal Industrial Limited持有；(f)1,275,336股股份由Hexham International Limited持有；(g)1,423,269股股份由Goodness Management Limited持有及(h)59,176,800股股份由Chanchhaya Trustee Holding Corporation(作為Eav An Unit Trust之受託人)持有。世雄國際有限公司、Debonair Company Limited、Hexham International Limited、Goodness Management Limited均由楊仁先生全資擁有，而Goodideal Industrial Limited由楊仁先生擁有87%。Eav An Unit Trust為全權信託，楊仁先生為該信託之創立人，受益人包括楊仁先生、其妻子及彼等之子女。



DIRECTORS' REPORT

董事會報告

Save as disclosed herein, as at 31st March 2010, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code. In addition, save as disclosed above, none of the Directors or chief executive of the Company nor their spouses or children under 18 years of age had been granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

DIRECTORS' INTERESTS IN CONTRACTS

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

SHARE OPTION SCHEME

On 20th September 2002, the shareholders of the Company approved the adoption of a new share option scheme (the "2002 Share Option Scheme"). The purpose of the 2002 Share Option Scheme is to encourage qualifying grantees to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. Qualifying grantees of the 2002 Share Option Scheme mean (i) any employee or any business-related consultant, agent, representative or advisor of the Company or any subsidiary or any affiliate; or (ii) any supplier, agent or consultant who provide goods or services to the Company or any subsidiary or any affiliate; or (iii) any customer of the Company or any subsidiary or any affiliate; or (iv) any business ally or joint venture partner of the Company or any affiliate. Details of the 2002 Share Option Scheme and movement during the year ended 31st March 2010 are set out in Note 27 on the financial statements.

Refreshment of 2002 Share Option Scheme mandate limit (the "Refreshment") and amendment of rules of 2002 Share Option Scheme (the "Amendment") had been approved at the annual general meeting of the Company held on 26th August 2008. Details of the Refreshment and the Amendment were contained in the circular to shareholders dated 1st August 2008.

No option was granted, exercised, cancelled or lapsed during the year ended 31st March 2010 and as 31st March 2010, there were no outstanding option granted under the 2002 Share Option Scheme.

除上文所披露者外，於二零一零年三月三十一日，本公司各董事或主要行政人員概無在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券證中擁有，而根據證券及期貨條例第XV部第7及第8分部須通知本公司及聯交所的權益及淡倉（包括根據證券及期貨條例之該等條文彼等被當作或視為擁有之權益及淡倉），或根據證券及期貨條例第352條須登記於備存的登記冊內或根據標準守則須通知本公司及聯交所的權益及淡倉。此外，除上文所披露者外，本公司各董事或主要行政人員或彼等之配偶或未滿18歲之子女概無獲授予或行使認購本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股本或債務證券之任何權利。

董事於合約之權益

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

購股權計劃

於二零零二年九月二十日，本公司股東批准採納新購股權計劃（「二零零二年購股權計劃」）。二零零二年購股權計劃之目的乃鼓勵合資格承授人致力為本公司及其股東整體之利益提升本公司及其股份之價值。二零零二年購股權計劃的合資格承授人指(i)本公司或任何附屬公司或任何聯屬公司的任何僱員，或任何與業務有關之顧問、代理人、代表或顧問；或(ii)向本公司或任何附屬公司或任何聯屬公司提供貨物或服務之任何供應商、代理商或顧問；或(iii)本公司或任何附屬公司或任何聯屬公司之任何客戶；或(iv)本公司或任何附屬公司或任何聯屬公司之業務盟友或合資企業夥伴。二零零二年購股權計劃之詳情及截至二零一零年三月三十一日止年度之變動載於財務報表附註27。

更新二零零二年購股權計劃之授權上限（「更新」）及修訂二零零二年購股權計劃條例之規則（「修訂」）已在二零零八年八月二十六日之股東週年大會被確認。更新及修訂細節已載於二零零八年八月一日發給股東之通函內。

截至二零一零年三月三十一日止年度內無購股權被授出、行使、註銷或失效。而於二零一零年三月三十一日，根據二零零二年購股權計劃並無授出而尚未行使之購股權。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at 31st March 2010 there was no outstanding options granted by the Company under the 2002 Share Option Scheme to the Directors to subscribe for shares of the Company, as recorded in the register required to be kept by the Company under Section 352 of the SFO.

Save as disclosed herein, at no time during the year, was the Company or any of its associated corporations a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors or their spouses or children under 18 years of age was granted any right to subscribe for any shares in, or debentures of, the Company or any of its associated corporations.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, no Director is considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

Other than the 2002 Share Option Scheme as explained in Note 27 on the financial statements, the Company had no outstanding convertible securities, options, warrants or similar rights as at 31st March 2010 and there was no issue or exercise of any convertible securities, options, warrants or similar rights during the year.

董事購買股份或債券之權利

於二零一零年三月三十一日，根據證券及期貨條例第352條規定而存置之登記冊所載，本公司並無根據二零零二年購股權計劃授出而尚未行使之購股權予各董事認購本公司之股份。

除上文所述者外，本公司或其任何相聯法團於年度內概無訂立任何安排，致使董事可藉著購買本公司或任何其他法人團體之股份或債券而獲取利益，且並無任何董事或其配偶或其年齡在十八歲以下之子女獲授予任何權利以認購本公司或其任何相聯法團之任何股份或債券。

董事於競爭的業務之權益

於本年度內及至本報告日止，並無董事被認為根據上市規則與本集團之業務競爭或有機會構成競爭之業務擁有權益。

可換股證券、購股權、認股權證或類似權利

除財務報表附註27說明二零零二年購股權計劃外，本公司於二零一零年三月三十一日概無任何未行使之可換股證券、購股權、認股權證或類似權利，於年內亦概無發行或行使任何可換股證券、購股權、認股權證或類似權利。



DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31st March 2010, so far as is known to any Directors and chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the Part XV of the SFO, or which were recorded in the register kept by the Company or required to be notified under Section 336 of the SFO:

Name of shareholder 股東名稱		Notes 附註	Number of ordinary shares beneficial held 實益持有 普通股數目	Approximate percentage of issued share capital 佔已發行股本 概約百分比 %
Mdm. Lam Kim Phung	林金鳳女士	1	346,764,261	57.73
Century Hero International Limited	世雄國際有限公司	2	253,633,692	42.22
Chanchhaya Trustee Holding Corporation	Chanchhaya Trustee Holding Corporation	3	59,176,800	9.85
Covenhills Limited	Covenhills Limited	4	97,020,972	16.15

Notes:

- These shares include 804,600 shares held by Mdm. Lam Kim Phung and the remaining 345,959,661 shares represent the interest held by Mr. Eav Yin, spouse of Mdm. Lam Kim Phung, whose interests are disclosed in the above section headed "Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures".
- Century Hero International Limited is wholly owned by Mr. Eav Yin who is also a director of this company.
- Chanchhaya Trustee Holding Corporation is trustee of Eav An Unit Trust, a discretionary trust, the beneficiaries of which include Mr. Eav Yin, his wife and their children.
- Covenhills Limited is owned equally by Mr. Leong Lou Teck, Mr. Leong Lum Thye, Miss Leong Yoke Kheng and Mr. Leong Siew Khuen.

All the interests disclosed above represent long positions in shares of the Company.

Save as disclosed above, as at 31st March 2010, there were no other person (other than the Directors or chief executive of the Company) who was recorded in the register of the Company as having an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

股本中之重大權益

於二零一零年三月三十一日，據任何本公司董事及主要行政人員所知，下列人士（本公司董事或主要行政人員除外）於本公司之股份及相關股份中擁有按照證券及期貨條例第XV部第2及3分部之條文須向本公司披露，或記錄於本公司所存置之登記冊或按照證券及期貨條例第336條須予知會之權益或淡倉：

	Notes 附註	Number of ordinary shares beneficial held 實益持有 普通股數目	Approximate percentage of issued share capital 佔已發行股本 概約百分比 %
	1	346,764,261	57.73
	2	253,633,692	42.22
	3	59,176,800	9.85
	4	97,020,972	16.15

附註：

- 此等股份中804,600股股份由林金鳳女士所持有，而餘下345,959,661股股份則由楊仁先生（林金鳳女士之配偶）持有權益，楊仁先生之權益披露於上文「董事及主要行政人員於股份、相關股份及債券中之權益」內。
- 世雄國際有限公司由楊仁先生全資擁有，楊仁先生亦為該公司之董事。
- Chanchhaya Trustee Holding Corporation為全權信託Eav An Unit Trust之受託人，該信託之受益人包括楊仁先生、其妻子及彼等之子女。
- Covenhills Limited由梁留德先生、Leong Lum Thye先生、Leong Yoke Kheng小姐及Leong Siew Khuen先生均等擁有。

上文所披露之所有權益均為本公司股份之好倉。

除上文所披露者外，於二零一零年三月三十一日，概無其他被列入本公司登記冊之人士（本公司董事及主要行政人員除外）於本公司股份及相關股份中擁有，而根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露之權益或淡倉，或須根據證券及期貨條例第336條規定列入本公司須予備存之登記冊內之權益或淡倉。

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

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

PRE-EMPTIVE RIGHTS

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

EMPLOYEES AND REMUNERATION POLICY

There are 505 employees in the Group as at 31st March 2010. The Group offers competitive remuneration packages to employees in line with market trends. Incentives such as discretionary bonuses and staff share options are offered to motivate employees.

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

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

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITOR

The financial statements for the year ended 31st March 2010 were audited by CCIF CPA Limited. A resolution will be submitted at the forthcoming annual general meeting of the Company to re-appoint CCIF CPA Limited as auditor of the Company.

EXPRESSION OF GRATITUDE

The Board would like to take this opportunity to express its gratitude to all staff members, shareholders, bankers, customers, suppliers and professional advisors for the sincere support to the Group.

By Order of the Board

Eav Yin
Chairman

Hong Kong, 26th July 2010

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

優先購買權

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

僱員及薪酬政策

於二零一零年三月三十一日，本集團共聘用505名僱員。本集團按市場趨勢向僱員提供具競爭力之薪酬組合，並提供獎勵（如酌情花紅及員工購股權計劃）激勵僱員。

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

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

公眾持股量

根據本公司可從公開途徑取得的資料及就董事所知，於本年報日，本公司已根據上市規則維持規定之公眾持股量。

核數師

截至二零一零年三月三十一日止年度之財務報表，乃由陳葉馮會計師事務所有限公司審核。於本公司應屆股東週年大會上將提呈決議案，續聘陳葉馮會計師事務所有限公司為本公司核數師。

致謝

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

承董事會命

楊仁
主席

香港，二零一零年七月二十六日



CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain a high standard of corporate governance practices by emphasising a quality board of directors, sound internal control, transparency and accountability to all the shareholders of the Company.

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Listing Rules throughout the year ended 31st March 2010 except for the deviation from code provisions A.1.1 and A.4.1 and those discussed below:

The Company was incorporated in Bermuda and enacted by private act, the Asia Commercial Holdings Limited Company Act, 1989 of Bermuda (the “1989 Act”). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the Bye-Laws.

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

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

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

企業管治常規

本公司致力透過高質素的董事會、有效的內部監控、對本公司全體股東之透明度及問責性維持高水平之企業管治常規。

於截至二零一零年三月三十一日止年度內，本公司已遵守上市規則附錄十四企業管治常規守則（「守則」）所載的所有條文，惟對守則條文A.1.1條及A.4.1條及以下之偏離者除外：

本公司於百慕達註冊成立及實施冠亞商業集團有限公司之私人法案，百慕達1989年公司法案（「1989年法案」）。根據1989年法案第3(e)條，擔任執行主席或董事總經理的董事毋須根據公司細則在每次股東週年大會上輪值退任。

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

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

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code for securities transactions by Directors of the Company (the "Code of Conduct") on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry with all the Directors of the Company, all of them confirmed that they have complied with the required standards set out in the Model Code and the Code of Conduct during the year ended 31st March 2010.

BOARD OF DIRECTORS

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

The Board comprises three Executive Directors and three independent non-executive Directors. The biographical details of the Directors are set out on page 4 of this annual report.

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

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

董事之證券交易

本公司已採納有關本公司董事進行證券交易之守則(「操守準則」)，該準則之條款之嚴格程序不遜於上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)之規定準則。

本公司全體董事經諮詢後，確認彼等於截至二零一零年三月三十一日止年度已遵守標準守則及操守準則所載之準則。

董事會

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

董事會由三名執行董事及三名獨立非執行董事所組成。董事履歷載於本年報第4頁。

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

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



CORPORATE GOVERNANCE REPORT

企業管治報告

The Board meets regularly to review the financial and operating performance of the Group. During the year, 3 Board regular meetings were held which did not fully comply with code provision A.1.1. The Board will improve this meeting arrangement to comply with this provision in the future. Moreover, 2 Audit Committee meetings and 1 Remuneration Committee meeting were held during the year. The individual attendance of Directors in these meetings was set out below:

董事會定期開會，以檢討本集團之財務及業務表現。本年度，董事會僅舉行三次定期會議，未能完全遵守守則條文A.1.1條規定。董事會將於未來改善此等會議之安排以遵守此等規定。此外，本年度已舉行二次審核委員會及一次薪酬委員會會議，該等會議各董事之獨立出席紀錄刊載如下：

Name of Director 董事姓名		Board meetings 董事會會議	Audit Committee meetings 審核委員會會議	Remuneration Committee meetings 薪酬委員會會議
Executive Directors	執行董事			
Mr. Eav Yin	楊仁先生	3/3	N/A 不適用	1/1
Mr. Eav Ming Keong, Kinson	楊明強先生	2/3	N/A 不適用	N/A 不適用
Mr. Au Shiu Leung, Alex	區肇良先生	2/3	N/A 不適用	N/A 不適用
Independent non-executive Directors	獨立非執行董事			
Mr. Lai Si Ming	賴思明先生	2/3	2/2	1/1
Ms. Wong Wing Yue, Rosaline	王穎妤女士	1/3	1/2	1/1
Mr. Lee Tat Cheung, Vincent	李達祥先生	2/3	2/2	1/1

Mr. Eav Yin, the Chairman of the Company, is the father of Mr. Eav Ming Keong, Kinson, who is an Executive Director of the Company. Save as disclosed herein, there is no financial, business, family or other material or relevant relationship among members of the Board or between the Chairman and the chief executive officer.

本公司主席楊仁先生為本公司執行董事楊明強先生之父親。除本文所披露者外，董事會成員之間或主席與行政總裁之間並無財務、業務、家庭或其他重大或相關關係。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

主席及行政總裁

主席為楊仁先生，而行政總裁之功能由餘下之執行董事分擔。

NON-EXECUTIVE DIRECTORS

Code provision A.4.1 of the Code provides that non-executive director should be appointed for a specific term, subject to re-election.

非執行董事

守則條文A.4.1條規定，非執行董事應有指定任期，並須輪值退任。

During the year, the non-executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at annual general meeting in accordance with the Company's Bye-Laws. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the Code.

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

NOMINATION OF DIRECTORS

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

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

The name of the Directors who served during the year are set out in the section headed "Directors and Directors' Service Contracts" set out on page 14 of this annual report. There was no change of directors during the year.

REMUNERATION OF DIRECTORS

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

董事提名

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

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

於本年度提供服務之董事姓名載列於本年報第14頁所載「董事及董事之服務合約」一節。年內並無任何董事變更。

董事薪酬

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



CORPORATE GOVERNANCE REPORT

企業管治報告

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

During the year, the Remuneration Committee held 1 meeting to advise the Board on the Group's overall policy and structure of the remuneration of the Directors and senior management. No Director or any of his/her associates may be involved in any decisions as to his/her own remuneration. Based on the review and discussion at the meeting, the Remuneration Committee recommended to the Board to approve the Group's overall policy and structure of the remuneration of the Directors and senior management.

AUDITORS' REMUNERATION

For the year ended 31st March 2010, the total remuneration of the Company's auditor for statutory audit services and other services is HK\$975,000 (2009: HK\$845,000) and HK\$258,000 (2009: HK\$250,000) respectively.

AUDIT COMMITTEE

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

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

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

The Audit Committee held 2 meetings during the year to review, among other things, the interim and annual financial statements. Based on the review and discussion at the meetings, the Audit Committee recommended to the Board, among other things, to approve the interim and annual financial statements of the Group.

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

年內，薪酬委員會召開過1次會議，就集團董事及高層管理人員的整體薪酬政策及結構作出建議。並無董事或其任何聯繫人士涉及其個人薪酬之任何決定。薪酬委員會根據會議所檢討及商議，向董事會提出建議通過本集團董事及高層管理人員之整體薪酬政策及架構。

核數師酬金

截至二零一零年三月三十一日止年度，本公司核數師的法定核數服務及其他服務的酬金總額分別為975,000港元（二零零九年：845,000港元）及258,000港元（二零零九年：250,000港元）。

審核委員會

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

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

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

審核委員會於年內曾舉行2次會議，以檢討（其中包括）中期及年度財務報表。根據於會上所進行之審閱及討論，審核委員會建議（其中包括）董事會批准本集團之中期及全年業績。

CORPORATE GOVERNANCE REPORT

企業管治報告

FINANCIAL REPORTING

The Board acknowledges its responsibilities for preparing the financial statements where were prepared in accordance with statutory requirements and applicable accounting standards. A statement by the auditor about their reporting responsibilities is set out on pages 26 to 27 of this annual report. As far as the Board is aware, there are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROL

During the year, the Board, with the establishment of internal audit department, had reviewed the effectiveness of the system of internal control of the Group including material controls over financial, operational and compliance controls and risk management functions.

In addition, the Board has considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

SHAREHOLDER COMMUNICATION

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

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

At the 2009 annual general meeting, a separate resolution was proposed by the chairman in respect of each separate issue, including re-election of Directors, and voted by way of poll. The Company announced the results of the poll in the manner prescribed under the Listing Rules.

財務報告

董事會明白其編製財務報表之責任，財務報表乃根據法定要求及適用之會計準則編製。核數師就其報告責任作出之聲明載於本年報第26頁至第27頁。就董事會所知，並無任何涉及可能會對本公司持續經營的能力構成疑問之事件或狀況之重大不明朗因素。

內部監控

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

此外，董事會已考慮本公司員工之會計及財務申報職能之資源充足量、資歷及經驗，以及其培訓課程及預算。

與股東聯繫

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

本公司採用多種溝通途徑，確保其股東知悉重要業務發展，該等途徑包括股東大會、中期報告及年報、公告及通函。投票表決之程序，已由主席於舉行之股東大會上宣讀。

於二零零九年股東週年大會上，主席就每項獨立事項提呈獨立決議案，包括重選董事，及以選舉投票方式進行。本公司根據上市規則規定之方法宣佈投票結果。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



CCIF

CCIF CPA LIMITED

陳葉馮會計師事務所有限公司

34/F The Lee Gardens

33 Hysan Avenue

Causeway Bay Hong Kong

香港 銅鑼灣 希慎道33號

利園34樓

**TO THE SHAREHOLDERS OF
ASIA COMMERCIAL HOLDINGS LIMITED**
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Asia Commercial Holdings Limited (the "Company") set out on pages 28 to 102, which comprise the consolidated and Company statements of financial position as at 31st March 2010 and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting principles and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

致冠亞商業集團有限公司股東
(於百慕達註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第28頁至第102頁冠亞商業集團有限公司(「貴公司」)的綜合財務報表,其中包括於二零一零年三月三十一日的綜合及公司財務狀況表、及截至該年度止之綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要和其他附註解釋。

董事就財務報表須承擔的責任

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

核數師的責任

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

We believe that 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 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CCIF CPA Limited
Certified Public Accountants
Hong Kong, 26th July 2010

Alvin Yeung Sik Hung
Practising Certificate Number P05206

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

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一零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和現金流量，並已按照香港公司條例之披露規定妥善編製。

陳葉馮會計師事務所有限公司
執業會計師
香港，二零一零年七月二十六日

楊錫鴻
執業證書編號P05206



CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31st March 2010 截至二零一零年三月三十一日止年度

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Turnover	營業額	5	777,464	618,813
Cost of sales	銷售成本		(532,472)	(389,520)
Gross profit	毛利		244,992	229,293
Valuation gains/(losses) on investment properties	投資物業之估值收益/(虧損)		9,550	(4,500)
Other revenue	其他收益	5	20,285	17,780
Distribution costs	分銷成本		(182,591)	(169,750)
Administrative expenses	行政費用		(37,285)	(31,677)
Other operating expenses, net	其他經營費用，淨額		(54)	(1)
Profit from operations	經營溢利		54,897	41,145
Finance costs	財務成本	7(a)	(75)	(25)
Other income, net	其他收入，淨額	8	2,012	1,590
Profit before taxation	除稅前溢利	7	56,834	42,710
Income tax	所得稅	10	(5,603)	(3,019)
Profit for the year	本年度溢利		51,231	39,691
Attributable to owners of the Company	歸屬於本公司持有人		51,231	39,691
Earnings per share	每股盈利	13		
Basic (HK cents)	基本(港仙)		8.53	6.61
Diluted (HK cents)	攤薄(港仙)		8.53	6.61

The notes on pages 34 to 102 form part of these financial statements.

第34頁至第102頁之附註構成此財務報表之整體部份。

Details of dividends payable to owners of the Company attributable to profit for the year are set out in note 12.

歸屬於本年度溢利之股息付予本公司持有人之詳情列載於附註12。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

截至二零一零年三月三十一日止年度 For the year ended 31st March 2010

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit for the year	本年度溢利	51,231	39,691
Other comprehensive income for the year	本年度其他全面收益		
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	5,510	(5,234)
Changes in revaluation reserve on revaluation of properties	物業重估之重估儲備變動	(3,787)	1,858
Total other comprehensive income for the year (net of tax)	本年度其他總全面收益(扣除稅項)	1,723	(3,376)
Total comprehensive income for the year attributable to owners of the Company	本年度歸屬於本公司持有人總全面收益	52,954	36,315



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31st March 2010 於二零一零年三月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	14	25,329	33,312
Prepaid lease payments	租賃預付款項	15	3,987	4,274
Investment properties	投資物業	16	70,185	56,285
Available-for-sale investments	可供出售之投資	19	4,192	2,180
			103,693	96,051
Current assets	流動資產			
Inventories	存貨	20	291,139	274,681
Prepaid lease payments	租賃預付款項	15	62	67
Trade and other receivables	貿易及其他應收賬款	21	59,767	41,457
Cash and cash equivalents	現金及現金等值物	22	65,690	49,571
			416,658	365,776
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	23	105,198	98,798
Income tax payable	應繳所得稅	24a	752	281
Loan notes	貸款票據	25	-	2,898
			105,950	101,977
Net current assets	流動資產淨額		310,708	263,799
Total assets less current liabilities	總資產減流動負債		414,401	359,850
Non-current liabilities	非流動負債			
Rental received in advance	預收租金		2,343	2,418
Deferred tax liabilities	遞延稅項負債	24b	7,679	-
			10,022	2,418
Net assets	資產淨額		404,379	357,432
Equity	權益			
Equity attributable to owners of the Company	歸屬於本公司持有人之權益			
Share capital	股本	26	60,070	60,070
Reserves	儲備	28	344,309	297,362
Total equity	總權益		404,379	357,432

Approved and authorised for issue by the Board of Directors on 26th July 2010 and signed on its behalf by:

於二零一零年七月二十六日獲董事會通過及授權刊發，並由下列董事代表簽署：

Au Shiu Leung, Alex

區肇良

Director

董事

Eav Ming Keong, Kinson

楊明強

Director

董事

The notes on pages 34 to 102 form part of these financial statements.

第34頁至第102頁之附註構成此財務報表之整體部份。

STATEMENT OF FINANCIAL POSITION

財務狀況表

於二零一零年三月三十一日 As at 31st March 2010

			2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	Notes 附註			
Non-current assets		非流動資產		
Interest in subsidiaries	17	於附屬公司之權益	-	-
Current assets		流動資產		
Other receivables	21	其他應收賬款	116	123
Amounts due from subsidiaries	18	應收附屬公司款項	277,030	283,373
Cash and cash equivalents	22	現金及現金等值物	11,383	410
			288,529	283,906
Current liabilities		流動負債		
Other payables	23	其他應付賬款	2,614	2,410
Amounts due to subsidiaries		應付附屬公司款項	80	141
Loan notes	25	貸款票據	-	2,898
			2,694	5,449
Net current assets		流動資產淨額	285,835	278,457
Net assets		資產淨額	285,835	278,457
Equity		權益		
Equity attributable to owners of the parent		歸屬於母公司持有之權益		
Share capital	26	股本	60,070	60,070
Reserves	28	儲備	225,765	218,387
Total equity		總權益	285,835	278,457

Approved and authorised for issue by the Board of Directors on 26th July 2010 and signed on its behalf by:
於二零一零年七月二十六日獲董事會通過及授權刊發，並由下列董事代表簽署：

Au Shiu Leung, Alex
區肇良
Director
董事

Eav Ming Keong, Kinson
楊明強
Director
董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31st March 2010 截至二零一零年三月三十一日止年度

		Attributable to owners of the Company 歸屬於本公司持有人							
		Share capital	Share premium	Revaluation reserve	Exchange reserve	Capital reserve	Contributed surplus	Accumulated losses	Total
		股本	股份溢價	重估儲備	匯兌儲備	資本儲備	繳入盈餘	累積虧損	總額
		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
Balance at 1st April 2008	於二零零八年四月一日結餘	60,070	77,991	31,562	16,359	252,381	17,524	(128,763)	327,124
Comprehensive income	全面收益								
Profit for the year	本年度溢利	-	-	-	-	-	-	39,691	39,691
Other comprehensive income	其他全面收益								
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	-	-	(5,234)	-	-	-	(5,234)
Change in revaluation reserve on revaluation of properties	物業重估之重估儲備變動	-	-	1,858	-	-	-	-	1,858
Total comprehensive income for the year	本年度總全面收益	-	-	1,858	(5,234)	-	-	39,691	36,315
Transaction with owners	與持有人之交易								
Dividend paid (Note 12)	已付股息(附註12)	-	-	-	-	-	-	(6,007)	(6,007)
Balance at 31st March 2009	於二零零九年三月三十一日結餘	60,070	77,991	33,420	11,125	252,381	17,524	(95,079)	357,432
Balance at 1st April 2009	於二零零九年四月一日結餘	60,070	77,991	33,420	11,125	252,381	17,524	(95,079)	357,432
Comprehensive income	全面收益								
Profit for the year	本年度溢利	-	-	-	-	-	-	51,231	51,231
Other comprehensive income	其他全面收益								
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	-	-	5,510	-	-	-	5,510
Change in revaluation reserve on revaluation of properties	物業重估之重估儲備變動	-	-	(3,787)	-	-	-	-	(3,787)
Total comprehensive income for the year	本年度總全面收益	-	-	(3,787)	5,510	-	-	51,231	52,954
Transaction with owners	與持有人之交易								
Dividend paid (Note 12)	已付股息(附註12)	-	-	-	-	-	-	(6,007)	(6,007)
Balance at 31st March 2010	於二零一零年三月三十一日結餘	60,070	77,991	29,633	16,635	252,381	17,524	(49,855)	404,379

The notes on pages 34 to 102 form part of these financial statements.

第34頁至第102頁之附註構成此財務報表之整體部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

截至二零一零年三月三十一日止年度 For the year ended 31st March 2010

		Note	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	產生／(動用)於經營業務之 現金淨額	29	32,611	(13,247)
INVESTING ACTIVITIES	投資業務			
Purchases of properties, plant and equipment	添置物業、機器及 設備		(7,927)	(24,545)
Interest received from short-term bank deposits	已收短期銀行存款 利息		-	23
Other interest income received	已收其他利息收入		127	251
NET CASH USED IN INVESTING ACTIVITIES	已動用於投資業務之 現金淨額		(7,800)	(24,271)
FINANCING ACTIVITIES	融資活動			
Interest paid on the loan notes and others	貸款票據及其他支付之利息		(78)	(25)
Redemption of loan notes	贖回貸款票據		(2,885)	-
Dividend paid	已付股息		(6,007)	(6,007)
NET CASH USED IN FINANCING ACTIVITIES	動用於融資活動之 現金淨額		(8,970)	(6,032)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值物 增加／(減少)淨額		15,841	(43,550)
CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR	年初現金及現金等值物		49,571	94,496
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS	現金及現金等值物 匯兌差額		278	(1,375)
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	年終現金及現金等值物		65,690	49,571
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物 結餘分析			
Cash at bank and on hand	銀行存款及手頭現金	22	65,690	49,571

The notes on pages 34 to 102 form part of these financial statements.

第34頁至第102頁之附註構成此財務報表之整體部份。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1. GENERAL

Asia Commercial Holdings Limited (the “Company”) is an investment holding company. Its subsidiaries are principally engaged in trading and retailing of watches and property leasing.

The Company is a limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

These financial statements are presented in thousand of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 26th July 2010.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and investment properties.

1. 一般事項

冠亞商業集團有限公司(「本公司」)為一間投資控股公司。本公司之主要附屬公司主要從事鐘錶貿易、零售以及物業租賃。

本公司為一間在百慕達註冊成立之股份有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處及主要營業地點於本年報公司資料內披露。

除非另外說明，否則本財務報表乃以千港元(「千港元」)呈列。本財務報表已於二零一零年七月二十六日由董事會批准發佈。

本綜合財務報表乃以港元呈列，港元亦是本公司的功能貨幣。

2. 主要會計政策

(a) 合規聲明

本財務報表乃根據所有適用香港財務報告準則(「香港財務報告準則」)，包括香港會計師公會(「香港會計師公會」)頒佈之詮釋，香港公認之會計原則以及香港公司條例規定之披露要求編製，本財務報表亦為香港聯合交易所有限公司證券上市規則適用之披露規定而妥為編製。此財務報表乃根據歷史成本法編製，並就樓宇重估、可供出售金融資產、以公允值釐定損益之金融資產及金融負債(包括衍生工具)及投資物業予以修訂。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Statement of compliance (Continued)

In the current year, the Group has, where applicable, applied the following new and revised Standards, Amendments and Interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are first effective for the current accounting period:

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments
HKFRS 8 HKFRSs (Amendments)	Operating Segments Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 which is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC)-Int 18	Transfers of Assets from Customers

2. 主要會計政策(續)

(a) 合規聲明(續)

於年內，本集團已採納香港會計師公會所頒佈下列新增及修訂於本會計期間首次生效之準則、修正及詮釋（「新增及修訂香港財務報告準則」）（如適用）：

香港會計準則第1號 (2007年修訂)	財務報表之呈列
香港會計準則第23號 (2007年修訂)	借貸成本
香港財務報告準則第1號 及香港會計準則第27號 (修正)	於附屬公司、共同控制 實體或聯營公司的 投資成本
香港財務報告準則第2號 (修正)	歸屬條件及註銷
香港財務報告準則第7號 (修正)	金融工具披露之改善
香港財務報告準則第8號 香港財務報告準則(修正)	經營分類 2008年頒佈之香港財務 報告準則之改善(除 於2009年7月1日或 以後開始之年度期間 生效之香港財務報告 準則第5號之修訂 本外)
香港財務報告準則(修正)	於2009年頒佈之香港 財務報告準則之 改進，有關對香港 會計準則第39號 第80段作出修訂
香港會計準則第32號 及香港會計準則第1號 (修正)	可認沽金融工具及 清盤時產生之責任
香港(國際財務報告 詮釋委員會)-詮釋 第9號及香港會計準則 第39號(修正)	嵌入式衍生工具
香港(國際財務報告 詮釋委員會)- 詮釋第13號	客戶忠誠計劃
香港(國際財務報告 詮釋委員會)- 詮釋第15號	興建物業之協議
香港(國際財務報告 詮釋委員會)- 詮釋第16號	海外業務投資淨額 對沖
香港(國際財務報告 詮釋委員會)- 詮釋第18號	客戶資產轉讓



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Statement of compliance (Continued)

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

The Group has adopted HKFRS 8 with effect from 1st April 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operation decision maker in order to allocate resources to the segment and assess its performance. In contrast, the predecessor Standard (HKAS 14) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as starting point for the identification of such segments. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31st March 2010 comprise the Company and its subsidiaries.

Subsidiaries

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

2. 主要會計政策(續)

(a) 合規聲明(續)

除以下所述外，採納新修訂香港財務報告準則並無對本集團本會計年度或過往會計年度之綜合財務報表構成任何重大影響。

本集團自二零零九年四月一日起已採納香港財務報告準則第8號。香港財務報告準則第8號要求以首席營運決策者在分配資源予分部及評估其表現上而定期審閱之有關本集團組成部份之內部報告，作為識別營業分部之基準。反觀過往準則(香港會計準則第14號分部報告)則要求實體採用風險及回報方法以識別兩組分部(業務分部及地區分部)，僅採用實體向主要管理人員呈報內部財務報告之制度作為識別該等分部之起點。與按照香港會計準則第14號確定之主要報告分部相比，採納香港財務報告準則第8號已導致本集團之報告分部被重新指定。

採納香港會計準則第1號(2007年修訂)後，期內因與股份持有人進行之交易所產生的權益變動，已於一項經修訂之綜合權益變動報表內與其他收入及支出項目分開呈列。所有其他收入及支出項目已在綜合收益表內呈列(如彼等乃確認為期內損益之一部分)或於新的綜合全面收入報表內呈列。相應之金額已予重列，以符合新的呈列方式。列報方式之改變不會對期內所報告之損益、總收入及支出或淨資產構成任何影響。

(b) 編製財務報表基準

截至二零一零年三月三十一日止年度之綜合財務報表包括本公司及其附屬公司。

附屬公司

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

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

Subsidiaries (Continued)

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(g)), unless the investment is classified as held for sale.

(c) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries and associates, are as follows:

Investments in equity securities are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in equity securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in Note 2(o).

Investments in equity securities that do not have a listed market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(g)).

2. 主要會計政策(續)

(b) 編製財務報表基準(續)

附屬公司(續)

於受控制附屬公司的投資由控制開始當日至控制終止當日在綜合財務報表中綜合計算。

集團內部往來的結餘和交易，以及集團內部交易所產生的任何未變現溢利，會在編製綜合財務報表時全數抵銷。集團內部交易所引致未變現虧損的抵銷方法與未變現收益相同，但抵銷額只限於沒有證據顯示已出現減值的部分。

於本公司之財務狀況表，附屬公司之投資以成本扣除減值虧損入賬(見附註2(g))，惟投資歸類為持作出售之情況例外。

(c) 其他於股本證券之投資

本集團及本公司於股本證券投資之政策(於附屬公司及聯營公司之投資除外)如下：

股本證券投資初次按成本列賬，此乃其交易價格，除非公允值可使用更可靠之估值技術(其變量僅包括來自可觀察市場之數據)。除下文所指外，成本包括應佔交易成本。該等投資其後按彼等之分類入賬如下：

股本證券持有作買賣用途之投資，分類為流動資產。任何相關之交易成本於產生時在損益中確認。於每個報告期末，公允值須重新計量，任何產生之損益於損益中確認。於損益中確認的溢利或虧損淨額不包括任何由該等投資收取之股息或利息，該等投資之股息或利息收入根據附註2(o)所載之政策確認。

股本證券投資於活躍市場並無上市市場價格，而其公允值不能可靠計量，則於財務狀況表內按成本減減值虧損入賬(見附註2(g))。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Other investments in equity securities (Continued)

Other investments in equity securities which are not held for trading are classified as available-for-sale equity securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised directly in equity. Dividend income from these investments is recognised in profit or loss in accordance with the policy set out in Note 2(o). When these investments are derecognised or impaired (see Note 2(g)), the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Investments are recognised/derecognised on the date the Group and/or the Company commits to purchase/sell the investments or when they expire.

(d) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see Note 2(f)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

Investment properties are stated in the statement of financial position at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in Note 2(o).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see Note 2(f)), and the same accounting policies are applied to that interest as are applied to other investment properties held under finance leases. Lease payments are accounted for as described in Note 2(f).

2. 主要會計政策(續)

(c) 其他於股本證券之投資(續)

其他於股本證券非持有作出售用途之投資，分類為可供出售股本證券。於每個報告期末，公允值須重新釐定，任何產生之損益直接於權益中確認。該等投資之股息收入根據附註2(o)所載之政策於損益內確認。倘該等投資終止確認或減值(見附註2(g))，則先前直接於權益中確認之累積收益或虧損須於損益內入賬。

於本集團及／或本公司承諾購買或出售投資或投資期限屆滿時，投資須確認或終止確認。

(d) 投資物業

投資物業乃擁有或以租賃權益(見附註2(f))持有作為賺取租金收入及／或資本升值之土地及／或樓宇。包括現時未確定將來用途之土地。

投資物業按公允值於財務狀況表內入賬。任何因公允值變動或因報廢或出售某項投資物業所產生之收益或虧損均於損益內確認。投資物業的租金收入按附註2(o)所述入賬。

倘本集團以經營租賃持有物業權益以賺取租金收入或為資本增值，有關權益會按每項物業基準劃歸為投資物業。劃歸為投資物業之任何物業權益之入賬方式與以融資租賃(見附註2(f))持有之權益相同，且其適用之會計政策也與以融資租賃出租之其他投資物業相同。租賃款項如附註2(f)內所述計入。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Other property, plant and equipment

The following items of property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see Note 2(g)):

- buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of lease (see Note 2(f));
- freehold land; and
- other items of plant and equipment.

If an item of property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits.

(f) Leased assets

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

(i) Classification of assets leased to the Group

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

2. 主要會計政策(續)

(e) 其他物業、機器及設備

下列物業、機器及設備之項目乃按成本值減累計折舊及減值虧損於財務狀況表中呈列(見附註2(g)):

- 位於租賃土地之持有作自用之樓宇，於建立租約時(見附註2(f))，樓宇之公允值可與租賃土地之公允值分開計算；
- 業權土地；及
- 其他機器及設備項目。

倘一項物業因使用狀況有變(即不再由業主自用)而列為投資物業，則該項目賬面值與於轉讓日期之公允值之差額於重估儲備中確認。其後當該資產出售或停用時，有關重估儲備將直接轉撥至保留溢利。

報廢或出售物業、機器及設備項目所產生之盈虧釐定為出售所得款項淨額與項目賬面值間之差額，並於報廢或出售當日於損益內確認。任何相關重估盈餘自重估儲備轉撥至保留溢利。

(f) 租賃資產

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

(i) 本集團租賃資產之分類

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



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leased assets (Continued)

(i) Classification of assets leased to the Group (Continued)

- property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as an investment property, is accounted for as if held under a finance lease (see Note 2(d)); and
- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Company or Group will obtain ownership of the asset, the life of the asset, as set out in Note 2(e). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 2(g). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2. 主要會計政策(續)

(f) 租賃資產(續)

(i) 本集團租賃資產之分類(續)

- 經營租賃項下持有之物業，倘符合投資物業之定義，則按個別物業之基準分類為投資物業，倘被分類為投資物業，則按融資租約項下持有之物業入賬(見附註2(d))；及
- 土地以經營租賃持作自用，但無法在租賃開始時將其公允價值與建於其上的建築物的公允價值分開計量的土地是按融資租賃持有方式入賬；但清晰地以經營租賃持有的建築物除外。就此而言，租賃的開始時間是指本集團首次訂立租約時，或自前承租人接收建築物時。

(ii) 以融資租賃收購之資產

若本集團以融資租賃收購資產使用權，租賃資產之公允價值數額或最低租賃金額之現值之較低者，將列入固定資產及相關負債(扣除融資費用)並列作融資租賃責任。誠如附註2(e)所載，折舊為於相關租賃有效期間或資產可用期限之期間(若本公司或本集團將有可能取得資產所有權)，按撇銷資產成本或估值之比率計算。減值虧損按附註2(g)所載之會計政策計算。租賃金額所包含之融資費用將於租賃期間計入損益，使各會計期間對責任結餘以相若之固定期間比率扣減。或然租金於其產生之會計期間內自損益扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leased assets (Continued)

(iii) Operating lease charges

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

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see Note 2(d)).

(g) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities (other than investments in subsidiaries and associates (see Note 2(g)(ii)) and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale equity securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the group about one or more of the following loss events:

- significant financial difficulty of the debtors;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. 主要會計政策(續)

(f) 租賃資產(續)

(iii) 經營租賃費

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

以經營租賃持有土地的收購成本是按直線法在租賃期內攤銷，但劃歸為投資物業的物業除外(見附註2(d))。

(g) 資產減值

(i) 股本證券投資及其他應收賬款減值

股本證券投資(除投資於附屬公司及聯營公司外(見附註2(g)(ii))及其他流動及非流動應收賬款以成本或攤銷成本列賬或分類為可供出售股本證券投資於每個報告期末作出檢討以釐定是否有減值之客觀證據。減值之客觀證據包括有下列一項或多項虧損事項引起本集團關注之客觀數據：

- 債務人之重大財政困難；
- 違約，如逾期支付或拖欠利息或本金還款；
- 債務人有可能破產或進行財務重組；
- 技術、市場、經濟或法律環境之重大變動對債務人產生不利影響；及
- 於股本工具投資之公允值出現顯著及持續下降並低於其成本。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Impairment of assets (Continued)

(i) Impairment of investments in equity securities and other receivables (Continued)

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

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

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

2. 主要會計政策(續)

(g) 資產減值(續)

(i) 股本證券投資及其他應收賬款減值(續)

如存在任何證據，減值虧損釐定及確認如下：

- 就非上市之股本證券按成本列賬，減值虧損乃根據金融資產之賬面值及以類同金融資產按現時市場之回報率折現預期未來現金流量的現值(當折現之影響為重大時)之差異計算。股本證券之減值虧損不可撥回。
- 貿易應收賬款及其他金融資產以攤銷成本列賬，減值虧損乃根據資產之賬面值及金融資產原實際之利率(即該等資產於首次確認時計算之實際利率)折現預期未來現金流量現值(當折現之影響為重大時)之差異計算。按攤銷成本列賬之金融資產具備類似之風險特徵(例如類似之逾期情況及並未單獨被評估為出現減值)，此等資產會一併進行評估。金融資產之未來現金流量現值與該組被評估資產具根據有類似信貸風險特徵資產之過往虧損情況一同減值。

倘於其後減值虧損金額有所減少，而客觀上與確認減值虧損後發生之事件有關，有關減值虧損會撥回損益。減值虧損之撥回不應導致資產之賬面值超過其在過去年度沒有確認任何減值虧損而應已釐定之金額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Impairment of assets (Continued)

(i) *Impairment of investments in equity securities and other receivables (Continued)*

- For available-for-sale equity securities, which are stated at fair value when a decline in the fair value has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that has been recognised directly in equity shall be removed from equity and recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

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

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

2. 主要會計政策(續)

(g) 資產減值(續)

(i) *股本證券投資及其他應收賬款減值(續)*

- 就以公允值列值的可供出售股本證券而言，其公允值下跌直接於權益中確認。當有客觀證據證明資產有減值虧損時，直接確認於權益之累計虧損將會由權益內撥回，並於損益內確認。即使金融資產仍未被終止確認，於損益內確認之累計虧損乃收購成本（扣除任何本金還款及攤銷）與即期公平值之差額減該資產前期於損益內確認的減值虧損。

已於損益內確認之可供出售股本證券減值虧損並不能撥回損益。其後該資產公允值之任何增加須直接在權益內確認。

減值虧損直接於相應之資產撇銷，惟就貿易應收賬款（於貿易應收賬款及其他應收賬款內列值）確認之減值虧損除外，其金額之可收回性視為保留但並非不可能。在此情況下，呆賬之減值虧損使用撥備賬記錄。倘本集團認為收回金額可能性甚微，視為不可收回之金額會於貿易應收賬款及其他應收賬款中直接對銷，而撥備賬內關於該債務之任何金額會獲撥回。過去於撥備賬入賬之金額倘在其後收回，會於撥備賬內撥回。撥備賬之其他變動及先前直接撇銷之金額於其後收回，均於損益中確認。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Impairment of assets (Continued)

(ii) Impairment of other assets

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

- property, plant and equipment;
- prepaid lease payments; and
- investments in subsidiaries (except for those classified as being held for sale).

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

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

- Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating units (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

2. 主要會計政策(續)

(g) 資產減值(續)

(ii) 其他資產減值

於每個報告期末均對內部及外間資訊進行檢討，以識別下列資產是否已出現減值虧損或，除商譽外之前已確認之減值虧損是否已不存在或減少：

- 物業、機器及設備；
- 租賃預付款項；及
- 於附屬公司之投資（歸類為持作出售除外）。

倘出現任何減值虧損跡象，則須估計有關資產之可收回金額。

- 計算可收回金額

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

- 確認減值虧損

倘某項資產或其所屬之現金產生單位之賬面值超過其可收回金額，便於收益內確認減值虧損。以現金產生單位確認之減值虧損，首先減少已分類至該現金產生單位（或該組單位）之任何商譽之賬面值，然後按比例減少其他單位（或該組單位）內資產之賬面值，惟資產之賬面值不得減少至低於其個別公允價值減出售成本，或使用價值（倘可釐定）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

- Reversals of impairment losses

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

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

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, "Interim financial reporting", in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 2(g)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

2. 主要會計政策(續)

(g) 資產減值(續)

(ii) 其他資產減值(續)

- 撥回減值虧損

對除商譽以外之資產，若用以釐定可收回金額之評估因素產生有利變動，減值虧損將予撥回。有關商譽之減值虧損不予撥回。

撥回之減值虧損以假設並無於過往年度確認減值虧損而應已釐定之資產賬面值為限。撥回之減值虧損於確認撥回之年度內計入損益。

(iii) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須遵照香港會計準則第34號「中期財務報告」編製有關財政年度首六個月之中期財務報告。於中期期末，本集團採用等同本財政年度末之減值測試、確認、及撥回標準(見附註2(g))。

於中期期間就按成本值入賬之商譽、可供出售股本證券投資及非上市證券投資確認之減值虧損未有於下一期轉回。假設有關於中期期間之減值評估於該財政年度終結時進行，即使並無確認虧損，或虧損屬輕微，皆採用以上相同處理方法。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

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

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

(i) Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group 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.

Financial assets

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

2. 主要會計政策(續)

(h) 存貨

存貨以成本及可變現淨值之較低者列賬。成本以先進先出法計算及包括所有採購成本、兌換成本及在運送存貨往其目前之地點及環境所引致之其他成本。

可變現淨值指正常業務過程中估計售價減估計完成成本及估計銷售成本。

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

(i) 金融工具

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

透過損益按公允值處理之金融資產或金融負債直接應佔之交易成本乃即時於損益內確認。

金融資產

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

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial instruments (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories, including financial assets held-for-trading and those designated at fair value through profit or loss on initial recognition. At the end of each reporting period subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables (including trade and other receivables, loan receivables and bank deposits) are carried at amortised cost using the effective interest method, less any identified impairment losses (see Note 2(g)(i)).

Available-for-sale financial assets

Non-derivative financial assets which do not fall into any of the above categories are classified as available-for-sale financial assets and are initially recognised at fair value plus transaction costs. At the end of each reporting period, the fair value is remeasured, with any resultant gain or loss being recognised directly in equity, except for impairment losses. When these financial assets are derecognised or impaired, the cumulative gain or loss previously recognised directly in equity is recognised in the profit or loss.

For available-for-sale equity financial assets, an impairment loss is not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognised directly in equity.

For available-for-sale debt financial assets, reversal of an impairment loss is recognised in the profit or loss.

2. 主要會計政策(續)

(i) 金融工具(續)

透過損益按公允價值處理之金融資產

透過損益按公允價值處理之金融資產包括持作交易用途之金融資產及按公允價值處理之金融資產。於首次確認後每個報告期末，透過損益按公允價值處理之金融資產乃以公允價值計量，而公允價值之變化則在其發生期間之損益中直接予以確認。

貸款及應收賬款

貸款及應收賬款為並無於活躍市場報價的固定或可釐定付款之非衍生金融資產。於首次確認後每個報告期末，貸款及應收賬款(包括貿易及其他應收賬款、應收貸款及銀行存款)採用實際利率法按攤銷成本呈列，並扣減任何已辨認減值虧損(見附註2(g)(i))。

可供出售之金融資產

不屬於任何上述類別之非衍生金融資產分類的可供出售金融資產，初步按公允價值加交易成本確認。於每個報告期末，公允價值須重新計量，任何損益直接於權益中確認，惟減值虧損除外。當該等金融資產在終止確認或減值時，過往直接於權益中確認之累計收益或虧損將於損益內確認。

就可供出售股本金融資產而言，減值虧損不會透過收益表撥回。任何該等資產公允價值其後之增加直接於權益中確認。

就可供出售債務金融資產而言，減值虧損之撥回直接於損益內確認。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial instruments (Continued)

Financial liabilities and equity

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

Equity instruments

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

Other financial liabilities

Other financial liabilities including borrowings, other payables and balances with group companies are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

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

For financial liabilities, they are removed from the Group's statement of financial position when, and only when, it is extinguished (i.e. 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 or payable is recognised in profit or loss.

2. 主要會計政策(續)

(i) 金融工具(續)

金融負債及股本

本集團所發行之金融負債及股本工具按所定立合約安排之實際內容及金融負債與股本工具之定義分類。

股本工具

股本工具為本集團經扣除所有其負債後其資產中所剩餘權益之任何合約。本公司所發行之股本工具乃按已收取之所得款項扣除直接發行成本入賬。

其他金融負債

其他金融負債包括與集團公司之借貸、其他應付賬款及結餘，乃最初按公允值確認，其後採用實際利率法按攤銷成本計算。

終止確認

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

當有關合約所訂明的責任已被履行、取消或屆滿時，金融負債將在本集團之財務狀況表被終止確認。終止確認金融負債之賬面值與已支付代價或應付賬款之差額於損益中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(k) Employee benefits

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

(l) Termination benefits

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

(m) Income tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss 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 end of the reporting period.

2. 主要會計政策(續)

(j) 現金及現金等值物

現金及現金等值物包括存於銀行及手頭之現金、銀行及其它財務機構之即期存款，及短期而高流動性之投資，即於購入時三個月內到期而在沒有涉及重大價值轉變之風險下可以隨時轉換為已預知金額現金之投資。就綜合現金流量表而言，現金及現金等值物亦包括須按要求償還及為本集團現金管理中之銀行透支。

(k) 僱員福利

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

(l) 終止福利

僅當本集團透過已制訂詳細之正式計劃(並無撤回之實質可能性)，明確表示終止聘用或由於自願離職而提供福利時，方會確認終止福利。

(m) 所得稅

所得稅開支指當期應付稅項及遞延所得稅項總和。

當期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與收益表中所報溢利淨額不同，由於前者不包括在其他期間應課稅收入或可扣稅開支，並且不包括損益內不需課稅及不能扣稅之項目。本集團本期稅項乃按現行稅率或報告期末時實際確立之稅率計算。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Income tax (Continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the 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 tax liabilities are generally recognised for all taxable temporary differences and deferred tax 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 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 tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group as a parent is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax 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 tax 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 tax is also dealt with in equity.

2. 主要會計政策(續)

(m) 所得稅(續)

遞延稅項為就財務報表資產及負債賬面值及計算應課稅溢利相應稅基差額而須確認之稅項，並以財務狀況表負債法處理。遞延稅項負債通常會就所有應課稅暫時性差額確認，而遞延稅項資產乃按可能出現可利用暫時性差額扣稅之應課稅溢利時確認。於並不影響應課稅溢利或會計溢利之交易中，倘暫時性差額由初步確認其他資產及負債(業務合併除外)產生，則不會確認該等資產及負債。

遞延稅項負債就附屬公司及聯營公司投資產生之暫時差異而準備，惟倘本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來不可能會撥回則除外。

遞延稅項資產之賬面值於每個報告期末作檢討，並於不再可能有足夠之應課稅溢利可供扣減全部或部分資產時作調減。

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。遞延稅項於損益扣除或計入，惟倘其與直接於權益扣除或計入之項目有關則除外，在此情況下，遞延稅項亦於權益處理。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

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

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

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 2(n)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

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

2. 主要會計政策(續)

(n) 發出財務擔保、撥備和或然負債

(i) 所發出的財務擔保

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

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

最初確認為遞延收入之擔保款額按擔保年期於損益內攤銷為發出財務擔保收入。此外，倘(i)擔保持有人有可能根據擔保向集團追索；及(ii)向集團申索款額預期超過現時列於應付貿易及其他賬款內之擔保金額(即最初確認的金額減累計攤銷)，則按附註2(n)(ii)確認有關撥備。

(ii) 其他撥備和或然負債

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



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(ii) Other provisions and contingent liabilities (Continued)

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

(o) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and cost, if applicable, can be measured reliably, revenue is recognised in profit or loss as follow:

Sales of goods are recognised when goods are delivered and the customer has accepted the goods and related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and after deducting of any trade discounts.

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

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.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

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

2. 主要會計政策(續)

(n) 發出財務擔保、撥備和或然負債(續)

(ii) 其他撥備和或然負債(續)

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

(o) 收入確認

只要是經濟利益將有可能流入本集團，而收入和成本(如適用下列)能夠可靠地計量，收入將於損益內確認：

貨品之銷售收益在貨品付運予客戶，當客戶已接納該貨品及有關風險和擁有權時確認。收入不包括增值稅或其他銷售稅及扣除任何貿易折扣後。

提供服務之收入乃於提供服務時確認。

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

經營租賃之應收租金收入是根據租期所涵蓋的期間以等額於損益內確認，但如有其他基準對於來自使用該租賃資產所得利益之模式，能更具有代表性則例外。租賃優惠在損益內確認為一個應收租賃總額不可分割的一部分。或然租金於其賺取之會計期間內，確認為收入。

投資之股息收入於股東收取付款之權利確定時予以確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

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

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position item is translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in a separate component of equity.

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

(q) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

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

2. 主要會計政策(續)

(p) 外幣換算

年內之外幣交易均按交易日之適用匯率換算。於報告期末，以外幣為單位之貨幣資產及負債均按報告期末之適用匯率換算。匯兌盈虧均於損益內確認。

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

海外業務之業績乃按接近交易日外幣匯率的兌換率換算為港元。財務狀況表項目，均以報告期末之適用匯率換算為港元。產生之匯兌差額直接於權益內獨立確認。

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

(q) 關連人士

就此財務報表而言，與本集團有關連之人士指：

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



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Related parties (Continued)

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

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

(r) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 主要會計政策(續)

(q) 關連人士(續)

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

一名人士之近親乃預期在處理有關公司時可影響該人士或受該人士影響之家庭成員。

(r) 分類報告

經營分部及財務報表內呈報的各分部項目的金額自定期提供予本集團最高行政管理人員的財務報表中識別出來，以將資源分配至本集團的各項業務及地理位置及評估本集團的各項業務及地理位置的表現。

就財務呈報而言，除非分部具備相似的經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務的方法及監管環境的性質方面相似，否則各個重大經營分部不會進行合算。個別非重大的經營分部，如果符合上述大部分標準，則可進行合算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

(i) Write downs of inventories

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

(ii) Impairment loss on trade receivables and other receivables

The policy for impairment losses is based on an assessment of the recoverability of trade receivable and other receivables and interest in subsidiaries. Impairments are applied to trade receivables and other receivables and interest in subsidiaries where events or changes in circumstances indicate that the balances may be uncollectible. The identification of impairment loss requires the use of judgment and estimates. Where the expectation is different from original estimates, such difference will impact the carrying value of receivables and impairment loss expenses in the period in which such estimate has been changed.

3. 關鍵會計判斷及主要估計不確定性原因

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

(i) 撇減存貨

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

(ii) 貿易應收賬款及其他應收賬款減值虧損

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



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(iii) Income tax and deferred taxation

The Group estimates its income tax provision in accordance with the prevailing tax rules and regulations, taking into account any special approvals obtained from relevant tax authorities and any preferential tax treatment to which it is entitled in each location or jurisdiction in which the Group operates. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such determination is made.

The Group believes it has recorded adequate current tax provision based on the prevailing tax rules and regulations and its current best estimates and assumptions. In the event that future tax rules and regulations or related circumstances change, adjustments to current taxation may be necessary which would impact the Group's results or financial position.

(iv) Fair value of investment properties

Investment properties are stated at fair value based on valuation performed by independent professional valuers. The determination of the fair value involves certain assumptions of market conditions. In relying on the valuation report, the directors of the Company have exercised their judgment and are satisfied that the method of valuation is reflective of the current market conditions.

3. 關鍵會計判斷及主要估計不確定性原因 (續)

(iii) 所得稅及遞延稅項

本集團評估其所得稅乃根據可適用之稅務條例及規則，並考慮任何相關稅務機構獲得之批准，以及本集團營運之每一地點獲得授予之任何優先稅務處理或裁判權。於日常業務運作中，有許多交易及計算其最終之稅項決定並不確定，本集團因預計稅務審查事件而評估將可能支付之額外稅項確認為負債。此等事件之最終稅務結果若和最初記錄之稅務金額不同，其差異在該決定期間，將會對所得稅及遞延稅撥備產生影響。

本集團相信在可適用之稅務條例及規則之基礎下，已對現時之稅項作出充足撥備，其亦為現時之最佳評估及假設。在未來稅務條例及規則或有關環境轉變情況下，現時之稅項將可能需要作出適當調整，或會影響對本集團之業績或財務狀況。

(iv) 投資物業之公允值

投資物業以公允值列賬，以獨立專業估值師為基礎。公允值之釐定包括若干市場環境之假設。依據估值報告，本公司董事行使其判斷及有信心該估值方法反映在當時市場環境。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk). These risks are limited by the Group's financial management policies and practices described below.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and the Group's credit risk is primarily to cash at banks, bank deposits, trade receivables and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash at banks and bank deposits are placed with licensed financial institutions with high credit ratings. The Group monitors the exposure to each single financial institution.

For trade receivables and other receivables, credit checks are part of the normal operating process and stringent monitoring procedures are in place to deal with overdue debts. In addition, the Group reviews the recoverable amounts of trade receivables and other receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group has no significant concentrations of credit risk with exposure spread over a number of counterparties and customers. The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

Further quantitative disclosure in respect of the Group's exposure to credit risk arising from trade receivables and other receivables are set out in Note 21.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor its current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

4. 財務風險管理

(a) 財務風險因素

本集團之業務面對不同之財務風險包括信貸風險、流動資金風險及市場風險(包括外匯風險及利率風險)。該等風險受下文所述之本集團財務管理政策及慣例所緩和。

(i) 信貸風險

信貸風險乃本集團之客戶或金融工具之交易對手未能履行其合約責任，而承受財務虧損之風險，而本集團之信貸風險主要涉及銀行現金、銀行存款、貿易應收賬款及其他應收賬款。管理層已採用適當之信貸政策，且持續監察該等信貸風險。

銀行現金及銀行存款存放於高信貸評級之持牌金融機構。本集團會監察各單一財務機構之風險。

就貿易應收賬款及其他應收賬款而言，信貸檢查乃正常營運過程之一部份，且有適當之嚴格檢查程序處理逾期債項。此外，本集團於每個報告期末評估貿易應收賬款及其他應收賬款之可收回金額，以確保就無法收回之款項作出足夠減值虧損撥備。

本集團並無任何重大之集中信貸風險，而風險分散於大量之對手及客戶。若無計入所持有之任何抵押品，則最高之信貸風險為財務狀況表中各項金融資產之賬面值扣除任何減值撥備。

有關本集團由貿易應收賬款及其他應收賬款所產生之信貸風險進一步之量化披露載於附註21。

(ii) 流動資金風險

流動資金風險為本集團將無法履行到期之財務責任之風險。本集團之政策為定期監察其現時及預期流動資金需求及遵守放貸契約之情況，以確保其維持足夠現金儲備及獲主要金融機構承諾提供足夠之資金，以應付其短期及較長期之流動資金需求。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(ii) Liquidity risk (Continued)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

The Group

		2010 二零一零年		
		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
		賬面值	合約未折現現金流量總額	於一年內或按要求的
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Trade and other payables	貿易及其他應付賬款	105,198	105,198	105,198
Loan notes	貸款票據	-	-	-
		105,198	105,198	105,198
		2009 二零零九年		
		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
		賬面值	合約未折現現金流量總額	於一年內或按要求的
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Trade and other payables	貿易及其他應付賬款	98,798	98,798	98,798
Loan notes	貸款票據	2,898	2,925	2,925
		101,696	101,723	101,723

4. 財務風險管理 (續)

(a) 財務風險因素 (續)

(ii) 流動資金風險 (續)

下表為本集團詳述金融負債於報告期末之餘下合約到期日(包括在報告期末以合約利率計算之利息如浮動,於報告期末之利率計算未折現現金流量)及本集團與本公司可能需要支付之最早日期計算:

本集團

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(ii) Liquidity risk (Continued)

The Company

		2010 二零一零年		
		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
		賬面值	合約未折現現金流量總額	於一年內或按要求的
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Other payables	其他應付賬款	2,614	2,614	2,614
Amounts due to subsidiaries	應付附屬公司款項	80	80	80
		2,694	2,694	2,694
		2009 二零零九年		
		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
		賬面值	合約未折現現金流量總額	於一年內或按要求的
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Other payables	其他應付賬款	2,410	2,410	2,410
Amounts due to subsidiaries	應付附屬公司款項	141	141	141
Loan notes	貸款票據	2,898	2,925	2,925
		5,449	5,476	5,476

(iii) Foreign currency risk

Presently, there is no hedging policy with respect to the foreign exposure.

The majority of the subsidiaries of the Group operate in the People's Republic of China (the "PRC") with most of transactions denominated in Renminbi ("RMB"). The Group is exposed to foreign currency risk arising from the exposure of RMB against the Hong Kong dollars.

4. 財務風險管理 (續)

(a) 財務風險因素 (續)

(ii) 流動資金風險 (續)

本公司

		2010 二零一零年		
		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
		賬面值	合約未折現現金流量總額	於一年內或按要求的
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Other payables	其他應付賬款	2,614	2,614	2,614
Amounts due to subsidiaries	應付附屬公司款項	80	80	80
		2,694	2,694	2,694
		2009 二零零九年		
		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
		賬面值	合約未折現現金流量總額	於一年內或按要求的
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Other payables	其他應付賬款	2,410	2,410	2,410
Amounts due to subsidiaries	應付附屬公司款項	141	141	141
Loan notes	貸款票據	2,898	2,925	2,925
		5,449	5,476	5,476

(iii) 外匯風險

現時並沒有外幣風險對沖政策。

本集團大部份附屬公司在中華人民共和國(「中國」)經營業務，大多數交易以人民幣(「人民幣」)定值。本集團面對人民幣兌港元之外匯風險。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iii) Foreign currency risk (Continued)

The Group had certain investments in foreign operations in RMB, whose net assets were exposed to foreign currency risk. Fluctuation in such currency would be reflected in the movement of the exchange reserve.

In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

The following table details the Group's and the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
The Group	本集團		
Cash and cash equivalents Renminbi	現金及現金等值物 人民幣	40	112
Overall exposure arising from recognised assets and liabilities	來自確認資產及負債之 整體承擔	40	112
The Company	本公司		
Cash and cash equivalents Renminbi	現金及現金等值物 人民幣	-	-
Overall exposure arising from recognised assets and liabilities	來自確認資產及負債之 整體承擔	-	-

Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax (and retained profits) in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

4. 財務風險管理 (續)

(a) 財務風險因素 (續)

(iii) 外匯風險 (續)

本集團持有若干以人民幣定值之海外業務投資，其資產淨值面對外匯風險。有關貨幣之匯值波動將反映於匯兌儲備之波動。

此外，人民幣對換為外幣須遵守中國政府所制定之外匯監控規則及法規。

下表載列本集團及本公司在報告期末來自公司以功能貨幣以外的貨幣計價之相關已確認資產或負債，所承擔之貨幣風險。

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
The Group	本集團		
Cash and cash equivalents Renminbi	現金及現金等值物 人民幣	40	112
Overall exposure arising from recognised assets and liabilities	來自確認資產及負債之 整體承擔	40	112
The Company	本公司		
Cash and cash equivalents Renminbi	現金及現金等值物 人民幣	-	-
Overall exposure arising from recognised assets and liabilities	來自確認資產及負債之 整體承擔	-	-

敏感度分析

下表列示於報告期末，本集團除稅後溢利（及保留溢利）對合理變動之外匯匯率的大概變化。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iii) Foreign Currency risk (Continued)

Sensitivity analysis (Continued)

The Group

		2010 二零一零年		2009 二零零九年	
		Increase/ (decrease) in foreign exchange rates 外匯匯率 增加／(減少)	Effect on profit after tax and retained profits 除稅及保留 溢利後對 溢利影響 HK\$'000 千港元	Increase/ (decrease) in foreign exchange rates 外匯匯率 增加／(減少)	Effect on profit after tax and retained profits 除稅及保留 溢利後對 溢利影響 HK\$'000 千港元
Renminbi	人民幣	10%	4	10%	11
		10%	4	10%	11

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the Group entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies. The analysis is performed on the same basis for 2009.

(iv) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for cash and cash equivalents details of which have been disclosed in Note 22.

The Group's fair value interest rate risk relates primarily to fixed-rate loan notes which details have been disclosed in Note 25 to the financial statements. The Group will continue to review the market trend, as well as its business operation needs and its financial position in order to identify the most effective tools for interest risk management.

4. 財務風險管理 (續)

(a) 財務風險因素 (續)

(iii) 外匯風險 (續)

敏感度分析 (續)

本集團

		2010 二零一零年		2009 二零零九年	
		Increase/ (decrease) in foreign exchange rates 外匯匯率 增加／(減少)	Effect on profit after tax and retained profits 除稅及保留 溢利後對 溢利影響 HK\$'000 千港元	Increase/ (decrease) in foreign exchange rates 外匯匯率 增加／(減少)	Effect on profit after tax and retained profits 除稅及保留 溢利後對 溢利影響 HK\$'000 千港元
Renminbi	人民幣	10%	4	10%	11
		10%	4	10%	11

敏感度分析乃假設外匯匯率的變化發生在本報告期末，並已應用到每個集團公司於該日其存在的金融工具所承受的貨幣風險，同時所有其他變量，特別是利率保持不變。

上述變動代表管理層在此期間直至下一個報告年度期末對外匯匯率合理的可能變化的評估。在這方面，它是假設港元與美元之間的聯繫匯率，將不會受到美元對其他貨幣的之價值變動，而產生任何重大影響。該分析與二零零九年是在同一基礎上進行的。

(iv) 利率風險

本集團之收入及營運現金流量大多數獨立於市場利率風險之變動，除現金及現金等值物（有關詳情於附註22內披露）外，本集團並無重大附息資產。

本集團之公允值利率風險主要與固定利率貸款票據（有關詳情已披露於財務報表附註25）有關。本集團將繼續監察市場趨勢、其業務營運需求及其財務狀況，以物色最有效工具，用作利率風險管理。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. FINANCIAL RISK MANAGEMENT (Continued)

(b) Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose the Group defines net debt as total debt (which includes loan notes and other financial liabilities) less bank deposits and cash. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

During the year ended 31st March 2010, the Group's strategy, which remains unchanged from 2009, was to maintain the net debt-to-adjusted capital ratio as low as feasible. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. As at 31st March 2010 and 2009, the Group did not have net debt.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

(c) Fair value

The fair value of cash and cash equivalents, trade receivables, other receivables, deposits and prepayments, trade payables, other payables and accrued charges are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments.

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

4. 財務風險管理(續)

(b) 資本風險管理

本集團管理資本之主要目標為保障持續基準營運之能力，以致其能夠為股東帶來回報及為其他證券持有人帶來利益，並維持最理想之資本結構，以減少資本成本。

本集團積極及定期檢討及管理其資本結構，以維持具有較高水平借貸、較高股東回報與健全資本狀況所帶來之優勢及安全間之平衡，並依據經濟狀況之變動對資本結構作出調整。

本集團按淨負債經調整資本比率之基準監察其資本結構。就此而言，本集團將淨負債界定為債務總額(包括貸款票據及其他金融負債)減銀行存款及現金。經調整資本包括資本之所有成份減未計提之建議股息。

截至二零一零年三月三十一日止年度內，本集團之策略(自二零零九年起維持不變)為維持淨負債經調整資本比率於可能之低水平。為維持或調整該比率，本集團可調整支付予股東之股息金額、退還資本予股東、發行新股份或出售資產以減少債務。於二零一零年及二零零九年三月三十一日，本集團並無淨負債。

本公司及其任何附屬公司並無須遵守外界施加之資本規定。

(c) 公允值

現金及現金等值物、貿易應收賬款、其他應收賬款、按金及預付款項、貿易應付賬款、其他應付賬款及應計費用之公允值因這些金融工具的到期日是即時或短期，因此並沒有與賬面值重大不同。

貿易應收賬款及其他應收賬款賬面值扣除減值撥備，為其公允值之合理概約數額。作披露用途之金融負債公允值，乃以本集團所知類似金融工具以當時市場利率折現未來合約現金流量現值估計得出。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured at fair value at the end of the reporting period, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

4. 財務風險管理 (續)

(d) 確認於財務狀況表中之公允值計量

下表提供了一個於本報告期末以公允值計量之金融工具的分析，並根據該公允值的可觀察性程度，分為一至三級。

- 第一級公允值計量是那些來自活躍市場相同資產或負債報價（未經調整）。
- 第二級公允值計量是那些來自包括在一級以外可觀察的資產或負債之報價，直接（即價格）或間接（即源於價格）。
- 第三級公允值計量是那些來自估值技術，包括投入的資產或負債，不是基於可觀察市場數據（不可觀察的輸入）。

該公允值層次結構內的級別，用以分類整體之公允值計量，乃根據對整體公允值計量有重要性的最低級別投入而決定。

	The Group 本集團				The Company 本公司			
	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總額 HK\$'000 千港元	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Financial assets at fair value through profit or loss	透過損益以公允值列賬之金融資產							
Derivative financial assets	衍生金融資產							
Non-derivative financial assets held for trading	持有作買賣用途之非衍生金融資產							
Total	總額							
	4,192	-	-	4,192	-	-	-	-

There were no significant transfers between instruments in Level 1 and Level 2 during the year.

年內第一級及第二級之工具並無重大轉讓。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5. TURNOVER AND OTHER REVENUE

Turnover represents the gross proceeds received and receivable derived from the sale of watches and property leasing and is summarised as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Turnover	營業額		
Sales of watches	鐘錶銷售	774,644	615,735
Gross rental income from properties	來自物業之租金毛收入	2,820	3,078
		777,464	618,813
Other revenue	其他收益		
Interest income from short-term bank deposits	短期銀行存款利息收入	-	23
Other interest income	其他利息收入	127	251
Total interest income on financial assets not at fair value through profit or loss	非透過損益按公允值處理的金融資產所產生的利息收入總額	127	274
Customer services income and others	顧客服務收入及其他	20,158	17,506
		20,285	17,780
		797,749	636,593

5. 營業額及其他收益

營業額即鐘錶銷售及物業出租之已收及應收之總款項，摘要如下：

6. SEGMENT REPORTING

The Group has adopted HKFRS 8 with effect from 1st April 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operation decision maker in order to allocate resources to the segment and assess its performance. In contrast, the predecessor Standard (HKAS 14) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as starting point for the identification of such segments. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

In the past, the Group's primary reporting segment was business segments: (i) sale of watches and (ii) others (mainly comprises properties leasing). However, for the purpose of resources allocation and assessment of performance, the directors of the Group, are more focused on sale of watches and properties leasing segment which are also the Group's reportable segments under HKFRS 8.

6. 分類報告

本集團自二零零九年四月一日起已採納香港財務報告準則第8號。香港財務報告準則第8號要求以首席營運決策者在分配資源予分部及評估其表現上而定期審閱之有關本集團組成部份之內部報告，作為識別營業分部之基準。反觀過往準則（香港會計準則第14號）則要求實體採用風險及回報方法以識別兩組分部（業務分部及地區分部），僅採用實體向主要管理人員呈報內部財務報告之制度作為識別該等分部之起點。與按照香港會計準則第14號確定之主要報告分部相比，採納香港財務報告準則第8號已導致本集團之報告分部被重新指定。

過去，本集團之主要報告分類為營業分類：(i) 鐘錶銷售及(ii) 其他（主要包括物業租賃）。不過，基於資源配置及表現評估之目的，本集團董事，焦點較集中在鐘錶銷售及物業租賃分類，此亦為香港財務報告準則第8號下，本集團之可報告分類。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

6. SEGMENT REPORTING (Continued)

Information regarding the above segments is presented below. Amounts reported for the prior period have been restated to conform to the requirement of HKFRS 8.

The following is an analysis of the Group's revenue, results, assets and liabilities by operating segment for the years under review:

6. 分類報告 (續)

有關上述分類之資料呈列如下。為遵守香港財務報告準則第8號之要求，過往期間之呈列金額經已重列。

以下為回顧年內本集團經營分類之營業收益、業績、資產及負債之分析：

		2010 二零一零年				
		Sale of watches 鐘錶銷售 HK\$'000 千港元	Properties leasing 租賃物業 HK\$'000 千港元	Segmental total 分類總計 HK\$'000 千港元	Unallocated (Note) 未經分類 (附註) HK\$'000 千港元	Total 總計 HK\$'000 千港元
External revenue	對外收益	774,644	2,820	777,464	-	777,464
Turnover	營業額	774,644	2,820	777,464	-	777,464
Operating profit	經營溢利	58,403	1,432	59,835	(14,615)	45,220
Valuation gains on investment properties	投資物業之估值 收益	-	9,550	9,550	-	9,550
Interest income	利息收入	127	-	127	-	127
Other Income, net	其他收入，淨額	-	-	-	2,012	2,012
Finance costs	財務成本	(53)	-	(53)	(22)	(75)
Segment results	分類業績	58,477	10,982	69,459	(12,625)	56,834
Income tax	所得稅					(5,603)
Profit for the year	本年度溢利					51,231
Depreciation and amortisation	折舊及攤銷	15,673	470	16,143	103	16,246



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

6. SEGMENT REPORTING (Continued)

6. 分類報告 (續)

		2010 二零一零年				
		Sale of watches 鐘錶銷售 HK\$'000 千港元	Properties leasing 租賃物業 HK\$'000 千港元	Segmental total 分類總計 HK\$'000 千港元	Unallocated (Note) 未經分類 (附註) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment assets	分類資產	425,144	79,234	504,378	11,781	516,159
Available-for-sale investments	可供出售之投資	-	-	-	4,192	4,192
Total assets	總資產	425,144	79,234	504,378	15,973	520,351
Additions to non-current segment assets during the year	本年度非流動分類資產之增加	7,927	-	7,927	-	7,927
Segment liabilities	分類負債	99,827	11,757	111,584	3,636	115,220
Income tax payable	應繳所得稅	752	-	752	-	752
Total liabilities	總負債	100,579	11,757	112,336	3,636	115,972

Note: Unallocated items mainly include (i) finance cost and corporate costs which cannot be meaningfully allocated to individual segment; and (ii) assets and liabilities that are not directly attributable to any reportable segment.

附註：未經分類項目主要包括：(i)財務成本及企業成本其不能夠有意義地分配至獨立分類；及(ii)資產及負債其未能直接屬於任何可報告分類。

		2009 二零零九年				
		Sale of watches 鐘錶銷售 HK\$'000 千港元	Properties leasing 租賃物業 HK\$'000 千港元	Segmental total 分類總計 HK\$'000 千港元	Unallocated (Note) 未經分類 (附註) HK\$'000 千港元	Total 總計 HK\$'000 千港元
External revenue	對外收益	615,735	3,078	618,813	-	618,813
Turnover	營業額	615,735	3,078	618,813	-	618,813
Operating profit	經營溢利	58,142	1,371	59,513	(14,142)	45,371
Valuation losses on investment properties	投資物業之估值虧損	-	(4,500)	(4,500)	-	(4,500)
Interest income	利息收入	250	-	250	24	274
Other income/(expenses), net	其他收入/(費用)淨額	(1,305)	-	(1,305)	2,895	1,590
Finance costs	財務成本	-	-	-	(25)	(25)
Segment results	分類業績	57,087	(3,129)	53,958	(11,248)	42,710
Income tax	所得稅					(3,019)
Profit for the year	本年度溢利					39,691
Depreciation and amortisation	折舊及攤銷	13,822	501	14,323	47	14,370

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

6. SEGMENT REPORTING (Continued)

6. 分類報告 (續)

		2009 二零零九年				
		Sale of watches 鐘錶銷售 HK\$'000 千港元	Properties leasing 租賃物業 HK\$'000 千港元	Segmental total 分類總計 HK\$'000 千港元	Unallocated (Note) 未經分類 (附註) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment assets	分類資產	391,777	66,856	458,633	1,014	459,647
Available-for-sale investments	可供出售之投資	-	-	-	2,180	2,180
Total assets	總資產	391,777	66,856	458,633	3,194	461,827
Additions to non-current segment assets during the year	本年度非流動分類資產之增加	22,788	1,757	24,545	-	24,545
Segment liabilities	分類負債	93,688	4,433	98,121	5,993	104,114
Income tax payable	應繳所得稅	281	-	281	-	281
Total liabilities	總負債	93,969	4,433	98,402	5,993	104,395

Note: Unallocated items mainly include (i) finance income, finance cost and corporate costs which cannot be meaningfully allocated to individual segment; and (ii) assets and liabilities that are not directly attributable to any reportable segment.

附註：未經分類項目主要包括：(i)財務收入、財務成本及企業成本其不能夠有意義地分配至獨立分類；及(ii)資產及負債其未能直接屬於任何可報告分類。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

6. SEGMENT REPORTING (Continued)

Geographic Information

The following is an analysis of geographical location of (i) the group's revenue from external customers and (ii) the group's non-current assets. The geographical location of customers refers to the location at which the services were provided or the goods delivered. The Group's non-current assets include property, plant and equipment, prepaid lease payments, investment properties and available-for-sale investments. The geographical locations of non-current assets are based on the physical location of the asset under consideration.

6. 分類報告 (續)

經營地區資料

以下為(i)本集團收益來自對外部客戶及(ii)本集團之非流動資產之經營地區分析。客戶經營地區參考自提供服務或貨物遞送之地點，本集團非流動資產包括物業、機器及設備，租賃預付款項，投資物業及可供出售之投資。經營地區之非流動資產是基於資產之實際地點作考慮。

		Revenues from external customers 來自外部客戶之收益		Non-current assets 非流動資產	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
The People's Republic of China, excluding Hong Kong	中華人民共和國，香港除外	646,530	520,569	20,579	24,753
Hong Kong (place of domicile)	香港(原居地)	130,117	97,358	61,507	51,240
Switzerland	瑞士	198	405	21,607	20,058
Others*	其他*	619	481	-	-
		777,464	618,813	103,693	96,051

* Other included U.S.A.

* 其他包括美國

Information about major customers

During the year, none of the Group's revenue was derived from transactions with individual external customers that amounted to 10 per cent or more of the Group's revenue.

關於主要客戶資料

本年內，本集團並無任何來自獨立外部客戶之交易收入，其金額達或超過本集團10%之收益。

7. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

Interest on loan notes	貸款票據利息	22	25
Others	其他	53	-
Total interest expense on financial liabilities not at fair value through profit or loss	非透過損益按公允值處理的金融負債所產生的利息支出總額	75	25

7. 除稅前溢利

除稅前溢利已扣除/(計入)以下各項：

(a) 財務成本

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
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NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

7. PROFIT BEFORE TAXATION (Continued)

(b) Staff costs

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Salaries, wages and other benefits (including directors' fee and emoluments (Note 9))	薪金、工資及其他福利 (包括董事袍金及酬金(附註9))	69,620	67,408
Retirement benefits scheme contribution, net of forfeited contribution of HK\$Nil (2009: HK\$Nil)	退休福利計劃供款已扣除沒收之 供款零港元(二零零九年:零港元)	389	408
		70,009	67,816

7. 除稅前溢利(續)

(b) 員工成本

(c) Other items

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Rental receivable from investment properties less direct outgoings of HK\$209,000 (2009: HK\$146,000)	投資物業應收租金扣除直接支出 209,000港元(二零零九年: 146,000港元)	(2,557)	(2,887)
Net exchange loss	匯兌虧損淨額	2,005	459
Auditors' remuneration	核數師酬金		
Audit services	核數服務	975	845
Other services	其他服務	258	250
Depreciation	折舊	16,179	14,299
Amortisation for prepaid lease payments	租賃預付款項攤銷	67	71
Bad debts written off	壞賬撇銷	-	1
Reversal of write-down of inventories*	撥回撇減之存貨*	(23,948)	(17,209)
Operating lease rentals in respect of rented premises: Minimum lease payments	租賃物業之經營租賃租金: 最低租賃款項	81,230	69,272
Cost of inventories recognised as expenses	確認為費用之存貨成本	532,472	389,520

* The reversal of write-down of inventories made for the year arose due to the sale of the obsolete stock during the year ended 31st March 2010. The selling price of the obsolete stock is greater than the estimated net realisable value in previous years. Therefore, write back of inventories HK\$23,948,000 was made during the year (2009: HK\$17,209,000).

These amounts were included in the cost of sales.

* 因於截至二零一零年三月三十一日止年度內出售滯銷存貨，故於本年度產生撥回撇減之存貨。滯銷存貨之售價高於過往年度之估計可變現淨值。因此，於本年度存貨之撥回為23,948,000港元(二零零九年:17,209,000港元)。

該等款項包含於銷售成本。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8. OTHER INCOME, NET

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Valuation gains on available-for-sale investments	可供出售投資之估值收益	2,012	-
Write off of other payables	其他應付賬款撇銷	-	1,521
Others	其他	-	69
		2,012	1,590

8. 其他收入，淨額

9. DIRECTORS' REMUNERATION AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

(i) Directors' remuneration

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

9. 董事酬金及最高酬金人士

(i) 董事酬金

根據香港公司條例第161節所披露之董事酬金如下：

		2010 二零一零年				
	Directors' fees	Basic salaries	Allowances and other benefits	Employer's contribution to retirement benefit scheme	Total	
	董事袍金	基本薪金	津貼及其他福利	退休福利計劃僱主供款	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	
(Note) (附註)						
Executive Directors	執行董事					
Eav Yin	楊仁	238	1,925	3,432	-	5,595
Eav Ming Keong, Kinson	楊明強	238	1,001	1,913	12	3,164
Au Shiu Leung, Alex	區肇良	238	2,080	309	12	2,639
Independent Non-executive Directors	獨立非執行董事					
Lai Si Ming	賴思明	238	-	-	-	238
Wong Wing Yue, Rosaline	王穎好	238	-	-	-	238
Lee Tat Cheung, Vincent	李達祥	238	-	-	-	238
		1,428	5,006	5,654	24	12,112

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

9. 董事酬金及最高酬金人士(續)

(i) Directors' remuneration (Continued)

(i) 董事酬金(續)

		2009 二零零九年				
		Directors' fees	Basic salaries	Allowances and other benefits	Employer's contribution to retirement benefit scheme	Total
		董事袍金	基本薪金	津貼及其他福利	退休福利計劃僱主供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
				(Note) (附註)		
Executive Directors	執行董事					
Eav Yin	楊仁	230	1,931	3,315	-	5,476
Eav Ming Keong, Kinson	楊明強	230	1,004	1,653	12	2,899
Au Shiu Leung, Alex	區肇良	230	2,083	239	12	2,564
Independent Non-executive Directors	獨立非執行董事					
Lai Si Ming	賴思明	230	-	-	-	230
Wong Wing Yue, Rosaline	王穎好	230	-	-	-	230
Lee Tat Cheung, Vincent	李達祥	230	-	-	-	230
		1,380	5,018	5,207	24	11,629

Note: During the year, the Company paid HK\$2,508,000 (2009: HK\$2,508,000) for directors' accommodation which is included in allowances and other benefits.

附註：年內，本公司為董事住所支付2,508,000港元(二零零九年：2,508,000港元)，於津貼及其他福利內列值。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

(ii) Individuals with highest emoluments

Of the five individuals with the highest emoluments, three (2009: three) are directors whose emoluments are disclosed in Note 9(i). The aggregate of the emoluments in respect of the other two (2009: two) individuals are as follows:

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Basic salaries, allowances and other benefits 基本薪金、津貼及其他福利	2,808	3,115
Performance related incentive payments 表現獎勵款項	3,288	3,067
Employer's contribution to retirement benefit scheme 退休福利計劃僱主供款	12	12
	6,108	6,194

The emoluments of the two (2009: two) individuals with the highest emoluments are within the following bands:

		Number of individuals 人數	
		2010 二零一零年	2009 二零零九年
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	1	1
HK\$4,000,001 – HK\$4,500,000	4,000,001港元 – 4,500,000港元	1	–
HK\$4,500,001 – HK\$5,000,000	4,500,001港元 – 5,000,000港元	–	1
		2	2

9. 董事酬金及最高酬金人士(續)

(ii) 最高酬金人士

五位最高薪人士中，三位(二零零九年：三位)董事之酬金於附註9(i)披露。其他兩位(二零零九年：兩位)人士年內之酬金總額如下：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Basic salaries, allowances and other benefits 基本薪金、津貼及其他福利	2,808	3,115
Performance related incentive payments 表現獎勵款項	3,288	3,067
Employer's contribution to retirement benefit scheme 退休福利計劃僱主供款	12	12
	6,108	6,194

該兩位(二零零九年：兩位)最高薪人士之酬金介乎下列範圍：

		Number of individuals 人數	
		2010 二零一零年	2009 二零零九年
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	1	1
HK\$4,000,001 – HK\$4,500,000	4,000,001港元 – 4,500,000港元	1	–
HK\$4,500,001 – HK\$5,000,000	4,500,001港元 – 5,000,000港元	–	1
		2	2

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

10. 綜合收益表內之所得稅

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Current tax	即期稅項		
Hong Kong	香港	-	-
Outside Hong Kong	香港以外地區	4,343	3,019
Deferred tax	遞延稅項		
Current year	本年度	1,260	-
		5,603	3,019

On 26th June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced the corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/09 onwards.

Therefore, Hong Kong Profits Tax is calculated at a rate of 16.5% (2009: 16.5%) of the estimated assessable profit for the year. No Hong Kong Profits Tax is provided because the assessable profits generated during the year are set off by the accumulated tax losses brought forward from previous years.

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

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

於二零零八年六月二十六日，香港立法會通過《2008年收入條例草案》，當中包括由二零零八至二零零九課稅年度開始，將公司利得稅稅率由17.5%調減至16.5%。

因此，香港利得稅乃就本年度的估計應課稅溢利按稅率16.5%（二零零九年：16.5%）計算。由於本年度的應課稅溢利與以往年度結轉之累計稅項虧損抵銷，故並無為香港利得稅作出撥備。

海外附屬公司之稅項以有關國家現時適用之稅率撥備。

本年度稅項支出與列賬於綜合收益表的溢利對賬如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit before taxation	除稅前溢利	56,834	42,710
Notional tax on profit before taxation, calculated at the tax rates applicable to profits in the countries concerned	按所在國家的有關溢利的適用稅率計算的除稅前溢利之稅項	13,673	10,853
Tax effect of non-deductible expenses	在稅務上不能扣減之支出之稅務影響	2,859	483
Tax effect of non-taxable income	在稅務上不需課稅之收入之稅務影響	(10,848)	(13,433)
Tax effect of unused tax losses not recognised	未被確認之未使用稅項虧損之稅務影響	7,113	4,978
Tax effect of deductible temporary difference not recognised	未被確認之可扣減之暫時差異之稅務影響	1,492	138
Tax effect of utilisation of unused tax losses	使用未曾使用之稅務虧損之稅務影響	(8,686)	-
Actual tax expenses	實際稅項支出	5,603	3,019



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11. PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit/(loss) attributable to the owners of the Company includes a profit of HK\$13,385,000 (2009: loss of HK\$13,476,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's profit/(loss) for the year:

11. 歸屬於本公司持有之溢利／(虧損)

歸屬於本公司持有之綜合溢利／(虧損)中包括一項已撥入本公司財務報表之13,385,000港元之溢利(二零零九年：虧損13,476,000港元)。

上述款項與本公司年內之溢利／(虧損)對賬：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Amount of profit/(loss) attributable to owners dealt with in the Company's financial statements	於本公司財務報表處理歸屬於持有之溢利／(虧損)	13,385	(13,476)
Final dividends from subsidiaries attributable to the profits of the previous financial year, approved and paid during the year	年內批准及派發來自附屬公司之末期股息(乃由於過往財政年度錄得溢利)	-	-
Company's profit/(loss) for the year (Note 28)	本公司年內之溢利／(虧損)(附註28)	13,385	(13,476)

12. DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the year

Final dividend proposed after the end of the reporting period of 1.5 HK cents per share (2009: 1 HK cent per share)	報告期末後擬派發之末期股息每股1.5港仙(二零零九年：每股1港仙)	9,010	6,007
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At a board meeting held on 26th July 2010, the directors of the Company proposed a final dividend of 1.5 HK cents per share for the year ended 31st March 2010. This proposed dividend is not reflected as dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31st March 2011.

12. 股息

(a) 應付予本公司持有者歸屬於本年度之股息

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Final dividend proposed after the end of the reporting period of 1.5 HK cents per share (2009: 1 HK cent per share)	報告期末後擬派發之末期股息每股1.5港仙(二零零九年：每股1港仙)	9,010	6,007

於二零一零年七月二十六日舉行之董事會上，各董事擬派發截至二零一零年三月三十一日止年度之每股1.5港仙之末期股息。該擬派股息不會在該等財務報表之應付股息中反映，但將會在截至二零一一年三月三十一日止年度之保留盈利內扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

12. DIVIDENDS (Continued)

(b) Dividends payable to owners of the Company attributable to the previous year, approved and paid during the year

Final dividend in respect of the previous financial year, approved and paid during the year, of 1 HK cent per share (2009: 1 HK cent per share)

上財政年度之末期股息，於本年度通過及派發為每股1港仙（二零零九年：每股1港仙）

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
----------------------------------	----------------------------------

6,007

6,007

13. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

Profit for the year attributable to the owners of the Company for the purpose of basic earnings per share

就每股基本盈利而言，
年內歸屬於本公司持有之溢利

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
----------------------------------	----------------------------------

51,231

39,691

Number of shares 股份數目

2010 二零一零年	2009 二零零九年
---------------	---------------

Weighted average number of ordinary shares at 31st March

於三月三十一日之普通股
加權平均數

600,695,128

600,695,128

(b) Diluted earnings per share

Diluted earnings per share equals to the basic earnings per share as there were no potential dilutive ordinary shares outstanding for both years presented.

12. 股息 (續)

(b) 已派付予本公司持有人及於本年度通過及派發歸屬於上年度之股息

13. 每股盈利

(a) 每股基本盈利

歸屬於本公司持有之每股基本盈利乃根據以下數據計算：

(b) 每股攤薄盈利

由於呈列期內並無攤薄潛在普通股，故每股攤薄盈利相等於每股基本盈利。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、機器及設備

(a) The Group

(a) 本集團

		Buildings	Land and buildings	Furniture, fixtures and fittings	Leasehold improvements	Machinery and equipment	Motor Vehicles	Total
		樓宇	土地及樓宇	傢具、設備及裝置	租賃物業裝修	機器及設備	汽車	總計
		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
As at 31st March 2008	於二零零八年三月三十一日							
Cost	成本值	8,967	6,095	1,505	27,972	14,244	308	59,091
Accumulated depreciation	累計折舊	(4,599)	(537)	(1,108)	(18,406)	(10,332)	(308)	(35,290)
Net book value	賬面淨值	4,368	5,558	397	9,566	3,912	-	23,801
Year ended 31st March 2009	截至二零零九年三月三十一日止年度							
Opening net book value	期初賬面淨值	4,368	5,558	397	9,566	3,912	-	23,801
Translation differences	換算差額	-	(753)	-	180	(73)	-	(646)
Additions	添置	-	-	1,516	17,200	4,092	1,737	24,545
Reclassification to investment properties (Note 16)	重新分類至投資物業 (附註16)	(89)	-	-	-	-	-	(89)
Depreciation charge	折舊支出	(150)	(354)	(242)	(10,916)	(2,319)	(318)	(14,299)
Closing net book value	期末賬面淨值	4,129	4,451	1,671	16,030	5,612	1,419	33,312
As at 31st March 2009	於二零零九年三月三十一日							
Cost	成本值	4,855	5,250	3,022	42,936	17,556	2,045	75,664
Accumulated depreciation	累計折舊	(726)	(799)	(1,351)	(26,906)	(11,944)	(626)	(42,352)
Net book value	賬面淨值	4,129	4,451	1,671	16,030	5,612	1,419	33,312
Year ended 31st March 2010	截至二零一零年三月三十一日止年度							
Opening net book value	期初賬面淨值	4,129	4,451	1,671	16,030	5,612	1,419	33,312
Translation differences	換算差額	-	383	-	49	281	-	713
Additions	添置	-	-	207	4,246	2,634	840	7,927
Reclassification to investment properties (Note 16)	重新分類至投資物業 (附註16)	(444)	-	-	-	-	-	(444)
Depreciation charge	折舊支出	(148)	(367)	(442)	(12,137)	(2,626)	(459)	(16,179)
Closing net book value	期末賬面淨值	3,537	4,467	1,436	8,188	5,901	1,800	25,329
As at 31st March 2010	於二零一零年三月三十一日							
Cost	成本值	4,360	5,700	3,231	40,102	20,476	2,885	76,754
Accumulated depreciation	累計折舊	(823)	(1,233)	(1,795)	(31,914)	(14,575)	(1,085)	(51,425)
Net book value	賬面淨值	3,537	4,467	1,436	8,188	5,901	1,800	25,329

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

Leasehold land	2% or over the remaining terms of the leases, if shorter
Buildings	2 – 4%
Furniture, fixtures and fittings	15 – 20%
Leasehold improvements	5 – 50%
Machinery and equipment	20 – 50%
Motor vehicles	20%

- (c) During the year ended 31st March 2010, certain building has been reclassified as investment properties. The reclassification was a result of the commencement of leases of properties.

- (d) The analysis of the net book value of land and buildings is as follows:

14. 物業、機器及設備 (續)

- (b) 物業、機器及設備以直線法按下列年率計算折舊：

租賃土地	2%或按租約餘下年期(以較短者為準)
樓宇	2 – 4%
傢具、設備及裝置	15 – 20%
租賃物業裝修	5 – 50%
機器及設備	20 – 50%
汽車	20%

- (c) 於二零一零年三月三十一日止年度內，若干持作樓宇已重新分類為投資物業。重新分類乃因物業開始出租所致。

- (d) 土地及樓宇之賬面淨值分析如下：

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Buildings	樓宇		
In Hong Kong	於香港		
Long-term leases	長期租賃	1,122	1,215
Outside Hong Kong	香港以外		
Long-term leases	長期租賃	2,415	2,914
		3,537	4,129
Land and Buildings	土地及樓宇		
Outside Hong Kong	香港以外		
Freehold	永久業權	4,467	4,451
		8,004	8,580

- (e) At 31st March 2010, certain buildings amounting to HK\$1,100,000 (2009: HK\$1,192,000) were pledged as securities for bank loans as detailed in Note 31.

- (e) 於二零一零年三月三十一日，若干價值1,100,000港元(二零零九年：1,192,000港元)樓宇用作銀行貸款抵押，詳情載於附註31。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15. PREPAID LEASE PAYMENTS

15. 租賃預付款項

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Balance at 1st April	於四月一日之結餘	4,341	4,654
Reclassified to investment properties (Note 16)	重新分類至投資物業(附註16)	(225)	(242)
Amortisation	攤銷	(67)	(71)
Balance at 31st March	於三月三十一日之結餘	4,049	4,341

The Group's prepaid lease payments comprise:

本集團之租賃預付款項包括：

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Long-term leases in Hong Kong	於香港之長期租賃	1,093	1,099
Long-term land use rights in PRC	於中國之長期土地使用權	2,956	3,242
		4,049	4,341
Analysis for reporting purposes as:	出於報告目的之分析：		
Current portion	流動部分	62	67
Non-current portion	非流動部分	3,987	4,274
		4,049	4,341

(a) During the year ended 31st March 2010, some prepaid lease payments amounting to HK\$225,000 (2009: HK\$242,000) had been reclassified as investment properties. The reclassification was a result of the commencement of lease of properties.

(a) 於二零一零年三月三十一日止年度內，若干租賃預付款項225,000港元(二零零九年：242,000港元)已重新分類為投資物業，重新分類乃因物業開始出租所致。

(b) At 31st March 2010, certain leasehold lands amounting to HK\$545,000 (2009: HK\$551,000) were pledged as securities for bank loans as detailed in Note 31.

(b) 於二零一零年三月三十一日，若干價值545,000港元(二零零九年：551,000港元)的租賃土地用作銀行貸款抵押，詳情載於附註31。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16. INVESTMENT PROPERTIES

16. 投資物業

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At valuation	估值列值		
As at 1st April	於四月一日	56,285	60,579
Translation differences	換算差額	1,050	(1,983)
Reclassifications	重新分類		
– from property, plant and equipment and prepaid lease payments (Note 14 and 15)	– 自物業、機器及設備及租賃預付款項(附註14及15)	669	331
– fair value change upon date of transfer	– 於轉讓日的公允值變動	2,631	1,858
Increase/(decrease) in fair value in the consolidated income statement	公允值於綜合收益表中的增加/(減少)	9,550	(4,500)
As at 31st March	於三月三十一日	70,185	56,285

At 31st March 2010, certain investment properties amounting to HK\$48,650,000 (2009: HK\$39,600,000) were pledged as securities for bank loans as detailed in Note 31.

於二零一零年三月三十一日，若干價值48,650,000港元(二零零九年：39,600,000港元)的投資物業用作銀行貸款抵押，詳情載於附註31。

The carrying amount of investment properties held by the Group at 31st March 2010 and 2009 comprises:

本集團於二零一零年及二零零九年三月三十一日之投資物業之賬面值包括：

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
In Hong Kong under long-term leases	在香港之長期租賃	50,050	40,650
Outside Hong Kong:	在香港以外：		
Medium-term leases	中期租賃	3,973	3,183
Long-term leases	長期租賃	3,300	–
Freehold	永久業權	12,862	12,452
		70,185	56,285



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16. INVESTMENT PROPERTIES (Continued)

Note:

- (a) During the year ended 31st March 2010, some buildings and prepaid lease payments amounting to HK\$3,300,000 (2009: HK\$2,189,000) have been reclassified as investment properties. The reclassification was a result of the commencement of lease of properties.
- (b) The Group's properties outside Hong Kong with valuation of HK\$2,626,000 (2009: HK\$2,189,000) are registered under the name of other persons in trust for the Group.
- (c) The Group's investment properties are held for rental purposes under operating leases were revalued by DTZ Debenham Tie Leung Limited, a firm of independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of property being revalued at 31st March 2010 on an open market basis calculated by reference to net rental income allowing for reversionary income potential.
- (d) For the year ended 31st March 2010, up to the date when the buildings and prepaid lease payments became investment properties, the difference at that date between the carrying amount of the properties and their fair value of amount approximately HK\$2,631,000 (2009: HK\$1,858,000) is recognised directly to equity in revaluation reserve. As at 31st March 2010, the valuation gain on investment properties amounting to HK\$9,550,000 (2009: loss of HK\$4,500,000) is recognised in the consolidated income statement.

17. INTEREST IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份，按成本
Impairment loss recognised	已確認減值虧損

In prior years, due to the poor operating performance of the relevant subsidiaries, the carrying amount had been impaired by approximately HK\$320,837,000 through the recognition of impairment losses. After considering the poor operating performance of the relevant subsidiaries, the directors of the Company are of the opinion that investment cost of these subsidiaries would not have significant value to the Group and such amount has already been fully written off in prior years, and impairment loss should not be reversed.

16. 投資物業(續)

附註：

- (a) 於二零一零年三月三十一日止年度內，金額為3,300,000港元(二零零九年：2,189,000港元)之若干樓宇以及租賃預付款項已重新分類為投資物業。重新分類乃因物業開始出租所致。
- (b) 本集團位於香港以外地區價值2,626,000港元(二零零九年：2,189,000港元)之物業乃由出任本集團信託人之其他人士名下登記。
- (c) 本集團之投資物業乃持作經營租賃之出租用途，並由持有認証及相關專業資格以及擁有物業地點及類別經驗之獨立專業估值行DTZ戴德梁行有限公司於二零一零年三月三十一日依據淨租金收入及收入潛力之公開市價計算並按公開市場基準重估。
- (d) 截至二零一零年三月三十一日止年度，直至樓宇及租賃預付款項成為投資物業之日，物業之賬面值與彼等之公允值於該日之差額2,631,000港元(二零零九年：1,858,000港元)直接確認於權益內的重估儲備。於二零一零年三月三十一日，投資物業估值收益9,550,000港元(二零零九年：虧損4,500,000港元)於綜合收益表確認。

17. 於附屬公司之權益

The Company

本公司

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

		320,837	320,837
		(320,837)	(320,837)
		-	-

於過往年度，因有關附屬公司經營表現欠佳，已就其賬面值確認減值減約320,837,000港元。考慮相關附屬公司經營表現欠佳，本公司董事認為，附屬公司之投資成本將不會為本集團帶來任何重大價值，該等款項於過去年度已被全數撇銷，減值虧損將不被撥回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17. INTEREST IN SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries as at 31st March 2010 are as follows:

17. 於附屬公司之權益(續)

本公司於二零一零年三月三十一日之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or establishment or registration/ operation 註冊或成立地點/ 經營地點	Paid up issued ordinary share capital/ registered capital 實繳已發行 普通股本/ 註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本/註冊資本面值之百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
AC (Overseas) Limited	British Virgin Islands 英屬處女群島	HK\$10,000 10,000港元	100% 100%	– –	Investment holding 投資控股
Juvenia Montres S.A.	Switzerland 瑞士	SFr.1,875,000 1,875,000瑞士法郎	– –	100% 100%	Assembling and marketing of gold and jewellery watches 裝配及經銷金錶及寶石錶
冠亞名表城(上海)貿易有限公司	People's Republic of China* 中華人民共和國*	HK\$60,000,000 60,000,000港元	– –	100% 100%	Watch trading 鐘錶貿易
Time City (Hong Kong) Limited 冠亞名表城(香港)有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	– –	100% 100%	Watch trading 鐘錶貿易
Juvenia (Hong Kong) Company Limited 尊皇(香港)有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	– –	100% 100%	Brand development & watch trading 品牌發展及鐘錶貿易
Accord Watch & Jewellery (International) Limited 艾卓鐘錶珠寶(國際)有限公司	Hong Kong 香港	HK\$3,500,100 3,500,100港元	– –	100% 100%	Brand development & watch trading 品牌發展及鐘錶貿易
Asia Commercial Property Holdings Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	100% 100%	– –	Property holding and investment 物業持有及投資
沈陽遼灣拿鐘錶珠寶有限公司	People's Republic of China# 中華人民共和國#	RMB1,000,000 1,000,000人民幣	– –	100% 100%	Watch trading 鐘錶貿易
Ming Biao Cheng Corporation	British Virgin Islands 英屬處女群島	US\$1 1美元	– –	100% 100%	Watch retailing and trading 鐘錶零售及貿易

* Registered under the laws of The People's Republic of China as a wholly foreign-owned enterprise.

* 根據中華人民共和國法律註冊為全資外資企業。

Registered under the laws of The People's Republic of China as a domestic enterprise.

根據中華人民共和國法律註冊為國內企業。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17. INTEREST IN SUBSIDIARIES (Continued)

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

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

18. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

Amounts due from subsidiaries	應收附屬公司款項
Impairment loss recognised	已確認之減值虧損

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

The carrying amount of the amounts due from/(to) subsidiaries as at 31st March 2010 approximated their fair value.

As at 31st March 2010, the amounts due from subsidiaries were unsecured and repayable on demand. Except for an amount of approximately HK\$19,477,000 (2009: HK\$19,199,000) with interest charged at prevailing prime rate less 2%, the remaining balance were non-interest bearing.

The carrying amount had been impaired approximately by HK\$737,154,000 through the recognition of impairment losses in the year ended 31st March 2009. Certain impairment losses amounting to approximately HK\$27,000,000 were reversed due to the recovery of such amount during the year. Other than this, after considering the poor operating performance of the relevant subsidiaries, the directors of the Company are of the opinion that impairment losses recognised in previous years should not be reversed during the year ended 31st March 2010.

17. 於附屬公司之權益(續)

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

於年終或年內任何時間，各附屬公司概無任何尚未償還之借貸資本。

18. 應收／(應付)附屬公司款項

		The Company	
		本公司	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Amounts due from subsidiaries	應收附屬公司款項	986,709	1,020,527
Impairment loss recognised	已確認之減值虧損	(709,679)	(737,154)
		277,030	283,373

應付附屬公司款項為無抵押、免息及須於要求時償還。

於二零一零年三月三十一日，應收／(應付)附屬公司款項之賬面值與公允值相若。

於二零一零年三月三十一日，應收附屬公司款項為無抵押並須於要求時償還。除為數約19,477,000港元(二零零九年：19,199,000港元)按當時最優惠利率減2%計算利息外，其餘款項為免息。

截至二零零九年三月三十一日止年度，賬面值已確認減值約737,154,000港元。若干減值虧損之金額約27,000,000港元已撥回因為本年度該等款項經已收回。除此之外，考慮相關附屬公司之經營表現欠佳後，董事認為，截至二零一零年三月三十一日止年度，過往年度確認之減值虧損將不被撥回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

19. AVAILABLE-FOR-SALE INVESTMENTS

19. 可供出售之投資

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Investments in	投資於		
Club debentures, net	會所債券，淨額	4,192	2,180
		4,192	2,180

The club debentures are measured at fair value. Fair value of the investment has been determined by reference to the bid price quoted in an active market. The increase in these investment amounting to HK\$2,012,000 for the year ended 31st March 2010 (2009: Nil) was due to increase in their fair values on revaluation.

會所債券按公允值計量。此投資之公允值乃參照市場上之買價而釐定。截至二零一零年三月三十一日止年度，此投資增值2,012,000港元（二零零九年：零港元），乃因為其重估之公允值增加。

20. INVENTORIES

20. 存貨

Inventories in the statement of financial position comprise:

財務狀況表內之存貨包括：

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Watches	鐘錶		
Raw materials	原材料	28,827	23,453
Finished goods	製成品	262,312	251,228
		291,139	274,681
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Carrying amount of inventories sold	出售存貨之賬面值	556,420	406,729
Write down of inventories	存貨之撥回	-	-
Reversal of write-down of inventories	撥回撇減之存貨	(23,948)	(17,209)
		532,472	389,520



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

21. TRADE AND OTHER RECEIVABLES

The Group allows credit period of ranging from cash on delivery to 90 days to its trade receivables. The aging analysis of trade receivables of HK\$28,362,000 (2009: HK\$20,322,000) which are included in the Group's trade receivables at the end of the reporting period is as follows:

21. 貿易及其他應收賬款

本集團給予貿易應收賬戶由到貨收款至90天之信貸期。於報告期末，包括在本集團貿易應收賬款內之貿易應收賬款28,362,000港元(二零零九年：20,322,000港元)之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade receivables	貿易應收賬款				
Up to 90 days	即期至90日	27,646	20,119	-	-
91 to 180 days	91至180日	77	53	-	-
Over 180 days	180日以上	639	150	-	-
		28,362	20,322	-	-
Allowance for doubtful debts	呆賬撥備	(62)	(8)	-	-
		28,300	20,314	-	-
Other receivables	其他應收賬款	2,748	3,080	-	7
Loans and receivables	貸款及應收賬款	31,048	23,394	-	7
Deposits and prepayments	按金及預付款項	28,719	18,063	116	116
		59,767	41,457	116	123

The carrying amounts of trade and other receivables at 31st March 2010 approximated their fair value.

The carrying amounts of 82% (2009: 76%) of the Group's trade receivables are denominated in Renminbi.

All of the trade receivables are expected to be recovered within one year.

(a) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly (see Note 2(g)(i)).

於二零一零年三月三十一日貿易及其他應收款項之賬面值與公允值相若。

本集團貿易應收賬款之82%(二零零九年：76%)之賬面值以人民幣列值。

所有貿易應收賬款預期可於一年內收回。

(a) 貿易應收賬款減值

應收賬款之減值虧損以撥備賬記錄，除非本集團有信心收回款額之可能性極微，在該情況下，減值虧損直接從貿易應收賬款撇銷(見附註2(g)(i))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

21. TRADE AND OTHER RECEIVABLES (Continued)

(a) Impairment of trade receivables (Continued)

The movement in the allowance for doubtful debts during the year, including both specific and collective loss component, is as follows:

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
As at 1st April	於四月一日	8	8
Impairment loss recognised	已確認之減值虧損	54	-
Uncollectible amounts written off	呆賬撇銷	-	-
As at 31st March	於三月三十一日	62	8

At 31st March 2010, the Group's trade receivables of HK\$54,000 (2009: HK\$Nil) were individually determined to be impaired.

At 31st March 2010, specific allowance for doubtful debts approximately HK\$Nil (2009: HK\$1,000) was recognised. The Group does not hold any collateral over these balances.

(b) Trade receivables that are not impaired

The aging analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Neither past due nor impaired	並無逾期或減值	27,646	20,119
Less than 90 days past due	逾期少於90日	77	53
Over 90 days past due	逾期超過90日	577	142
		654	195
		28,300	20,314

21. 貿易及其他應收賬款(續)

(a) 貿易應收賬款減值(續)

年內呆賬撥備變動(包括特定及集體虧損部份)如下:

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
As at 1st April	於四月一日	8	8
Impairment loss recognised	已確認之減值虧損	54	-
Uncollectible amounts written off	呆賬撇銷	-	-
As at 31st March	於三月三十一日	62	8

於二零一零年三月三十一日，本集團貿易應收賬款54,000港元(二零零九年：零港元)已獨立決定撇賬。

於二零一零年三月三十一日，已確認之特定呆賬撥備約為零港元(二零零九年：1,000港元)。本集團並無就此等結餘持有任何抵押品。

(b) 無減值之貿易應收賬款

就無個別或集體被視作減值之貿易應收賬款賬齡分析如下:

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Neither past due nor impaired	並無逾期或減值	27,646	20,119
Less than 90 days past due	逾期少於90日	77	53
Over 90 days past due	逾期超過90日	577	142
		654	195
		28,300	20,314



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

21. TRADE AND OTHER RECEIVABLES (Continued)

(b) Trade receivables that are not impaired (Continued)

Trade receivables are due within 90 days from the date of billings. Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

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

22. CASH AND CASH EQUIVALENTS

21. 貿易及其他應收賬款 (續)

(b) 無減值之貿易應收賬款 (續)

貿易應收賬款是由賬單日起90日內到期。概無逾期或減值之貿易應收賬款包括在眾多並無近期欠款記錄之客戶內。

逾期但無減值之貿易應收賬款與多名獨立客戶有關，該等客戶在本集團之信貸記錄良好。根據過往經驗，管理層認為，該等結餘毋須作出減值撥備，乃由於信貸質素並無重大變動，且結餘仍被視作可全數收回。本集團並無就此等結餘持有任何抵押品。

22. 現金及現金等值物

		The Group 本集團		The Company 本公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cash at bank and on hand	銀行存款及手頭現金	65,690	49,571	11,383	410
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	於綜合財務狀況表及綜合現金流量表列示的現金及現金等值物	65,690	49,571	11,383	410

		The Group 本集團		The Company 本公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Hong Kong dollars	港元	24,614	21,584	11,334	341
United States dollars	美元	32	37	31	31
Renminbi	人民幣	39,986	26,951	-	-
Others	其他	1,058	999	18	38
		65,690	49,571	11,383	410

The effective annual interest rate on short-term bank deposits ranged from 1.67% to 2.24%, with an average maturity from overnight up to 4 days in 2009. No short-term deposits were made in 2010.

短期銀行存款之實際年利率介乎1.67%至2.24%；於二零零九年該等存款之平均到期日為隔夜至四日，於二零一零年並無做過短期存款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

23. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$19,899,000 (2009: HK\$28,775,000), the aging analysis of which at the end of the reporting period is as follows:

23. 貿易及其他應付賬款

於報告期末，計入貿易及其他應付賬款內之貿易應付賬款19,899,000港元（二零零九年：28,775,000港元）之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trade payables	貿易應付賬款				
Up to 90 days	即期至90日	19,370	27,848	-	-
91 to 180 days	91至180日	14	283	-	-
Over 180 days	180日以上	515	644	-	-
		19,899	28,775	-	-
Other payables and accrued charges	其他應付賬款及應計費用	30,363	24,282	2,614	2,410
Deposits received	已收按金	2,324	1,981	-	-
Other tax payable	其他應付稅項	52,612	43,760	-	-
Financial liabilities measured at amortised cost	以攤銷成本計算之金融負債	105,198	98,798	2,614	2,410

The carrying amounts of the Group's trade and other payables at 31st March 2010 approximated their fair value.

於二零一零年三月三十一日，本集團貿易及其他應付賬款之賬面值與相應公允值相若。

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

本集團貿易應付賬款之賬面值主要以人民幣列值。

All of the other trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

所有其他貿易及其他應付款項預計於一年內結算或確認為收入，或按要求償還。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24. INCOME TAX PAYABLE IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Income tax payable in the consolidated statement of financial position represents:

Balance at 1st April	於四月一日之結餘
– PRC Enterprise Income Tax	– 中國企業所得稅
Translation difference	換算差額
Provision for PRC Enterprise Income Tax for the year	本年度中國企業所得稅撥備
PRC Enterprise Income Tax paid	已付中國企業所得稅
Balance at 31st March	於三月三十一日之結餘

(b) Deferred tax liabilities recognised

The components of deferred tax liabilities recognised in the statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	遞延稅項產生來自：
At 1st April 2009	於二零零九年四月一日
Debited to consolidated income statement	計入於綜合收益表
Deferred tax recognised in equity	確認資本之遞延稅項
At 31st March 2010	於二零一零年三月三十一日

(c) Deferred tax assets not recognised

The Group has allowable tax losses arising in Hong Kong of approximately HK\$364,273,000 (2009: HK\$339,257,000) which are mainly arisen prior to the capital restructuring in 1997, that are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses due to the unpredictability of future profit streams.

24. 綜合財務狀況表之應繳所得稅

(a) 綜合財務狀況表之應繳所得稅代表：

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		281	1,500
		22	33
		4,343	3,019
		(3,894)	(4,271)
		752	281

(b) 已確認之遞延稅項負債

本年內於財務狀況表中已確認部份之遞延稅項負債及其變動如下：

	Revaluation of of available-for- sale investments 重估可供出售之投資 HK\$'000 千港元	Revaluation of Investment properties 重估投資物業 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Deferred tax arising from:			
At 1st April 2009	–	–	–
Debited to consolidated income statement	332	928	1,260
Deferred tax recognised in equity	–	6,419	6,419
At 31st March 2010	332	7,347	7,679

(c) 未確認之遞延稅項資產

本集團自香港產生之可獲寬免稅務虧損約為364,273,000港元，主要於一九九七年資本重組前產生（二零零九年：339,257,000港元），可用於抵銷虧損產生的公司未來應課稅溢利。由於未來溢利不能作出預測，故並無就此等虧損確認遞延稅項資產。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24. INCOME TAX PAYABLE IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(d) Withholdings tax

Pursuant to new PRC Corporate Income Tax Law which took effect from 1st January 2008, a 5% or 10% withholding tax was levied on dividends declared to foreign enterprise investors from PRC effective from 1st January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign enterprise investors. On 22nd February 2008, Caishui (2008) No. 1 was promulgated by the PRC tax authorities to specify that dividends declared and remitted out of the PRC from the retained earnings as at 31st December 2007 determined based on the relevant PRC tax laws and regulations are exempted from the withholding tax. No deferred tax liabilities have been recognised, as the Company controls the dividend policy of the subsidiaries of the Group in PRC and it has been determined that it is probable that the profits earned by the Group's PRC subsidiaries for the period from 1st January 2008 to 31st March 2010 will not be distributed in the foreseeable future.

25. LOAN NOTES

Swiss Francs 550,000 (2009: Swiss Francs 550,000)
7/8% Loan Notes (the "Notes") due 2010, at par
Translation difference

Accrued interest
Interest paid during the year
Redeemed during the year

瑞士法郎550,000份(二零零九年：
瑞士法郎550,000)二零一零年到期
年息7/8%貸款票據(「票據」)，
按面值
換算差額

應計利息
年內已付利息
年內已贖回

24. 綜合財務狀況表之應繳所得稅(續)

(d) 預扣稅

根據自二零零八年一月一日起生效的中國新企業所得稅法，就向外資企業投資者宣派來自中國的股息徵收5%或10%預扣稅，自二零零八年一月一日起生效。倘中國與外資企業投資者所屬司法權區之間定有稅務優惠安排則可按較低預扣稅率繳稅。於二零零八年二月二十二日，中國稅務機關頒佈財稅(2008)1號，規定自二零零七年十二月三十一日的保留溢利宣派及匯出中國境外之股息根據相關中國稅務法律法規的釐定可獲豁免預扣稅。由於本公司控制於中國的子公司的股息政策，加上已釐定不大可能於可見之未來就本集團中國子公司於二零零八年一月一日至二零一零年三月三十一日期間賺取的若干溢利進行分派，故並無確認遞延稅項負債。

25. 貸款票據

The Group and the Company

本集團及本公司

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

		2,895	2,907
		(10)	(12)
		2,885	2,895
		25	28
		(25)	(25)
		(2,885)	-
		-	2,898



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

25. LOAN NOTES (Continued)

Pursuant to the original note agreement dated 31st January 1994, holders of the Notes had the right at any time on or before 8th February 2000 to convert all or some of the Notes into shares of the Company at the conversion price of HK\$8.6 per share, subject to adjustment. Interest on the Notes was waived for a period of five years with effect from 23rd February 1996 to and including 22nd February 2001. The rate at which interest is charged on the Notes is 7/8% per annum for a period of nine years with effect from 23rd February 2001. Interest is accrued over the revised duration of the Notes so as to produce a constant periodic rate of charge for each accounting period.

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

There is also an option granted to the holders of the Notes to cause the Company to redeem in US\$ at a fixed exchange rate of SFr.1.00 = US\$0.67933 any Notes on 23rd February 2008 at a redemption price of 117.375% of its principal amount together with interest accrued up to the date of redemption. The Company had redeemed Notes amounted to Swiss Francs 11,250,000 on 23rd February 2008.

The Company has fully redeemed Notes amounted to Swiss Francs 550,000 on 4th February 2010.

26. SHARE CAPITAL

25. 貸款票據 (續)

根據一九九四年一月三十一日之原來之票據協議，票據持有人有權於二零零零年二月八日或之前隨時按每股8.6港元之換股價(可予調整)將全部或部份票據轉換為本公司股份。票據自一九九六年二月二十三日起至二零零一年二月二十二日(包括該日)之五年內免付利息。票據之利率自二零零一年二月二十三日起計九年內之年息為7/8%。票據在修訂後之期間計提利息，以便在每個會計期間內，產生穩定之定期費用。

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

票據持有人亦獲授一項選擇權，使本公司於二零零八年二月二十三日按票據本金額117.375%之贖回價連同計至贖回當日之利息，以按1.00瑞士法郎兌0.67933美元之固定匯率計算之美元贖回任何票據。本公司已於二零零八年二月二十三日贖回票面值11,250,000瑞士法郎票據。

於二零一零年二月四日本公司已全部贖回金額550,000瑞士法郎之票據。

26. 股本

The Group and the Company

本集團及本公司

Number of shares 股份數目 '000 千股	Value 價值 HK\$'000 千港元
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Ordinary shares of HK\$0.10 each

每股0.10港元之普通股

Authorised:

法定股本：

At 1st April 2009 and 31st March 2010

於二零零九年四月一日及
二零一零年三月三十一日

1,000,000

100,000

Issued and fully paid:

已發行及繳足：

At 1st April 2009 and 31st March 2010

於二零零九年四月一日及
二零一零年三月三十一日

600,695

60,070

27. SHARE OPTION SCHEME**2002 Share Option Scheme**

On 20th September 2002, the shareholders of the Company approved the adoption of a new share option scheme (the "2002 Share Option Scheme"). The purpose of the 2002 Share Option Scheme is to encourage qualifying grantees to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. Qualifying grantees of the 2002 Share Option Scheme means (i) any employee or any business-related consultant, agent, representative or advisor of the Company or any subsidiary or any affiliate; or (ii) any supplier, agent or consultant who provide goods or services to the Company or any subsidiary or any affiliate; or (iii) any customer of the Company or any subsidiary or any affiliate; or (iv) any business ally or joint venture partner of the Company or any subsidiary or any affiliate.

Previously, the maximum number of shares which may be issued upon exercise of all options to be granted under the 2002 Share Option Scheme (and under any other scheme of the Company) shall not in aggregate exceed 10 per cent. of the shares in issue as at the date of the adoption of the 2002 Share Option Scheme (the "Scheme Mandate Limit") provided that the Company may at any time as the Board of Directors of the Company may think fit seek approval from its shareholders to refresh the Scheme Mandate Limit, save that the maximum number of shares which may be issued upon exercise of all options to be granted under the 2002 Share Option Scheme (and under any other scheme of the Company) shall not exceed 10 per cent. of the shares in issue as at the date of approval by the shareholders of the Company (including those outstanding, cancelled, and lapsed in accordance with the terms of the 2002 Share Option Scheme or any other scheme of the Company or exercised options under the said scheme) shall not be counted for the purpose of calculating the limit as refreshed. Notwithstanding aforesaid in this paragraph, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Share Option Scheme (and under any other scheme of the Company) shall not exceed 30 per cent. of the Shares in issue from time to time.

Refreshment of 2002 Share Option Scheme mandate limit (the "Refreshment") and amendment of rules of 2002 Share Option Scheme (the "Amendment") had been approved at the annual general meeting of the Company held on 26th August 2008. Details of the Refreshment and the Amendment were contained in the circular to shareholders dated 1st August 2008. After the adoption of the Refreshment and the Amendment, as at the date of the annual report, a total of 60,069,512 shares (representing approximately 10 per cent. of the existing issued share capital of the Company) are available for issue under the 2002 Share Option Scheme.

27. 購股權計劃**二零零二年購股權計劃**

於二零零二年九月二十日，本公司股東批准採納新購股權計劃（「二零零二年購股權計劃」）。二零零二年購股權計劃之目的乃鼓勵合資格承授人致力為本公司及其股東整體之利益提升本公司及其股份之價值。二零零二年購股權計劃的合資格承授人指(i)本公司或任何附屬公司或任何聯屬公司的任何僱員，或任何與業務有關之顧問、代理人、代表或顧問；或(ii)向本公司或任何附屬公司或任何聯屬公司提供貨物或服務之任何供應商、代理商或顧問；或(iii)本公司或任何附屬公司或任何聯屬公司之任何客戶；或(iv)本公司或任何附屬公司或任何聯屬公司之業務盟友或合資企業夥伴。

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

更新二零零二年購股權計劃之授權上限（「更新」）及修訂二零零二年購股權計劃條例之規則（「修訂」）已在二零零八年八月二十六日之股東週年大會被確認。更新及修訂細節已載於二零零八年八月一日發給股東之通函內。採用更新及修訂後於本年報日，根據二零零二年購股權計劃可予發行之股份總數60,069,512股（佔本公司現有已發行股本約10%）。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

27. SHARE OPTION SCHEME (Continued)

2002 Share Option Scheme (Continued)

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

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

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

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

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

No option was granted, exercised, cancelled or lapsed during the year ended 31st March 2010 and as at 31st March 2010, there were no outstanding option granted under the 2002 Share Option Scheme.

27. 購股權計劃 (續)

二零零二年購股權計劃 (續)

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

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

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

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

二零零二年購股權計劃將於二零一二年九月十九日屆滿。

截至二零一零年三月三十一日止年度內無購股權被授出、行使、註銷或失效。而於二零一零年三月三十一日，根據二零零二年購股權計劃並無授出而尚未行使之購股權。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28. RESERVES

28. 儲備

The Group

本集團

		Share premium	Revaluation reserve	Exchange reserve	Capital reserve	Contributed surplus	Accumulated losses	Total
		股份溢價	重估儲備	匯兌儲備	股本儲備	繳入盈餘	累計虧損	總額
		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
		(Note (a))	(Note (b))	(Note (c))	(Note (d))	(Note (e))		
		(附註(a))	(附註(b))	(附註(c))	(附註(d))	(附註(e))		
Balance at 1st April 2008	於二零零八年四月一日結餘	77,991	31,562	16,359	252,381	17,524	(128,763)	267,054
Change in equity for 2008	二零零八年之權益變動							
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	-	(5,234)	-	-	-	(5,234)
Profit for the year	本年度溢利	-	-	-	-	-	39,691	39,691
Change in revaluation reserve on revaluation of properties (Note 16(d))	物業重估之重估儲備變動 (附註16(d))	-	1,858	-	-	-	-	1,858
Total comprehensive income for the year	本年度總全面收益	-	1,858	(5,234)	-	-	39,691	36,315
Dividend paid (Note 12)	已付股息(附註12)	-	-	-	-	-	(6,007)	(6,007)
Balance at 31st March 2009	於二零零九年三月三十一日結餘	77,991	33,420	11,125	252,381	17,524	(95,079)	297,362
Balance at 1st April 2009	於二零零九年四月一日結餘	77,991	33,420	11,125	252,381	17,524	(95,079)	297,362
Change in equity for 2009	二零零九年之權益變動							
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	-	5,510	-	-	-	5,510
Profit for the year	本年度溢利	-	-	-	-	-	51,231	51,231
Change in revaluation reserve on revaluation of properties	物業重估之重估儲備變動	-	(3,787)	-	-	-	-	(3,787)
Total comprehensive income for the year	本年度總全面收益	-	(3,787)	5,510	-	-	51,231	52,954
Dividend paid (Note 12)	已付股息(附註12)	-	-	-	-	-	(6,007)	(6,007)
Balance at 31st March 2010	於二零一零年三月三十一日結餘	77,991	29,633	16,635	252,381	17,524	(49,855)	344,309



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28. RESERVES (Continued)

28. 儲備 (續)

The Company

本公司

		Share Premium 股份溢價 HK\$'000 千港元 (Note (a)) (附註(a))	Contributed surplus 繳入盈餘 HK\$'000 千港元 (Note (e)) (附註(e))	Retained profits 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Balance at 1st April 2008	於二零零八年四月一日結餘	77,991	17,524	142,355	237,870
Loss for the year	本年度虧損	-	-	(13,476)	(13,476)
Dividend paid	已付股息	-	-	(6,007)	(6,007)
Balance at 31st March 2009	於二零零九年三月三十一日結餘	77,991	17,524	122,872	218,387
Balance at 1st April 2009	於二零零九年四月一日結餘	77,991	17,524	122,872	218,387
Profit for the year	本年度溢利	-	-	13,385	13,385
Dividend paid	已付股息	-	-	(6,007)	(6,007)
Balance at 31st March 2010	於二零一零年三月三十一日結餘	77,991	17,524	130,250	225,765

Note:

附註：

(a) Share premium

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

(a) 股份溢價

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

(b) Revaluation reserve

The revaluation reserve has been set up and is dealt with the revaluation on properties (Note 16(d)) reclassified to investment properties in accordance with the accounting policies adopted for land and buildings in Note 2(e).

(b) 重估儲備

重估儲備是為重分類至投資物業(附註16(d))的物業重新估值所產生，並根據附註2(e)所載有關土地及樓宇的會計政策處理。

(c) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 2(p).

(c) 匯兌儲備

匯兌儲備包括換算海外業務財務報表所產生的所有匯兌差額。該儲備根據附註2(p)所載的會計政策處理。

(d) Capital reserve

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

(d) 股本儲備

股本儲備於債務重組後設立，將用於購回已發行及繳足普通股。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28. RESERVES (Continued)

The Company (Continued)

Note: (Continued)

(e) Contributed surplus

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

(f) Distributability of reserves

In accordance with Section 40 of the Companies Act 1981, the share premium account of the Company is distributable to the shareholders of the Company in the form of fully paid bonus shares.

At 31st March 2010, the aggregate amount of reserves available for distribution to equity holders of the Company was approximately HK\$225,765,000 (2009: HK\$218,387,000) subject to the restriction on the share premium account as stated above. During the year, the Directors proposed a final dividend of 1.5 HK cents per share (2009: 1 HK cent per share), amounting to approximately HK\$9,010,000 (2009: HK\$6,007,000). This dividend has not been recognised as a liability at the end of the reporting period.

28. 儲備 (續)

本公司 (續)

附註：(續)

(e) 繳入盈餘

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

(f) 可供分配儲備

根據百慕達1981年公司法第40條，本公司之股份溢價賬可以繳足紅利股份形式分配予本公司股東。

於二零一零年三月三十一日，受上文所列之股份溢價賬所限，可供分配予本公司權益持有人之儲備總額約為225,765,000港元（二零零九年：218,387,000港元）。年內，董事建議派發每股1.5港仙（二零零九年：每股1港仙）之末期股息約9,010,000港元（二零零九年：6,007,000港元）。於報告期末，該股息未被確認為負債。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

29. 除稅前溢利產生／(動用) 於經營業務之現金淨額對賬

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit before taxation	除稅前溢利	56,834	42,710
Adjustments for:	調整：		
Valuation (gains)/losses on investment properties	投資物業之估值(收益)／虧損	(9,550)	4,500
Valuation gains on available-for-sale investments	可供出售投資之估值收益	(2,012)	-
Reversal of write-down of inventories, net	撤減存貨之撥回，淨額	(23,948)	(17,209)
Write off of other payable	撤銷其他應付賬款	-	(1,521)
Allowance for doubtful debts	呆賬撥備	54	-
Bad debts written off	撤銷壞賬	-	1
Other interest income	其他利息收入	(127)	(251)
Interest income from short-term bank deposits	來自短期銀行存款之利息收入	-	(23)
Interest expenses	利息費用	75	25
Depreciation	折舊	16,179	14,299
Amortisation of prepaid lease payments	租賃預付款項攤銷	67	71
Operating profit before changes in working capital	營運資金變動前之經營溢利	37,572	42,602
Decrease/(increase) in inventories	存貨減少／(增加)	11,457	(56,241)
(Increase)/decrease in trade and other receivables	貿易及其他應收賬款(增加)／減少	(17,996)	10,020
Increase/(decrease) in trade and other payables	貿易及其他應付賬款增加／(減少)	5,547	(5,282)
Decrease in rental received in advance	預收租金減少	(75)	(75)
Cash generated from/(used in) operations	營運所產生／(動用)之現金	36,505	(8,976)
Overseas taxation paid	已繳之海外稅項	(3,894)	(4,271)
Net cash generated from/(used in) operating activities	產生／(動用)於經營業務之現金淨額	32,611	(13,247)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

30. RELATED PARTY TRANSACTIONS

The following is a summary of the significant transactions with related parties during the year under review in which they were not regarded as connected transactions as defined under the Listing Rules.

Key management personnel remuneration

Remuneration for key management personnel of Group, including amounts paid to the Company's directors and certain of highest paid individuals as disclosed in Note 9, is as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	18,184	17,787
Post-employment benefits	退休後福利	36	36
		18,220	17,823

Total remuneration is included in "staff costs" (see Note 7(b)).

31. PLEDGE OF ASSETS

As at 31st March 2010, the Group's general banking facilities were secured by certain leasehold properties and prepaid lease payments with carrying value of HK\$1,100,000 (2009: HK\$1,192,000) and HK\$545,000 (2009: HK\$551,000) respectively as well as certain investment properties at valuation of HK\$48,650,000 (2009: HK\$39,600,000).

32. CONTINGENT LIABILITIES

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

30. 有關連人士交易

下列摘要為於回顧年內與有關連人士之重大交易，其在上市規則定義中並非視作關連交易。

主要管理人員薪酬

本集團主要管理人員薪酬，包括支付予本公司董事及若干最高薪人士（如附註9所披露）之款項如下：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Short-term employee benefits	18,184	17,787
Post-employment benefits	36	36
	18,220	17,823

酬金總額已計入「員工成本」（見附註7(b)）。

31. 資產抵押

於二零一零年三月三十一日，本集團獲授予之一般銀行信貸以賬面值分別為1,100,000港元（二零零九年：1,192,000港元）及545,000港元（二零零九年：551,000港元）之若干租賃物業及租賃預付款項及若干估值48,650,000港元（二零零九年：39,600,000港元）之投資物業作擔保。

32. 或然負債

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



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33. OPERATING LEASE ARRANGEMENTS

As lessor

Property rental income earned during the year was HK\$2,820,000 (2009: HK\$3,078,000). At 31st March 2010, the properties held have committed tenants for lease terms from 0.04 to 1.88 years (2009: 0.3 to 2.6 years), whose tenancy agreements include paying security deposits.

The Group had total future minimum lease receivables under the non-cancellable operating leases with the tenants falling due as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	於一年內	2,382	2,544
In the second to fifth years inclusive	於第二至第五年(包括首尾兩年)	1,175	3,057
		3,557	5,601

As lessee

The Group leases certain of its office properties and retail outlets under operating lease arrangements. Leases for properties are negotiated for terms ranging from 0.17 to 4.42 years (2009: 0.25 to 3.75 years). Certain rentals for the use of retail outlets are determined by reference to the revenue of the relevant outlets for the year and the rentals for certain retail outlets will be escalated by a fixed percentage per annum.

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

The Group had total future minimum lease payments under the non-cancellable operating leases falling due as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	於一年內	65,090	58,823
In the second to fifth years inclusive	於第二至第五年(包括首尾兩年)	70,185	66,092
		135,275	124,915

The Company had no operating lease arrangements at 31st March 2010 and 2009.

33. 經營租賃安排

作為出租者

年內所得之物業租金收入為2,820,000港元(二零零九年: 3,078,000港元)。於二零一零年三月三十一日, 所持有之物業已有租客承諾介乎0.04年至1.88年(二零零九年: 0.3至2.6年)之租約, 其租賃協議包括支付擔保按金。

本集團根據與租客訂立之不可撤銷經營租約, 未來最低應收租金總額到期情況如下:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	於一年內	2,382	2,544
In the second to fifth years inclusive	於第二至第五年(包括首尾兩年)	1,175	3,057
		3,557	5,601

作為承租者

本集團根據經營租賃安排租賃若干辦公室物業及零售點。經磋商之物業租賃期限為0.17年至4.42年(二零零九年: 0.25年至3.75年)。若干零售點的租金會以其該年度的收入來決定, 並且若干零售點的租金會以固定的年率遞增。

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

本集團根據訂立之不可撤銷經營租賃合約, 未來最低應付租金總額到期情況如下:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	於一年內	65,090	58,823
In the second to fifth years inclusive	於第二至第五年(包括首尾兩年)	70,185	66,092
		135,275	124,915

本公司於二零一零年及二零零九年三月三十一日並無經營租賃安排。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34. RETIREMENT BENEFITS SCHEME

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

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

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

The amount of unvested benefits utilised by the Group to reduce contributions is HK\$Nil for the year (2009: HK\$Nil). The amount of unvested benefits available for future reduction of employer’s contribution as at 31st March 2010 is HK\$Nil (2009: HK\$1,840).

35. FINANCIAL GUARANTEE CONTRACTS

As at 31st March 2010, the Company had given corporate guarantee to a bank in connection with banking facilities granted to the Group amounting to HK\$40,000,000 (2009: HK\$40,000,000). The maximum liability of the Company under the guarantee issued amounting to HK\$40,000,000 and no amount was utilized by the Group as of 31st March 2010 (2009: HK\$Nil). The directors of the Company considered that no recognition was required because the fair value of such guarantee was insignificant and that the directors of the Company did not consider it probable that a claim would be made against the Company under the guarantee.

36. SEASONALITY OF OPERATION

The Group’s business in sale of watches and properties leasing has no specific seasonality factor.

34. 退休福利計劃

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

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

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

於年內本集團動用以削減供款之未歸屬利益為零港元（二零零九年：零港元）。於二零一零年三月三十一日，可供日後削減僱主供款之未歸屬利益零港元（二零零九年：1,840港元）。

35. 財務擔保合約

於二零一零年三月三十一日，本公司就取得40,000,000港元（二零零九年：40,000,000港元）之銀行融資而向銀行作出擔保。本公司於擔保下的最高負債為40,000,000港元及於二零一零年三月三十一日本集團並無使用任何融資金額（二零零九年：零港元）。本公司董事認為，由於該等擔保之公允值並不重大，故並無作出確認，而本公司董事並不認為本公司有可能根據任何擔保遭索償。

36. 營運之季節性因素

本集團之業務於鐘錶銷售及租賃物業並無特別之季節性因素。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

37. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST MARCH 2010

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 31st March 2010.

The Group has not early applied any of the following new and revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008 ¹
HKFRSs (Amendments) HKAS 24 (Revised) HKAS 27 (Revised)	Improvements to HKFRSs 2009 ² Related Party Disclosures ⁵ Consolidated and Separate Financial Statements ¹
HKAS 32 (Amendments) HKAS 39 (Amendments) HKFRS 1 (Amendments)	Classification of Rights Issues ⁴ Eligible hedged items ¹ Additional Exemptions for First-time Adopters ³
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁷
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ⁵
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁶

- ¹ Effective for annual periods beginning on or after 1st July 2009.
- ² Effective for annual periods beginning on or after 1st July 2009 and 1st January 2010, as appropriate.
- ³ Effective for annual periods beginning on or after 1st January 2010.
- ⁴ Effective for annual periods beginning on or after 1st February 2010.
- ⁵ Effective for annual periods beginning on or after 1st January 2011.
- ⁶ Effective for annual periods beginning on or after 1st July 2010.
- ⁷ Effective for annual periods beginning on or after 1st January 2013.

The application 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.

37. 截至二零一零年三月三十一日止年度已頒佈但未生效的修訂、新訂準則及詮釋可能產生的影響

截至本財務報表發出日，香港會計師公會頒佈數項修訂、新增準則及詮釋。該等修訂、新訂準則及詮釋於截至二零一零年三月三十一日止年度仍未生效。

本集團並未提早採納任何下列已頒佈但仍未生效之新增及修訂準則、修訂或詮釋。

香港財務報告準則(修訂)	香港財務報告準則第5號的修正作為香港財務報告準則2008年的改善部分 ¹
香港財務報告準則(修訂) 香港會計準則第24號(修訂) 香港會計準則第27號(修訂)	香港財務報告準則2009年的改善 ² 關聯方披露 ⁵ 綜合及獨立財務報表 ¹
香港會計準則第32號(修訂) 香港會計準則第39號(修訂) 香港財務報告準則第1號(修訂)	供股分派 ⁴ 合資格對沖項目 ¹ 首次採納者之額外豁免 ³
香港財務報告準則第2號(修訂)	集團以現金支付結算的付款交易 ³
香港財務報告準則第3號(修訂) 香港財務報告準則第9號 香港(國際財務報告詮釋委員會) – 詮釋第14號(修訂)	業務合併 ¹ 金融工具 ⁷ 最低資金要求的預付款項 ⁵
香港(國際財務報告詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產 ¹
香港(國際財務報告詮釋委員會) – 詮釋第19號	以股本工具清償金融負債 ⁶

- ¹ 於2009年7月1日或以後開始之年度期間生效。
- ² 於2009年7月1日或以後及於2010年1月1日或以後(以適用者為準)開始之年度期間生效。
- ³ 於2010年1月1日或以後開始之年度期間生效。
- ⁴ 於2010年2月1日或以後開始之年度期間生效。
- ⁵ 於2011年1月1日或以後開始之年度期間生效。
- ⁶ 於2010年7月1日或以後開始之年度期間生效。
- ⁷ 於2013年1月1日或以後開始之年度期間生效。

採納香港財務報告準則第3號(修訂)可能會影響收購日期為二零零九年七月一日或以後開始的首個年度報告期業務合併的會計處理。香港會計準則第27號(修訂)將會影響母公司於附屬公司所擁有權益變動的會計處理方法。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

37. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST MARCH 2010 (Continued)

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1st January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. In addition, under HKFRS 9, changes in fair value of equity investments are generally recognised in other comprehensive income, with only dividend income recognised in profit or loss. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1st January 2010, with earlier application permitted. Before the amendments to HKAS 17, leases were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land at revalued amount.

The directors of the Company anticipate that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

37. 截至二零一零年三月三十一日止年度已頒佈但未生效的修訂、新訂準則及詮釋可能產生的影響(續)

香港財務報告準則第9號「金融工具」引入對金融資產分類及計量之新規定，並將於二零一三年一月一日起之本集團呈報年度生效，准予提早應用。該準則規定所有符合香港會計準則第39號「金融工具：確認及計量」範疇之已確認金融資產將按攤銷成本或公平價值計量。特別是，(i)根據業務模式以收取合約現金流量為目的所持有；及(ii)僅為支付本金額及未償還本金額之利息而產生合約現金流量之債務投資一般按攤銷成本計量。所有其他債務投資及股本投資乃按公平價值計量。採用香港財務報告準則第9號可能對本集團金融資產之分類及計量造成影響。

此外，作為二零零九年頒佈之香港財務報告準則改進之一部份，香港會計準則第17號「租約」中有關租賃土地之分類已作修訂。該等修訂將於二零一零年一月一日起生效，准予提前應用。在香港會計準則第17號修正前，承租人須將租賃土地分類為經營租賃，並在綜合財務狀況表中呈列為預付租賃付款。該等修訂已刪除此項規定。經修訂後，租賃土地將根據香港會計準則第17號的一般原則分類，即根據與租賃資產所有權相關之風險和回報歸於出租人或承租人的程度釐定。採用香港會計準則第17號之修正可能影響本集團租賃土地的分類與計量。

本公司董事預期，應用其餘新增及經修訂、修訂或詮釋將不會對綜合財務報表產生重大影響。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

38. COMPARATIVE FIGURES

As a result of the application of HKAS 1 (revised 2007), *Presentation of financial statements*, and HKFRS 8, *Operating segments*, certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in Note 2.

38. 比較數字

採用香港會計準則第1號(2007修訂)－財務報表之呈列，及香港財務報告準則第8號－經營分類之結果，若干比較數字已調整以符合本年度之呈列方式，以及提供於二零零九年首次披露有關項目之比較金額。該等發展之進一步詳情於附註2披露。

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

RESULTS

業績

		Year ended 31st March 截至三月三十一日止年度				
		2006 二零零六年 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	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Turnover	營業額	330,233	369,376	475,289	618,813	777,464
Profit/(loss) before taxation	除稅前溢利／(虧損)	7,435	(47,283)	65,998	42,710	56,834
Income tax	所得稅	(2,249)	(2,511)	(4,689)	(3,019)	(5,603)
Profit/(loss) for the year	年度溢利／(虧損)	5,186	(49,794)	61,309	39,691	51,231
Attributable to owners of the Company	歸屬於本公司持有人	5,414	(49,543)	61,309	39,691	51,231
Minority interests	少數股東權益	(228)	(251)	-	-	-
		5,186	(49,794)	61,309	39,691	51,231
Basic earnings/(loss) per share	每股基本盈利／(虧損)	1.62¢	(10.43¢)	11.36¢	6.61¢	8.53¢

ASSETS AND LIABILITIES

資產與負債

		As at 31st March 於三月三十一日				
		2006 二零零六年 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	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Total assets	總資產	308,627	271,984	437,932	461,827	520,351
Total liabilities	總負債	138,657	152,101	110,808	104,395	115,972
Net Assets	資產淨額	169,970	119,883	327,124	357,432	404,379
Equity attributable to owners of the Company	歸屬於本公司持有人之權益	169,649	119,883	327,124	357,432	404,379
Minority interests	少數股東權益	321	-	-	-	-
Total Equity	總權益	169,970	119,883	327,124	357,432	404,379

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

若干比較數值經已重列以反映採納新增及經修訂之香港財務報告準則。



PROPERTIES HELD BY THE GROUP

本集團持有之物業

INVESTMENT PROPERTIES

投資物業

Name/Location 名稱／地點	Type 種類	Approximate gross floor area 概約建築面積	Group's interest 本集團之權益	Lease term 租約
Flat A on 16th Floor, Flat E on 14th Floor, Flat A-H on 12th Floor, Flat A-B, E-G on 13th Floor, Hong Kong Industrial Building, 444-452 Des Voeux Road West, Hong Kong 香港德輔道西444-452號 香港工業大廈 16樓A室、14樓E室、12樓A-H室及 13樓A-B、E-G室	Industrial premises 工業物業	2,022 sq.m.* 2,022平方米*	100%	Long-term lease 長期租賃
Car Parking Space No. 8 on 1st Floor, No. 8 on 2nd Floor, No. 8 on 4th Floor, Avalon, No. 19 Tai Hang Road, Hong Kong 香港大坑道19號 雅景軒4樓8號 2樓8號及 1樓8號停車位	Car parking 停車場	N/A 不適用	100%	Long-term lease 長期租賃
Unit F, 24th Floor, Guangdong Gitic Plaza, Annex Office Tower A, 339 Huan Shi Road East, Dongshan District, Guangzhou, the PRC 中國廣州市 東山區環市東路339號 廣東國際大廈A附樓 24樓F室	Office premises 辦公室物業	118 sq.m. 118平方米	100%	Medium-term lease 中期租賃
Unit E, 8th Floor, Apong Building, 585 Ligling Road, Xuhui District, Shanghai, the PRC 中國上海市徐匯區零陵路585號 愛幫大廈8樓E室	Residential Building 住宅樓宇	160 sq.m. 160平方米	100%	Medium-term lease 中期租賃
Unit A, Level 23, Jinming Building, 8 Zunyi South Road, Changning District, Shanghai, the PRC 中國上海市長寧區遵義南路8號錦明大廈23樓A室	Residential Building 住宅樓宇	157 sq.m. 157平方米	100%	Long-term lease 長期租賃
Part of CH-2304 La-Chaux-de-Fonds, Switzerland 瑞士 CH-2304 La-Chaux-de-Fonds部份	Factory 工廠	2,362 sq.m. 2,362平方米	100%	Freehold 永久業權

* Saleable area
可出售面積