

LINFAIR HOLDINGS LIMITED
福茂控股有限公司

NOTES TO THE PROFORMA FINANCIAL STATEMENTS

備考財務報表附註

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

1. GROUP REORGANISATION AND BASIS OF PREPARATION OF PROFORMA FINANCIAL STATEMENTS

The Company was incorporated in the Cayman Islands on 8th October, 2002 as an exempted company with limited liability under the Companies Law of the Cayman Islands.

The Company is incorporated for the purpose of acting as an investment holding company. Pursuant to a group reorganisation (the "Reorganisation") to rationalise the structure of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company issued shares in exchange for the entire issued share capital of Excellent Overseas Limited ("Excellent Overseas") which thereby became an intermediate holding company of the following subsidiaries on 18th May, 2005. Excellent Overseas is an investment holding company incorporated in the British Virgin Islands with limited liability on 18th July, 2001 and was, prior to completion of the Reorganisation, owned by Mr. Chang Ei Eu ("Mr. Chang") and Ms. Hsieh Ming Chiu ("Ms. Hsieh").

1. 集團重組及備考財務報表編製基準

本公司於二零零二年十月八日根據開曼群島公司法在開曼群島註冊成立為一間獲豁免有限公司。

本公司註冊成立目的為充當一間投資控股公司。為合理化本公司及其附屬公司(以下統稱「本集團」)架構以籌備本公司股份在香港聯合交易所有限公司(「聯交所」)上市的集團重組(「重組」)，本公司發行股份以換取 Excellent Overseas Limited (「Excellent Overseas」)全部已發行股本，其因而於二零零五年五月十八日成為以下附屬公司的中介控股公司。Excellent Overseas 為一間於二零零一年七月十八日在英屬處女群島註冊成立的投資控股公司，於重組完成前由張翼宇先生(「張先生」)及謝明秋女士(「謝女士」)擁有。

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1. GROUP REORGANISATION AND BASIS OF PREPARATION OF PROFORMA FINANCIAL STATEMENTS (continued)

1. 集團重組及備考財務報表編製基準 (續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ operation 註冊成立／ 營業地點及日期	Issued and fully paid share capital 已發行及 繳足股本	Proportion of nominal value of issued capital held by the Company 本公司所持 已發行股本面值比重	Principal activities 主要業務
Excellent Overseas ¹	British Virgin Islands 18th July, 2001	Ordinary share US\$1	100%	Investment holding
Excellent Overseas ¹	英屬處女群島 二零零一年七月十八日	普通股1美元		投資控股
Linfair Engineering (Beijing) Co. Ltd. ^{2,4}	The People's Republic of China ("PRC") 25th November, 2004	Registered capital HK\$1,000,000	100%	Provision of installation and maintenance services
福茂展業科技(北京)有限公司 ²	中華人民共和國(「中國」) 二零零四年十一月二十五日	註冊股本1,000,000港元		提供安裝及保養服務
Linfair Engineering (Shenzhen) Co. Limited ^{3,4}	PRC 16th September, 2004	Registered capital HK\$1,000,000	100%	Provision of installation and maintenance services
福茂電子系統(深圳)有限公司 ³	中國 二零零四年九月十六日	註冊股本1,000,000港元		提供安裝及保養服務
Linfair Engineering (Malaysia) Sdn. Bhd. (formerly known as Silver Starters Sdn. Bhd.)	Malaysia 19th September, 2001	Ordinary shares RM1,500,000	100%	Provision of installation and maintenance services
Linfair Engineering (Malaysia) Sdn. Bhd. (前稱Silver Starters Sdn. Bhd.)	馬來西亞 二零零一年九月十九日	普通股1,500,000馬元		提供安裝及保養服務
1. directly held by the Company			1. 由本公司直接持有	
2. a wholly foreign owned enterprise established in Beijing, PRC			2. 於中國北京成立的外商獨資企業	
3. a wholly foreign owned enterprise established in Shenzhen, PRC			3. 於中國深圳成立的外商獨資企業	
4. the English names are for identification purposes only			4. 英文名稱僅供識別	

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1. GROUP REORGANISATION AND BASIS OF PREPARATION OF PROFORMA FINANCIAL STATEMENTS (continued)

1. 集團重組及備考財務報表編製基準 (續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ operation 註冊成立/ 營業地點及日期	Issued and fully paid share capital 已發行及 繳足股本	Proportion of nominal value of issued capital held by the Company 本公司所持 已發行股本面值比重	Principal activities 主要業務
Linfair Engineering Company Limited	Samoa 9th November, 2001	Ordinary share US\$1	100%	Provision of engineering systems contracting service and sales of related spare parts
Linfair Engineering Company Limited	薩摩亞 二零零一年十一月九日	普通股1美元		提供工程系統承包服務及銷售相關零部件
Linfair Engineering Service Company Limited	British Virgin Islands 9th August, 2001	Ordinary share US\$1	100%	Dormant
Linfair Engineering Service Company Limited	英屬處女群島 二零零一年八月九日	普通股1美元		暫無營業
Linfair Engineering (H.K.) Co. Limited	Hong Kong 9th November, 1991	Ordinary shares HK\$10,000,000	100%	Provision of engineering systems contracting service and sales of related consumables and spare parts
福茂工程(香港)有限公司	香港 一九九一年十一月九日	普通股10,000,000港元		提供工程系統承包服務以及銷售相關消耗品及零部件
Linfair Engineering (Singapore) Pte. Limited	Singapore 12th January, 2004	Ordinary shares SG\$100,000	100%	Dormant
Linfair Engineering (Singapore) Pte. Limited	新加坡 二零零四年一月十二日	普通股100,000坡元		暫無營業

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1. GROUP REORGANISATION AND BASIS OF PREPARATION OF PROFORMA FINANCIAL STATEMENTS (continued)

As at the date of incorporation of the Company, its authorised share capital was HK\$350,000 divided into 3,500,000 shares of HK\$0.10 each, of which one share was allotted and issued fully paid at par to Codan Trust Company (Cayman) Limited, the subscriber of the Company, and was subsequently transferred to Mr. Chang on 21st October, 2002 for cash at par.

On 18th May, 2005, the authorised share capital of the Company was increased from HK\$350,000 divided into 3,500,000 shares to HK\$100,000,000 divided into 1,000,000,000 shares by the creation of an additional 996,500,000 shares.

Also on 18th May, 2005, an aggregate of 149,999,999 shares were issued and allotted to Polestar Assets Limited ("Polestar"), at the direction of Mr. Chang and Ms. Hsieh, as consideration for the transfer of the entire issued share capital of Excellent Overseas to the Company and Mr. Chang transferred to Polestar the subscriber share in the Company. In consideration of Mr. Chang's transfer of the subscriber share and his and Ms. Hsieh's direction for the allotment and issue of 149,999,999 shares to Polestar as aforesaid, Polestar allotted and issued 7 shares and 2 shares of US\$1 each to Mr. Chang and Ms. Hsieh respectively.

On 7th June, 2005, 75,000,000 shares was capitalised and issued to Polestar.

1. 集團重組及備考財務報表編製基準 (續)

本公司於註冊成立當日，法定股本為350,000港元，分為3,500,000股每股面值0.10港元的股份，其中一股股份按面值以繳足股款的方式配發及發行予本公司的認購人-Codan Trust Company (Cayman) Limited。該股份其後於二零零二年十月二十一日按面值以現金轉讓予張先生。

二零零五年五月十八日，本公司藉增設996,500,000股股份，將法定股本由350,000港元(分為3,500,000股股份)增至100,000,000港元(分為1,000,000,000股股份)。

又在二零零五年五月十八日，本公司按張先生及謝女士的指示，將合共149,999,999股股份發行及配發予 Polestar Assets Limited (「Polestar」)，作為將 Excellent Overseas 的全部已發行股本轉讓予本公司的代價，而張先生則將本公司的認購人股份轉讓予 Polestar。Polestar 向張先生及謝女士分別配發及發行7股及2股每股面值1美元的股份，作為上文所述張先生轉讓認購人股份以及張先生及謝女士指示向 Polestar 配發及發行149,999,999股股份的代價。

於二零零五年六月七日，75,000,000股股份乃撥充資本並發行予 Polestar。

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1. GROUP REORGANISATION AND BASIS OF PREPARATION OF PROFORMA FINANCIAL STATEMENTS *(continued)*

On 8th June, 2005, 75,000,000 new shares of the Company of HK\$0.10 each were issued at HK\$0.88 per share for cash through an initial public offering by way of placing and public offer.

Details of the above issues of shares are set out in the prospectus dated 27th May, 2005 issued by the Company. The shares of the Company have been listed on the Stock Exchange with effect from 10th June, 2005.

The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the financial statements have been prepared using the principles of merger accounting.

2. POTENTIAL IMPACTS ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

In 2004, the Hong Kong Institute of Certified Public Accountants ("HKICPA") issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards ("HKFRSs") (herein collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1st January, 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31st March, 2005.

The Group is assessing the potential impacts of these new HKFRSs on its accounting policies and related financial impacts. Based on its assessment to date, the Group has identified certain HKFRSs which may have possible impacts on the Group's accounting policies as follows:

1. 集團重組及備考財務報表編製基準 (續)

二零零五年六月八日，本公司以配售及公開發售方式通過首次公開發售按每股0.88港元發行75,000,000股本公司每股面值0.10港元的新股，以換取現金。

上述發行股份的詳情載於本公司於二零零五年五月二十七日刊發的售股章程。本公司股份自二零零五年六月十日起在聯交所上市。

本集團源於重組並被視為持續經營實體。因此，本財務報表乃以合併會計原則編製。

2. 近期頒佈的會計準則所造成的潛在影響

香港會計師公會於二零零四年頒佈多項全新或經修訂的香港會計準則及香港財務報告準則（以下統稱「全新香港財務報告準則」），全新香港財務報告準則於二零零五年一月一日或之後起的會計期間生效。本集團並無在截至二零零五年三月三十一日止年度的財務報表內提早採納該等全新香港財務報告準則。

本集團正就該等全新香港財務報告準則對本公司會計政策所造成的潛在影響以及相關財務影響展開評估。根據至今的評估，本集團已初步確認若干對本集團的會計政策可能會有影響的香港財務報告準則如下：

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2. POTENTIAL IMPACTS ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

(continued)

HKFRS2 in respect of share-based payments – “Share-based Payment” requires a fair value based method for accounting for share-based compensation plans which takes into account vesting conditions related to market performance. Under this method, compensation cost is measured at date of granted based on the value of the award and is recognised over the service period, which is usually the vesting period. The Group is required to recognise compensation cost in respect of the share option granted after 7th November, 2002 and had not yet vested at the accounting period beginning on or after 1st January, 2005. This HKFRS2 will become effective and will be adopted by the Group during the financial year ending 31st March, 2006.

HKFRS3 in respect of business combinations – “Business Combinations” is applicable to business combinations for which the agreement date is on or after 1st January, 2005. The Group has not entered into any business combinations during the year ended 31st March, 2005 for which the agreement date is on or after 1st January, 2005. Therefore HKFRS3 did not have impact on the Group for the year ended 31st March, 2005.

The Group will continue to review and will account for the full impact of the new HKFRSs on the Group’s financial statements for the year ending 31st March, 2006.

2. 近期頒佈的會計準則所造成的潛在影響 (續)

與股份支付有關的香港財務報告準則第2號－「股份支付」規定按股本結算以股份償付的計劃須計及有關市場表現的歸屬條件，以公平值為基準作會計處理。根據該會計處理法，補償成本以授出日期的購股權價值計算，並於有關服務期間（一般為歸屬期）確認。本公司須就於二零零二年十一月七日以後授出並於二零零五年一月一日或其後開始的會計期間尚未歸屬的購股權確認補償成本。該香港財務報告準則第2號將於截至二零零六年三月三十一日止財政年度生效，本公司屆時將會採納香港財務報告準則第2號。

與業務合併有關的香港財務報告準則第3號－「業務合併」適用於協議日期於二零零五年一月一日或之後之業務合併。截至二零零五年三月三十一日止年度本集團並無訂立協議日期於二零零五年一月一日或之後之業務合併。因此截至二零零五年三月三十一日止年度香港財務報告準則第3號對本集團並無影響。

本集團將繼續評估並將於屆時處理新香港財務報告準則對本集團截至二零零六年三月三十一日止年度財務報表的全部影響。

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備考財務報表附註

For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The proforma financial statements have been prepared under the historical cost convention and in accordance with accounting policies set out below which conform with accounting principles generally accepted in Hong Kong including applicable HKFRSs issued by the HKICPA except that the effects of the Reorganisation entered into after the balance sheet date have been accounted for using merger accounting. This treatment is not in accordance with the requirements of Statement of Standard Accounting Practice 27 "Accounting for group reconstructions" ("SSAP 27") issued by the HKICPA. This is because, although the Reorganisation meets the definition of a group reconstruction under SSAP 27, SSAP 27 specifies that financial statements should not incorporate a combination which occurs after the balance sheet date being reported on. The principal accounting policies adopted are as follows:

Revenue recognition

Project revenue is recognised when the outcome of the contract can be estimated reliably and the stage of completion at the balance sheet date can be measured reliably. Project revenue is recognised on the percentage of completion method, measured by reference to the percentage of cost incurred to date to the estimated total cost. When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Revenue from provision of other engineering systems contracting services is recognised when the buyer accepts delivery, and installation and inspection are completed.

Others

Sale of goods are recognised when goods are delivered and title has passed.

Commission, handling and service income is recognised when services are provided.

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

3. 主要會計政策

備考財務報表乃依據符合香港公認會計原則的會計原則(包括香港會計師公會頒佈的適用香港財務報告準則)，以歷史成本法編製。除於結算日後進行集團重組的影響已按合併會計法入賬，該會計處理方法並無遵照香港會計師公會頒佈之會計實務準則第27號「集團重組會計處理」(「會計實務準則第27號」)進行。集團重組雖符合會計實務準則第27號集團對集團重組所下的定義，但會計實務準則第27號訂明在最近結算日以後發生的合併事項不應包括在財務報表內。所採納的主要會計政策載列如下：

收入確認

由工程系統承包服務所得的項目收入於能夠可靠地估計合約的結果，以及於結算日能夠可靠地衡量完工進度時確認。項目收入參照截至當日的成本佔估計總成本的百分比，以完工百分比法確認。倘未能可靠地估計合約的結果，則僅確認可能收回的已產生合約成本為收入。

提供其他工程系統承包服務的收入於買方接受交付以及安裝及檢查完成時確認。

其他

貨品銷售於貨品交付及所有權轉讓時確認。

佣金、手續費及服務收入於提供服務時確認。

利息收入按未償還本金額及適用利率按時間基準累計。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and amortisation and accumulated impairment losses.

Depreciation and amortisation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method, at the following rates per annum:

Land	Over the term of lease
Buildings	4%
Machinery and equipment	20%
Office equipment	20%
Computer equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備按成本扣除折舊、攤銷及累計減值虧損列帳。

物業、廠房及設備在其估計可使用年期內，採用直線法計算折舊及攤銷，以撇銷成本，主要年率如下：

土地	按租賃年期
樓宇	4%
機器及設備	20%
辦公室設備	20%
電腦設備	20%
傢俬及裝置	20%
汽車	20%

資產出售或報廢所產生的盈虧等於資產的出售所得款項與帳面值之間的差額，並於綜合損益表內確認。

減值

本集團會於各結算日審閱其資產的帳面值，確定是否出現任何減值虧損跡象。倘若估計資產的可收回金額低於其帳面值，則資產的帳面值須調減至可收回金額，減值虧損即時確認為開支。

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3. SIGNIFICANT ACCOUNTING POLICIES

*(continued)***Impairment** *(continued)*

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

Inventories

Inventories, including materials, parts and consumables, are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Contracts

When the outcome of a contract can be estimated reliably and the stage of completion at the balance sheet date can be measured reliably, contract costs are charged to the consolidated income statement by reference to the stage of completion of the contract activity at the balance sheet date on the same basis as project revenue recognised.

When the outcome of a contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred. When it is probable that total contracts costs will exceed project revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised losses exceed progress billings, the surplus is shown as an amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as an amount due to customers for contract work. Amounts received before the related work is performed are included in

3. 主要會計政策 (續)

減值 (續)

倘若有關的減值虧損其後撥回，則有關資產的帳面值將調升至其經調整估計可收回金額，惟調升後的帳面值不得超逾過往年度該項資產在並無確認減值虧損時的帳面值。撥回的減值虧損即時確認為收入。

存貨

包括原材料、零部件及消耗品在內的存貨乃按成本值及可變現淨值兩者的較低者列帳。成本值乃按先進先出法計算。

合約

倘若能夠可靠地估計合約的結果，以及於結算日能夠可靠地衡量完工進度，則合約成本經參考結算日的合約完工進度後，按確認工程收入的同一基準自綜合損益表扣除。

倘不能可靠地估計合約的結果，則合約成本在發生期間確認為開支。倘合約的總成本可能超過項目收入，則估計虧損應即時確認為開支。

倘由產生時起計至今所產生的合約成本加已確認虧損後，超逾按進度開發帳單的數額，則盈餘會被視為應收合約工程客戶的款項。倘按進度開發帳單的數額超逾至今所產生的合約成本加已確認溢利減已確認虧損，則合約盈餘會被列為應付合

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Contracts (continued)

the balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the balance sheet under trade and other receivables.

Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the lessees.

All other leases are classified as operating leases and the rental payable is recognised on a straight-line basis over the relevant lease term.

Retirement benefit costs

Payments to state-managed retirement benefit schemes/the Mandatory Provident Fund Scheme ("MPF") are charged as an expense as they fall due.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the year.

3. 主要會計政策 (續)

合約 (續)

約工程客戶的款項。有關工程進行前已收取的款項計入資產負債表為負債，並入帳列為已收墊款。就已進行工程已開發帳單而客戶尚未支付的款項計入資產負債表應收貿易帳款及其他應收款項。

租約

凡租約條款將有關資產擁有權的絕大部分風險及回報轉移承租人的租約，均列作融資租約。

所有其他租約則列作經營租約，而租金收入於有關租期內按直線法確認。

退休福利成本

國家管理的退休福利計劃／強制性公積金計劃(「強積金」)的供款乃於到期時作為開支扣除。

外幣

外幣交易首先以交易當日的匯率入帳。以外幣列值的貨幣資產及負債其後再按結算日的匯率重新換算。年內匯兌損益計入純利或虧損淨額。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies(continued)

On consolidation, the assets and liabilities of the Group's overseas operations are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange reserve. Such translation differences are recognised as income or expenses in the year in which the operation is disposed of.

Taxation

Taxation 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 net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases 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 goodwill (or negative goodwill) or from the initial recognition (other

3. 主要會計政策 (續)

外幣 (續)

於綜合帳目時，本集團海外業務的資產及負債以年內的平均匯率換算。換算所產生的匯兌差額(如有)乃分類列作權益，並轉撥入本集團的匯兌儲備。該等匯兌差額於出售業務所屬期間確認為收入或開支。

稅項

稅項是指現時應繳稅項及遞延稅項兩者的總和。

現時應繳稅項乃按年內應課稅溢利計算。應課稅溢利不包括其他年度的應課稅或可扣稅的收支項目，且不包括從未課稅或可扣稅的損益表項目，因此有別於綜合損益表中呈報的純利。

遞延稅項乃指綜合財務報表中資產及負債的帳面值與計算應課稅溢利時所採用的相應稅基之間的差額中，預計須繳納或可收回的稅項，並採用資產負債表負債法入帳。遞延稅項負債通常為所有應課稅的暫時差額確認，而遞延稅項資產指在未來很可能會獲得應課稅溢利而又可使用應扣除暫時差額。倘該暫時差額源自商譽(或負商譽)，或源自不影響稅務及會計溢利的交易中其他資產及負債的首次確認(除業務合

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable 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 in the consolidated income statements, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

4. SEGMENT INFORMATION

Turnover

Turnover represents revenue generated from provision of engineering systems contracting services and the amount received and receivable for consumables and spare parts sold, as after sales services incidental and ancillary to the engineering systems, during the year.

Business segments

For management purposes, the Group is currently organised into two operating divisions – provision of engineering systems contracting services and sale of consumables and spare parts. These divisions are the basis on which the Group reports its primary segment information.

3. 主要會計政策 (續)

稅項 (續)

併外)，則該等資產及負債不予確認。

遞延稅項資產的帳面值會於各結算日進行審閱及扣減，直至未來不可能有足夠的應課稅溢利令有關資產得以全部或部份回收。

遞延稅項按於償還負債或變現資產期間預計適用的稅率計算。遞延稅項於綜合損益表內扣除或入帳，惟倘遞延稅項與直接扣自或計入股本的項目相關時，則該遞延稅項亦以股本處理。

4. 分部資料

營業額

營業額指年內提供工程系統承包服務所產生的收入，以及已收和應收已售消耗品及零部件的款項，該等已售貨品及零部件屬售後服務的雜項以及工程系統配套。

業務分部

為方便管理，本集團目前分為兩個營運部門－工程系統承包服務部和消耗品及零部件銷售部。本集團以上述兩個部門為基準呈報其主要分部資料。

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4. SEGMENT INFORMATION (continued)

Business segments (continued)

Segment information about these businesses is presented below.

For the year ended 31st March, 2005

4. 分部資料 (續)

業務分部 (續)

有關此等業務的分部資料如下。

截至二零零五年三月三十一日止年度

		Provision of engineering systems contracting services 提供工程 系統承包服務 HK\$'000 千港元	Sale of consumables and spare parts 消耗品及 零部件銷售 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue	收入			
External sales	外間銷售額	708,940	101,921	810,861
Segment results	分部業績	56,044	22,626	78,670
Unallocated corporate revenue	未分配公司收入			6,240
Unallocated corporate expenses	未分配公司開支			(30,743)
Profit from operations	經營溢利			54,167
Finance costs	融資成本			(572)
Profit before taxation	除稅前溢利			53,595
Taxation	稅項			(3,000)
Net profit for the year	年度純利			50,595

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4. SEGMENT INFORMATION (continued)

Business segments (continued)

At 31st March, 2005

4. 分部資料(續)

業務分部(續)

於二零零五年三月三十一日

		Provision of engineering systems contracting services 提供工程 系統承包服務 HK\$'000 千港元	Sale of consumables and spare parts 消耗品及 零部件銷售 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Balance sheet	資產負債表			
Assets	資產			
Segment assets	分部資產	230,798	17,192	247,990
Unallocated corporate assets	未分配公司資產			41,885
Consolidated total assets	綜合資產總值			289,875
Liabilities	負債			
Segment liabilities	分部負債	160,208	12,507	172,715
Unallocated corporate liabilities	未分配公司負債			57,759
Consolidated total liabilities	綜合負債總額			230,474

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4. SEGMENT INFORMATION (continued)

Business segments (continued)

4. 分部資料 (續)

業務分部 (續)

		Provision of engineering systems contracting services 提供工程 系統承包服務 HK\$'000 千港元	Sale of consumables and spare parts 消耗品及 零部件銷售 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Other information	其他資料				
Capital expenditure	資本開支	–	–	745	745
Depreciation and amortisation	折舊及攤銷	827	–	533	1,360
Allowance for bad and doubtful debts	呆壞帳撥備	8,140	2,756	–	10,896

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4. SEGMENT INFORMATION (continued)

Business segments (continued)

For the year ended 31st March, 2004

4. 分部資料(續)

業務分部(續)

截至二零零四年三月三十一日止年度

		Provision of engineering systems contracting services 提供工程 系統承包服務 HK\$'000 千港元	Sale of consumables and spare parts 消耗品及 零部件銷售 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue	收入			
External sales	外間銷售額	511,149	129,045	640,194
Segment results	分部業績	38,875	29,949	68,824
Unallocated corporate revenue	未分配公司收入			2,390
Unallocated corporate expenses	未分配公司開支			(31,847)
Profit from operations	經營溢利			39,367
Finance costs	融資成本			(610)
Profit before taxation	除稅前溢利			38,757
Taxation	稅項			(4,600)
Net profit for the year	年度純利			34,157

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For the year ended 31st March, 2005 截至二零零五年三月三十一日止年度

4. SEGMENT INFORMATION (continued)

Business segments (continued)

At 31st March, 2004

4. 分部資料 (續)

業務分部 (續)

於二零零四年三月三十一日

		Provision of engineering systems contracting services 提供工程 系統承包服務 HK\$'000 千港元	Sale of consumables and spare parts 消耗品及 零部件銷售 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Balance sheet	資產負債表			
Assets	資產			
Segment assets	分部資產	199,779	39,120	238,899
Unallocated corporate assets	未分配公司資產			35,562
Consolidated total assets	綜合資產總值			274,461
Liabilities	負債			
Segment liabilities	分部負債	172,707	31,532	204,239
Unallocated corporate liabilities	未分配公司負債			44,597
Consolidated total liabilities	綜合負債總額			248,836

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4. SEGMENT INFORMATION (continued)

Business segments (continued)

	Provision of engineering systems contracting services 提供工程 系統承包服務 HK\$'000 千港元	Sale of consumables and spare parts 消耗品及 零部件銷售 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Other information	其他資料			
Capital expenditure	資本開支	–	–	407
Depreciation and amortisation	折舊及攤銷	827	–	421
Allowance for bad and doubtful debts	呆壞帳撥備	6,235	1,773	–
				8,008

Geographical segments

The Group's operations are principally located in Hong Kong, the other regions of PRC, Taiwan and the Southeast Asia.

4. 分部資料 (續)

業務分部 (續)

地區分部

本集團的業務主要位於香港、中國其他地區、台灣及東南亞等地。

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4. SEGMENT INFORMATION (continued)

Geographical segments (continued)

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

4. 分部資料 (續)

地區分部 (續)

下表為本集團按地區市場劃分的銷售額分析 (不論貨品／服務的來源地)：

		Sales revenue by geographical market 按地區市場劃分的銷售收入		Contribution to profit from operations 經營溢利貢獻	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Hong Kong	香港	75,049	140,580	(13,999)	(3,287)
PRC	中國	427,863	285,236	39,667	25,100
Taiwan	台灣	28,514	53,794	(1,853)	2,351
Southeast Asia	東南亞	271,403	157,748	28,863	14,199
Others	其他	8,032	2,836	1,489	1,004
		810,861	640,194	54,167	39,367

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4. SEGMENT INFORMATION (continued)

Geographical segments (continued)

The following is an analysis of the carrying amount of segment assets at the balance sheet date and additions to property, plant and equipment during the year analysed by the geographical area in which the assets are located:

		Carrying amount of segment assets 分部資產的帳面值		Additions to property, plant and equipment 添置物業、廠房及設備	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	53,805	106,617	528	164
PRC	中國	119,289	57,133	11	153
Taiwan	台灣	10,608	16,513	192	44
Southeast Asia	東南亞	80,375	35,895	14	46
Others	其他	25,798	58,303	–	–
		<u>289,875</u>	<u>274,461</u>	<u>745</u>	<u>407</u>

5. OTHER OPERATING INCOME

5. 其他經營收入

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Commission	佣金	719	337
Exchange gains, net	匯兌收益淨額	4,837	–
Handling income	手續費收入	1	3
Income from provision of guarantee to a customer (Note)	向客戶提供擔保 的收入(附註)	93	1,722
Interest income	利息收入	111	129
Service income	服務收入	319	13
Sundry income	雜項收入	160	299
		<u>6,240</u>	<u>2,503</u>

Note: Income from provision of guarantee to a customer is recognised using yield method over the guarantee period.

附註：向客戶提供擔保的收入在擔保期內按收益法確認。

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6. PROFIT FROM OPERATIONS

6. 經營溢利

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit from operations is arrived at after charging (crediting):	經營溢利已扣除(計入) 下列各項：		
Allowance for bad and doubtful debts	呆壞帳撥備	10,896	8,008
Auditors' remuneration	核數師酬金	564	359
Depreciation and amortisation	折舊及攤銷	1,360	1,248
Exchange losses, net	匯兌虧損淨額	—	1,949
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備的虧損	1	—
Operating lease rentals in respect of rented premises	有關租賃物業的經營 租約租金	631	231
Staff costs inclusive of directors' remuneration	員工成本 (包括董事酬金)	18,594	17,363
Write back for inventories	存貨撥備撥回	(208)	(113)

Operating lease rentals amounting to approximately HK\$312,000 (2004: HK\$384,000) in respect of staff quarters are included under staff costs.

員工宿舍的經營租約租金約達312,000港元(二零零四年：384,000港元)乃計入員工成本項下。

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7. FINANCE COSTS

Interests on bank borrowings wholly repayable within five years	須於五年內悉數償還的 銀行借貸利息
Bank charges	銀行費用

7. 融資成本

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
392	484
180	126
<u>572</u>	<u>610</u>

8. TAXATION

The charge comprises:	稅項支出包括：
Profit for the year	年度溢利
Hong Kong	香港
Prior years	過往年度
Other jurisdictions	其他司法權區
Deferred taxation	遞延稅項
Current year	本年度
Attributable to a change in tax rate	稅率變動影響

8. 稅項

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
3,124	5,431
–	(866)
(124)	11
–	24
<u>(124)</u>	<u>35</u>
<u>3,000</u>	<u>4,600</u>

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8. TAXATION (continued)

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

8. 稅項 (續)

本年度稅項開支與備考綜合損益表所示除稅前溢利對銷如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit before taxation	除稅前溢利	53,595	38,757
Tax at the domestic income tax rate	按當地所得稅稅率計算的稅項	9,379	6,782
Tax effect of income not taxable for tax purpose	不課稅收入的稅務影響	(7,205)	(1,588)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	253	607
Increase in opening deferred tax liability resulting from change in tax rate	稅率變動導致的年初遞延稅項負債增加	—	24
Tax applied to operations in other jurisdictions	其他司法權區業務的適用稅項	—	(866)
Others	其他	573	(359)
Taxation charge for the year	年度稅項支出	3,000	4,600

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the year.

香港利得稅乃就本年度估計應課稅溢利按17.5%計算。

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

其他司法權區所產生的稅項乃按有關司法權區當時的稅率計算。

Details of the deferred taxation are set out in note 23.

遞延稅項詳情載於附註23。

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9. DIVIDENDS

As stated in note 1 above, the Company became the holding company of the subsidiaries now comprising the Group on 18th May, 2005 upon the Reorganisation becoming effective. No dividend has been paid or declared by the Company since its date of incorporation up to 31st March, 2005.

During the year, the following subsidiary had paid interim dividend to their then shareholders prior to the Reorganisation as follows (after elimination of intra-group dividends):

Excellent Overseas Limited

The rates of dividend and the number of shares ranking for dividend is not presented as such information is not meaningful having regard to the purpose of this report.

Subsequent to 31st March, 2005, certain subsidiaries of the Group have, out of their retained profits for the year ended 31st March, 2005, declared and made dividend distributions to the Company. On 12th July, 2005, the Board resolved the payment of a special interim dividend of HK 2 cents per ordinary share amounting to approximately HK\$6 million in respect of year ending 31st March, 2006. Such distribution will be made out of the dividend income received by the Company from its subsidiaries subsequent to 31st March, 2005 as referred to above. Accordingly, the said proposed special interim dividend has not been incorporated in the Company's financial statements or the Group's proforma consolidated financial statements for the year ended 31st March, 2005.

The special interim dividend in respect of the year ending 31st March, 2006 is expected to be paid on or around 22nd August, 2005 to those shareholders whose names appear on the register of members of the Company on 16th August, 2005.

9. 股息

誠如上文附註1所述，本公司於二零零五年五月十八日重組生效後，成為現時組成本集團的附屬公司的控股公司。本公司自註冊成立當日至二零零五年三月三十一日止並無派付或宣派任何股息。

年內，下列附屬公司於重組前向其當時股東派付的中期股息如下（已對銷集團內公司間的股息）：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
<u>16,000</u>	<u>20,000</u>

就本報告而言，股息率及獲派股息的股份數目的資料並無任何意義，故此並無呈列該等資料。

二零零五年三月三十一日後，本集團若干附屬公司自彼等截至二零零五年三月三十一日止年度的保留溢利中向本公司宣派及作出股息分派。二零零五年七月十二日，董事會議決就截至二零零六年三月三十一日止年度派付特別中期股息每股普通股2港仙，共約6,000,000港元。上述分派將由上述本公司於二零零五年三月三十一日後自其附屬公司所收取得來的股息收入中支銷。因此，上述建議特別中期股息並無在截至二零零五年三月三十一日止年度本公司的財務報表或本集團的備考綜合財務報表內列賬。

就截至二零零六年三月三十一日止年度的特別中期股息預計將於二零零五年八月二十二日或附近日子支付予二零零五年八月十六日名列本公司股東名冊的股東。

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10. EARNINGS PER SHARE

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

Earnings for the purposes of basic and diluted earnings per share	計算每股基本及攤薄盈利的盈利
Number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利的普通股
Effect of dilutive share options	具攤薄作用購股權的影響
Number of ordinary shares for the purposes of diluted earnings per share	計算每股攤薄盈利的普通股

No diluted earnings per share is presented for the year ended 31st March, 2004 as no diluting events existed during the year.

The calculation of the basic earnings per share is based on the net profit for the year and on the 225,000,000 shares comprising 150,000,000 shares in issue as at 18th May, 2005 and 75,000,000 shares issued pursuant to the capitalisation issue under a sole shareholder's resolutions passed on 20th May, 2005 on the assumption that the issue of shares of the Company had been completed on 1st April, 2003.

10. 每股盈利

每股基本及攤薄盈利按以下數據計算：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
50,595	34,157
2005 二零零五年	2004 二零零四年
225,000,000	225,000,000
23,336	—
225,023,336	225,000,000

由於年內不存在攤薄性事件，故不呈列截至二零零四年三月三十一日止年度的每股攤薄盈利。

每股基本及攤薄盈利乃根據本年度純利以及按已發行225,000,000股股份計算。該225,000,000股股份包括於二零零五年五月十八日已發行150,000,000股股份，以及根據唯一股東於二零零五年五月二十日通過的決議案而進行資本化發行的75,000,000股股份，並假設本公司已於二零零三年四月一日完成發行上述股份。

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11. DIRECTORS' REMUNERATIONS AND FIVE HIGHEST PAID EMPLOYEES

Directors

Details of remunerations paid by the Group to the directors of the Company during the year are as follows:

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Basic salaries and other benefits in kind 基本薪金及其他實物福利	2,709	2,470
Bonus 花紅	—	45
	2,709	2,515

The remunerations of the directors were within the following bands:

	2005 二零零五年 Number of directors 董事人數	2004 二零零四年 Number of directors 董事人數
Nil to HK\$1,000,000 零至1,000,000港元	4	3
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元	2	2
	6	5

During the year, no remuneration was paid or payable to independent non-executive directors of the Company.

11. 董事酬金及五位最高薪酬僱員

董事

於本年度內，本集團已付本公司董事的酬金詳情如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Basic salaries and other benefits in kind 基本薪金及其他實物福利	2,709	2,470
Bonus 花紅	—	45
	2,709	2,515

董事酬金介乎下列範圍：

	2005 二零零五年 Number of directors 董事人數	2004 二零零四年 Number of directors 董事人數
Nil to HK\$1,000,000 零至1,000,000港元	4	3
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元	2	2
	6	5

於本年度內，本公司概無已付或應付獨立非執行董事酬金。

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11. DIRECTORS' REMUNERATIONS AND FIVE HIGHEST PAID EMPLOYEES (continued)

Employees

The five highest paid individuals of the Group included two (2004: two) directors during the year, details are set out above.

The remunerations of the remaining three (2004: three) individuals paid by the Group during the year are as follows:

Basis salaries and other benefits in kind	基本薪金及其他實物福利
Retirement benefits contributions	退休福利供款

The remunerations of the employees were within the following bands:

Nil to HK\$1,000,000	零至1,000,000港元
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元

During the year, no remuneration was paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. No director has waived any remuneration during the year.

11. 董事酬金及五位最高薪酬僱員 (續)

僱員

於本年度內，本集團五位最高薪酬人士包括兩位(二零零四年：兩位)董事，其酬金詳情載於上文。

於本年度內，本集團向其餘三位(二零零四年：三位)人士支付的酬金如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
3,394	3,409
12	12
3,406	3,421

僱員的酬金介乎下列範圍：

2005 二零零五年 Number of employees 僱員人數	2004 二零零四年 Number employees 僱員人數
2	2
1	1
3	3

於本年度內，本集團並無向該五位最高薪酬人士支付任何酬金，以鼓勵彼等加入或在加入本集團時支付或作為失去職位的補償。於本年度內，概無任何董事放棄收取任何酬金。

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12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Land and buildings 土地及樓宇 HK\$'000 千港元	Machinery and equipment 機器及設備 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
COST	成本							
At 1st April, 2004	於二零零四年四月一日	2,450	4,328	225	592	712	153	8,460
Additions	添置	–	58	83	205	324	75	745
Disposals	出售	–	–	(3)	–	–	–	(3)
Exchange adjustments	匯兌調整	–	3	–	6	7	–	16
At 31st March, 2005	於二零零五年 三月三十一日	2,450	4,389	305	803	1,043	228	9,218
DEPRECIATION AND AMORTISATION	折舊及 攤銷							
At 1st April, 2004	於二零零四年四月一日	206	2,528	109	217	391	23	3,474
Provided for the year	年度撥備	69	879	55	140	175	42	1,360
Disposals	出售	–	–	(2)	–	–	–	(2)
Exchange adjustments	匯兌調整	–	1	–	1	1	–	3
At 31st March, 2005	於二零零五年 三月三十一日	275	3,408	162	358	567	65	4,835
NET BOOK VALUES	帳面淨值							
At 31st March, 2005	於二零零五年 三月三十一日	2,175	981	143	445	476	163	4,383
At 31st March, 2004	於二零零四年 三月三十一日	2,244	1,800	116	375	321	130	4,986

The land and buildings are situated in Hong Kong and are held under medium-term leases.

土地及樓宇乃位於香港及以中期租約形式持有。

The Group has pledged its land and buildings to secure its banking facilities.

本集團已抵押其土地及樓宇以作銀行備用額之擔保。

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13. INVENTORIES

13. 存貨

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Consumables and spare parts	消耗品及零部件	4,344	8,522
Amount stated at net realisable value	以可變現淨值列帳的款額	—	564

14. TRADE DEBTORS AND BILLS RECEIVABLE

14. 應收貿易帳款及應收票據

An aged analysis of trade debtors is as follows:

應收貿易帳款的帳齡分析如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within 30 days	30日內	60,592	79,868
Between 31 to 60 days	31日至60日	50,941	28,204
Between 61 to 90 days	61日至90日	1,005	9,909
Between 3 to 6 months	三至六個月	22,892	18,163
Between 6 to 12 months	六至十二個月	69,787	12,871
Over 1 year	逾一年	23,657	12,784
Over 2 years	逾兩年	4,911	1,199
		233,785	162,998
Less: allowance for bad and doubtful debts	減：呆壞帳撥備	(25,000)	(14,104)
		208,785	148,894

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15. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

Included in other debtors, deposits and prepayments is amount of HK\$17,992,000 (2004: HK\$77,667,000) in respect of deposits paid for provision of engineering systems contracting services.

15. 其他應收帳款、按金及預付款項

列入其他應收帳款、按金及預付款項的款額17,992,000港元(二零零四年：77,667,000港元)，乃就提供工程系統承包服務而支付的按金。

16. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

16. 應收(應付)客戶合約工程款項

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Contracts in progress at the balance sheet date:	於結算日的在建工程：		
Contract costs incurred to date plus recognised profits less recognised losses	迄今為止已產生的工程成本另加已確認溢利減已確認虧損	238,102	221,704
Less: Progress billings	減：進度付款	(222,475)	(220,409)
		<u>15,627</u>	<u>1,295</u>
Represented by:	代表：		
Amounts due from customers for contract work including engineering systems contracting service	應收客戶合約工程款項，其中包括提供工程系統承包服務	15,627	1,774
Amounts due to customers for contract work	應付客戶合約工程款項	—	(479)
		<u>15,627</u>	<u>1,295</u>

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17. BANK BALANCES AND CASH

Included in bank balances and cash are the following amounts which are subject to foreign exchange control regulations or not freely transferable:

Amounts denominated in: 列值：
Renminbi 人民幣
Malaysian Ringgit 馬元

17. 銀行結存及現金

銀行結存及現金包括受外匯管制規限以及不得自由轉讓的款項如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
1,968	103
732	220
2,700	323

18. TRADE CREDITORS AND BILLS PAYABLE

An aged analysis of the trade creditors is as follows:

Within 30 days 30日內
Between 31 to 60 days 31日至60日
Between 61 to 90 days 61日至90日
Between 3 to 6 months 三至六個月
Between 6 to 12 months 六至十二個月
Over 1 year 逾1年
Over 2 years 逾2年

18. 應付貿易帳款及應付票據

應付貿易帳款的帳齡分析如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
35,466	69,819
19,196	19,628
1,252	9,347
31,432	17,417
44,987	11,023
7,709	8,109
617	2,130
140,659	137,473

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19. OTHER CREDITORS AND ACCRUED CHARGES

Included in other creditors and accrued charges is amount of HK\$31,707,000 (2004: HK\$65,246,000) in respect of deposits received for provision of engineering systems contracting services.

20. BANK BORROWINGS

19. 其他應付帳款及應計費用

列入其他應付帳款及應計費用的款額31,707,000港元(二零零四年: 65,246,000港元)為就提供工程系統承包服務而收取的按金。

20. 銀行借貸

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Bank borrowings comprise the following:	銀行借貸 包括下列：		
Bank loan	銀行貸款	15,000	15,000
Mortgage loan	按揭貸款	544	869
Trust receipt loans	信託收據貸款	37,904	11,444
		<u>53,448</u>	<u>27,313</u>
Analysed as:	分析：		
Secured	有抵押	544	869
Unsecured	無抵押	<u>52,904</u>	<u>26,444</u>
		<u>53,448</u>	<u>27,313</u>
The maturity of the above borrowings is as follows:	上述借貸的到期日如下：		
Within one year	一年內	53,243	26,768
More than one year, but not exceeding two years	一年以上但不超過兩年	205	339
More than two years, but not exceeding five years	兩年以上但不超過五年	<u>—</u>	<u>206</u>
		<u>53,448</u>	<u>27,313</u>
Less: Amounts due within one year shown under current liabilities	減：流動負債所示一年內到期的款項	<u>(53,243)</u>	<u>(26,768)</u>
		<u>205</u>	<u>545</u>

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21. SHARE CAPITAL

21. 股本

		2005 & 2004 二零零五年及 二零零四年 HK\$'000 千港元
Authorised:	法定：	
3,500,000 ordinary shares of HK\$0.10 each	每股面值0.10港元之3,500,000股普通股	350
Issued and fully paid:	已發行及繳足：	
1 ordinary share of HK\$0.10 each	每股面值0.10港元之一股普通股	1

22. SHARE OPTION SCHEME

A pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") was approved and adopted by the Company on 30th March, 2005. The purpose of the Pre-IPO Share Option Scheme is to provide incentives and rewards to eligible participants who have contributed to the success of the Group's operations.

The maximum number of shares which may be issued under the Pre-IPO Share Option Scheme shall be 15,000,000 shares. The Pre-IPO Share Option Scheme is not subject to any condition precedent and the exercise period shall commence from the day following 6 months after 10th June, 2005 and end on 30th March, 2010 (both days inclusive). Upon acceptance of the pre-IPO share option, each participant shall pay HK\$1 to the Company by way of consideration for the grant.

The exercise price is HK\$0.65 per share and there is no restriction on the number of shares granted under the Pre-IPO Share Option Scheme to any grantee or connected person.

On 30th March, 2005, 15,000,000 pre-IPO share options were granted under the Pre-IPO Share Option Scheme to a Director and employees of the Group for an aggregate consideration of HK\$47. No charge was recognised in the proforma consolidated income statement in respect of the value of pre-IPO share options granted.

22. 購股權計劃

本公司於二零零五年三月三十日批准及採納一項首次公開發售前購股權計劃（「首次公開發售前購股權計劃」）。設立首次公開發售前購股權計劃旨在激勵及獎勵對本集團營運佳績有貢獻的合資格參與者。

根據首次公開發售前購股權計劃而可能發行的股份最多為15,000,000股。首次公開發售前購股權計劃不受任何先決條件規限，其可行使期將由二零零五年六月十日後六個月之日起至二零一零年三月三十日為止（包括首尾兩天）。接納首次公開發售前購股權後，各參與者須向本公司支付1港元作為獲授購股權之代價。

行使價為每股0.65港元，而任何承授人或關連人士根據首次公開發售前購股權計劃可獲授的股份數目並無限制。

二零零五年三月三十日，已根據首次公開發售前購股權計劃授予本集團一名董事及多名僱員15,000,000份購股權，總代價為47港元。所授出購股權的價值並無在備考綜合損益表中確認費用。

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22. SHARE OPTION SCHEME (continued)

At 31st March, 2005, all pre-IPO share options granted under the Pre-IPO Share Option Scheme remained outstanding.

The following table discloses details of the Company's share options granted to a Director and employees under the Pre-IPO Share Option Scheme.

22. 購股權計劃(續)

於二零零五年三月三十一日，根據首次公開發售前購股權計劃授出的所有首次公開發售前購股權仍未行使。

下表詳列根據首次公開發售前購股權計劃授予一名董事及多名僱員的本公司首次公開發售前購股權。

Date of grant	Exercisable period	Exercise price	Number of pre-IPO share options granted during the year and at 31.3.2005
授出日期	可行使期	行使價	於本年度授出及於二零零五年三月三十一日首次公開發售前購股權數目
		HK\$ 港元	
Director			
董事			
30th March, 2005	11th December, 2005 to 30th March, 2010		
二零零五年三月三十日	二零零五年十二月十一日至 二零一零年三月三十日	0.65	1,720,000
Employees			
僱員			
30th March, 2005	11th December, 2005 to 30th March, 2010		
二零零五年三月三十日	二零零五年十二月十一日至 二零一零年三月三十日	0.65	13,280,000
			<u>15,000,000</u>

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23. DEFERRED TAXATION

The deferred tax liability recognised by the Group, represents the excess of tax allowances over depreciation, and movements thereon during the year are as follows:

At beginning of the year	年初
Movement for the year	年內變動
At end of the year	年末

23. 遞延稅項

本集團已確認的遞延稅項負債相等於稅項撥備超過折舊的部份，其於本年度內的變動如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
296	261
(124)	35
172	296

24. CONTINGENT LIABILITIES

At the balance sheet date, the Group had the following contingent liabilities:

Performance bonds	履約保證書
Guarantees given by the Group in respect of credit facilities granted to a customer	本集團就向客戶批授的信貸備用額而作出的擔保

24. 或然負債

於結算日，本集團擁有以下或然負債：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
1,339	—
195	1,971

25. OPERATING LEASE COMMITMENTS

The Group as lessee

At the balance sheet date, the Group had committed for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)

25. 經營租約承擔

本集團為承租人

於結算日，本集團根據不可撤銷經營租約須於日後支付的最低租金承擔的到期日如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
—	309
975	479
975	788

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25. OPERATING LEASE COMMITMENTS (continued)

Operating lease payments represent rentals payable by the Group for certain of its office premises and staff quarters. Leases are negotiated for terms of one to three years at fixed rentals.

26. EMPLOYEE RETIREMENT BENEFITS

With effective from 1st December, 2000, the operating subsidiaries in Hong Kong joined a MPF Scheme for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The obligation of the Group with respect of MPF Scheme is to make the required contributions under the MPF Scheme. No forfeited contribution is available to reduce the contributions payable in future years.

The employees of the Company's subsidiary, Linfair Engineering (Malaysia) Sdn. Bhd. are members of a state-managed retirement benefit scheme operated by the Malaysia Government. The subsidiary is required to make contributions to the Employees Provident Fund ("EPF") at rates specified in the rules of EPF. The obligation of the Group with respect to EPF is to make the required contribution.

Employees located in the PRC are covered by the retirement and pension schemes defined by local practice and regulations and which are essentially defined contribution schemes.

25. 經營租約承擔(續)

經營租約付款相等於本集團就租用其若干辦公室物業及員工宿舍應付的租金。租約按固定租金磋商，租期為一至三年不等。

26. 僱員退休福利

本集團在香港營運的附屬公司自二零零零年十二月一日起為香港全體僱員加入強積金計劃。強積金計劃根據強制性公積金計劃條例在強制性公積金計劃管理局註冊。強積金計劃的資產與本集團的資產分開持有，並由獨立基金受託人管理。根據強積金計劃的規則，僱主及其僱員須各自按規則所指定的比率向強積金計劃供款。本集團於強積金計劃的責任是根據強積金計劃規定作出的供款。本集團並無任何沒收供款可用以減少日後應付的供款。

本公司附屬公司Linfair Engineering (Malaysia) Sdn. Bhd.的僱員乃由馬來西亞政府運作的國家監管退休福利計劃的成員。該附屬公司須根據僱員公積金計劃(「僱員公積金計劃」)的規則所指定的比率向僱員公積金計劃供款。本集團於僱員公積金計劃的責任是作出所規定的供款。

中國僱員均參與當地慣例及規例所界定之退休及養老金計劃，而該等計劃基本上乃屬遞延供款計劃。

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Retirement benefit contribution made during the year	年度內作出的退休福利計劃供款	222	196

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27. RELATED PARTY TRANSACTIONS

During the year, the Group had the following transactions with a related company:

Name 名稱	Nature of transactions 交易性質	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Linfair Engineering and Trading Limited (Note 1) 福茂國際股份 有限公司 (附註1)	Purchase of goods 採購貨品	209	—

Notes:

- (1) The above transaction was carried out at market prices or, where no market price was available, at cost plus a percentage profit mark up.
- (2) Mr. Chang and Ms. Hsieh have beneficial interest in the above related company.

In additions

- (i) Certain banking facilities granted to the Group were secured by:
- unlimited personal guarantees from certain Directors;
 - bank deposits from Mr. Chang; and
 - properties owned by Ms. Hsieh.

27. 關連人士交易

於本年度內，本集團與其關連公司曾進行以下交易：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
209	—

附註：

- (1) 上述交易乃按市價，或無市價可供參考時，則按成本另加提價百分比進行。
- (2) 張先生及謝女士擁有以上關連公司之實益權益。

此外

- (i) 本集團若干銀行備用額由下列各項作出擔保：
- 若干董事的無限制個人擔保；
 - 張先生的銀行存款；及
 - 謝女士擁有的物業。