

1. General information

Starlite Holdings Limited ("the Company") is an investment holding company. Its subsidiaries are principally engaged in the printing and manufacturing of packaging materials, labels, paper products and environmentally friendly products.

The Company was incorporated in Bermuda on 3rd November, 1992, as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited since 1993.

The Company's directors regard Best Grade Advisory Limited, a company incorporated in the British Virgin Islands, to be the ultimate holding company.

These financial statements are presented in Hong Kong Dollars (HK\$), unless otherwise stated.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which are carried at fair value.

1. 一般資料

星光集團有限公司(「本公司」)乃投資控股公司。其附屬公司的主要業務為印刷及製造包裝材料、標籤、紙類製品及環保產品。

本公司於一九九二年十一月三日根據百慕達公司條例(1981)於百慕達註冊成立為獲豁免有限公司。其註冊辦事處地址為Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda。自一九九三年起本公司股份於香港聯合交易所有限公司主板上市。

本公司董事會視 Best Grade Advisory Limited(該公司於英屬維爾京群島註冊成立)為本公司之控股公司。

除另有指明外，本財務報表以港元呈列。

2. 重要會計政策概要

編撰此財務報表所應用的主要會計政策載列如下。除另有說明外，此等政策已於呈列之所有年度貫徹應用。

2.1. 編製基準

本公司財務報表乃根據香港財務報告準則(「香港財務報告準則」)及以歷史成本法編製，並就可供出售之金融資產按公平值列賬以作出修訂。

2. Summary of significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where judgement and estimates are significant to the financial statements, are disclosed in Note 4. These estimates and judgement affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge of event and actions, actual results ultimately may differ from those estimates.

The adoption of new/revised HKFRS

During the year ended 31st March, 2006, the Company and its subsidiaries (together "the Group") adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2005 comparatives have been amended as appropriate, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements

2. 重要會計政策概要 (續)

2.1. 編製基準 (續)

遵照香港財務報告準則編製財務報表須採用若干關鍵會計估計，管理層於採用本公司會計政策時，亦須作出判斷。涉及高度判斷或複雜程度的範疇或對財務報表有重大影響的假設及估計的範疇於附註4披露。此等估計及假設對所申報資產及負債數額、於財務報表日期之或然資產及負債披露以及年內所呈報收入及開支數額造成影響。儘管此等估計乃根據管理層對事件及行動所深知作出，最終實際結果或有別於該等估計。

採納新訂／經修訂香港財務報告準則截至二零零六年三月三十一日止年度，本集團採納以下與其業務相關的新訂／經修訂香港財務報告準則。二零零五年比較數字已根據有關規定作出合適修訂。

香港會計準則第1號	財務報表呈報
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計更改及錯誤更正
香港會計準則第10號	結算日後事項
香港會計準則第16號	物業、機器及設備
香港會計準則第17號	租賃
香港會計準則第21號	匯率變動之影響
香港會計準則第23號	借貸成本
香港會計準則第24號	有關連人士之披露
香港會計準則第27號	綜合及獨立財務報表

2. Summary of significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

The adoption of new/revised HKFRS (Cont'd)

HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transaction and Initial Recognition of Financial Assets and Financial Liabilities
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations
HK-Int 4	Lease — Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HK(SIC)-Int 15	Operating Leases — Incentives
HK(SIC)-Int 25	Income Taxes — Changes in tax status of an Enterprise or its Shareholder
HK(SIC)-Int 27	Evaluating the Substance of Transactions in the Legal form of Lease

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 21, 23, 24, 27, 33 and 36, HKFRS 3, HK-Int 4 and HK(SIC)-Int15, 25 and 27 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of certain disclosures;
- HKASs 2, 7, 8, 10, 16, 23, 27, 33 and 36, HKFRS 3, HK-Int 4, and HK(SIC) Int15, 25 and 27 had no material effect on the Group's policies;

2. 重要會計政策概要 (續)

2.1. 編製基準 (續)

採納新訂／經修訂香港財務報告準則 (續)

香港會計準則第32號	金融工具：披露及呈報
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第39號	金融工具：確認及計量
香港會計準則第39號 (修訂本)	金融資產及金融負債之過渡及初步確認
香港財務報告準則第2號	股份付款
香港財務報告準則第3號	業務合併
香港會計準則 — 詮釋4	租賃 — 釐定香港土地租約租賃期之長短
香港會計準則 — 詮釋15	營運租賃 — 優惠
香港會計準則 — 詮釋25	所得稅 — 企業或其股東稅務狀況的變動
香港會計準則 — 詮釋27	按租賃的法律形式評估交易的實質內容

採納新訂／經修訂香港會計準則第1、2、7、8、10、16、21、23、24、27、33及36號，香港財務報告準則第3號，香港會計準則 — 詮釋4，及香港會計準則 — 詮釋第15、25及27號並無導致本集團會計政策出現重大變動。概述如下：

- 香港會計準則第1號對呈列方式及其他披露事項構成影響；
- 香港會計準則第2、7、8、10、16、23、27、33及36號，香港財務報告準則第3號，香港會計準則 — 詮釋4及香港會計準則 — 詮釋第15、25及27號對本集團政策並無重大影響；

2. Summary of significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

The adoption of new/revised HKFRS (Cont'd)

- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance in the revised standard. All the group entities have the same functional currency as the presentation currency for the respective entity financial statements; and
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the income statement. In prior years, the leasehold land was accounted for at cost less accumulated depreciation and accumulated impairment, if any.

The adoption of HKASs 32, 39 and 39 (Amendment) has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit and loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of hedging activities.

2. 重要會計政策概要 (續)

2.1. 編製基準 (續)

採納新訂／經修訂香港財務報告準則 (續)

- 香港會計準則第21號對本集團政策並無重大影響。各綜合實體之功能貨幣已按經修訂準則之指引重新評估。本集團所有實體以相同功能貨幣作為各實體財務報表之呈列貨幣；及
- 香港會計準則第24號對識別有關連人士及若干其他有關連人士之披露事項構成影響。

採納經修訂香港會計準則第17號對有關租賃土地以及物業、廠房及設備中之土地使用權重新分類為營運租賃預付款項的會計政策變動。就租賃土地及土地使用權預先支付的款項以直線法於租賃期間分期在收益表列作開支，或倘出現減值，則減值亦於收益表列作開支。於過往年度，租賃土地為按成本減累計折舊及累計減值入賬。

採納香港會計準則第32、39號及第39號(修訂本)導致按公平值於損益賬處理之金融資產及可供出售之金融資產分類的會計政策有變，亦導致衍生金融工具按公平值確認以及對沖活動的確認及計量有變。

2. Summary of significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

The adoption of new/revised HKFRS (Cont'd)

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31st March, 2005, the provision of share options to employees did not result in an expense in the income statement. Effective on 1st April, 2005, the Group expenses the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7th November 2002 which had not yet vested on 1st January, 2005 was expensed retrospectively in the income statement of the respective periods.

All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards. All standards adopted by the Group require retrospective application other than:

- HKAS 39 — does not permit the Group to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous SSAP 24 “Accounting for investments in securities” to account for the investments in securities for the comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39, where appropriate, are determined and recognised at 1st April, 2005.
- HKFRS 2 — only retrospective application for all equity instruments granted after 7th November, 2002 and not vested at 1st January, 2005.
- HKFRS 3 — prospectively after the adoption date.

2. 重要會計政策概要(續)

2.1. 編製基準(續)

採納新訂／經修訂香港財務報告準則(續)

採納香港財務報告準則第2號導致有關股份付款的會計政策有變。直至二零零五年三月三十一日為止，向僱員授出購股權不會於收益表列作開支。自二零零五年四月一日起，本集團於收益表支銷購股權成本。基於過渡條文，於二零零二年十一月七日後授出而於二零零五年一月一日尚未歸屬的購股權成本，於有關期間的收益表追溯支銷。

會計政策的所有變動乃根據各項準則的過渡條文作出。本集團採納的一切準則均須追溯應用，惟以下各項除外：

- 香港會計準則第39號 — 根據此準則，本集團不准許按追溯基準確認、剔除確認及計量金融資產及負債。本集團採用前會計實務準則第24號「證券投資之會計處理方法」，就證券投資之比較數字列賬。於適當情況下，就會計實務準則第24號與香港會計準則第39號的會計差異須作出之調整，已於二零零五年四月一日釐定及確認；
- 香港財務報告準則第2號 — 僅就於二零零二年十一月七日後授出但於二零零五年一月一日尚未歸屬的所有股本工具追溯應用；
- 香港財務報告準則第3號 — 預期於採納日期後應用；

2. Summary of significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

The adoption of new/revised HKFRS (Cont'd)

- HKAS-Int 15 — does not require the recognition of incentives for leases beginning before 1st April, 2005.

- (i) The adoption of HKFRS 2 resulted in:

Increase in share-based compensation reserve/share premium	股份酬金儲備／股份溢價增加
Decrease in retained profits	保留溢利減少

Increase in employment costs	僱員成本增加
Decrease in basic earnings per share	每股基本盈利減少
Decrease in diluted earnings per share	每股攤薄盈利減少

- (ii) The adoption of HKAS 39 resulted in:

Decrease in retained profits	保留溢利減少
Increase in investment reserve	投資儲備增加

2. 重要會計政策概要 (續)

2.1. 編製基準 (續)

採納新訂／經修訂香港財務報告準則 (續)

- 香港會計準則 — 詮釋15 — 並無規定需要確認於二零零五年四月一日前開始的租賃優惠；

- (i) 採納香港財務報告準則第2號導致：

As at 31st March, 2006 於二零零六年 三月三十一日 HK\$'000 千港元	As at 31st March, 2005 於二零零五年 三月三十一日 HK\$'000 千港元
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1,324	631
1,324	631

Year ended 31st March, 截至三月三十一日止年度 2006 HK\$'000 千港元	2005 HK\$'000 千港元
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693	631
HK0.16 cent	HK0.15 cent
HK0.16 cent	HK0.15 cent

- (ii) 採納香港會計準則第39號導致：

As at 31st March, 2006 於二零零六年 三月三十一日 HK\$'000 千港元	As at 31st March, 2005 於二零零五年 三月三十一日 HK\$'000 千港元
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—	1,416
359	232

2. Summary of significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

The adoption of new/revised HKFRS (Cont'd)

2. 重要會計政策概要 (續)

2.1. 編製基準 (續)

採納新訂／經修訂香港財務報告準則 (續)

		Year ended 31st March, 截至三月三十一日止年度	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Decrease in general and administrative expenses	一般及行政開支減少	1,416	—
Increase in basic earnings per share	每股基本盈利增加	HK0.33 cent	—
Increase in diluted earnings per share	每股攤薄盈利增加	HK0.33 cent	—
(iii) The adoption of HKAS 17 and HK-Int 4 resulted in:		(iii) 採納香港會計準則第17號及香港會計準則 — 詮釋4導致：	

		As at 31st March, 2006 於二零零六年 三月三十一日	As at 31st March, 2005 於二零零五年 三月三十一日
		HK\$'000 千港元	HK\$'000 千港元
Increase in leasehold land and land use rights	租賃土地及土地使用權增加	26,413	28,623
Decrease in property, plant and equipment	物業、廠房及設備減少	(26,413)	(28,623)

There has been no early adoption by the Group of the following new standards or interpretations that are relevant to the operations of the Group and have been issued but are not yet effective. The adoption of such standards or interpretations will not result in substantial changes to the Group's accounting policies.

本集團並無提早採納下列已頒佈但尚未生效及與本集團業務有關的新增準則或詮釋。預期採納該等準則或詮釋將不會導致本集團的會計政策出現重大變動。

2. Summary of significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

The adoption of new/revised HKFRS (Cont'd)

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosure
HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Transition and Initial Recognition of Financial Assets and Financial Liabilities, The Fair Value Option, and Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 & HKFRS 4 (Amendments)	Financial Guarantee Contracts
HKFRS 7	Financial Instruments: Disclosures
HKFRS-Int 4	Determining whether an Arrangement Contains a Lease

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2. 重要會計政策概要 (續)

2.1. 編製基準 (續)

採納新訂／經修訂香港財務報告準則 (續)

香港會計準則第19號(修訂本)	精算收益及虧損、集團計劃及披露
香港會計準則第21號(修訂本)	於海外業務之投資淨額
香港會計準則第39號(修訂本)	金融資產及金融負債之初步確認、選擇以公平值入賬、預測本集團內公司間交易之現金流量對沖會計處理方法
香港會計準則第39號及香港財務報告準則第4號(修訂本)	財務擔保合約
香港財務報告準則第7號	財務工具：披露
香港財務報告準則詮釋第4號	釐定安排是否包括租賃

2.2 綜合財務報表

綜合財務報表包括本公司及其全部附屬公司截至三月三十一日止之財務報表。

附屬公司

附屬公司指本集團有權規管其財務及經營政策的所有企業，通常附帶過半數投票權的股權。於評估本集團是否能夠控制另一企業時，將會考慮目前可行使或可轉換的潛在投票權的存在及影響。

附屬公司的財務報表於其控制權轉移至本集團的日期全面綜合。於控制權終止的日期則取消綜合。

2. Summary of significant accounting policies (Cont'd)

2.2 Consolidation (Cont'd)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2. 重要會計政策概要(續)

2.2 綜合財務報表(續)

本集團對所收購之附屬公司以購買會計法入賬。收購成本按所收購之資產、發行之權益性工具及招致或承擔之負債在交換日期之公平價值，加上收購直接相關之成本計量。企業合併時收購之可辨認資產與承擔之負債及或然負債最初按收購日期之公平價值計量，而不考慮少數股東權益之多寡。購入成本超過本集團應佔所收購可辨認淨資產之公平價值之部分記錄為商譽。若收購成本低於所收購附屬公司淨資產之公平價值，有關差額會直接確認於收益賬。

本集團內公司間的交易、結餘及未變現收益均於綜合財務報表時對銷。除非交易提供所轉讓資產減值的憑證，否則未變現虧損亦予以對銷。

2.3 分類報告

業務分類是指提供產品或服務的一組資產及業務，其風險及回報與其他業務分類的風險及回報有所分別。地區分類是指在一個獨特經濟環境下提供產品或服務，其風險及回報與其他經濟環境經營的風險及回報有所分別。

2. Summary of significant accounting policies (Cont'd)

2.4 Foreign currency translation

- (a) *Functional and presentation currency*
Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is the Company’s functional and presentation currency.
- (b) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.
- (c) *Group companies*
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
 - (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

2. 重要會計政策概要 (續)

2.4 外幣換算

- (a) *功能及呈報貨幣*
本集團各實體之財務報表內之項目均以該實體營運所在主要經濟環境通行之貨幣(「功能貨幣」)計算。綜合財務報表以港元呈列，港元為本公司之功能及呈報貨幣。
- (b) *交易及結餘*
外幣交易按交易當日通行之匯率換算為功能貨幣。因該等交易結算及按年終匯率換算以外幣計值之貨幣資產與負債所產生之外匯收益及虧損，均在收益表內確認。
- (c) *集團公司*
集團旗下所有公司如持有與呈報貨幣不一致的功能貨幣(其中並無任何公司持有通脹嚴重的經濟體系的貨幣)，其業績和財務狀況均按以下方法兌換為呈報貨幣：
- (i) 每項資產負債表的資產及負債均按照該資產負債表結算日的匯率折算為呈報貨幣；
 - (ii) 每項收益表的收入和支出均按照平均匯率折算為呈報貨幣，但若此平均匯率未能合理地反映各交易日之匯率所帶來的累積影響，則按照交易日之匯率折算此等收入和支出；及

2. Summary of significant accounting policies (Cont'd)

2.4 Foreign currency translation (Cont'd)

- (c) *Group companies* (Cont'd)
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities or operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Leasehold land and land use rights

The up-front prepayments made for leasehold land and land use rights are accounted for as operating leases. They are expensed in the income statement on a straight-line basis over the periods of the lease, or when there is impairment, the impairment is expensed in the income statement.

2.6 Property, plant and equipment

Property, plant and equipment other than construction in progress are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2. 重要會計政策概要 (續)

2.4 外幣換算 (續)

- (c) *集團公司* (續)
- (iii) 所有匯兌差異均確認於權益賬內的一個分項。

在編製綜合賬時，折算海外公司投資淨額和折算被指定為此等投資之對沖項目的借貸及其他貨幣工具而產生的匯兌差異，均列入股本權益內。當出售海外業務時，此等匯兌差異將於收益表內確認為出售收益或虧損的一部分。

因收購海外公司而產生之商譽及公平價值調整，均視作為該海外公司之資產及負債處理，並於結算日的匯率折算。

2.5 租賃土地及土地使用權

就租賃土地及土地使用權預先支付的款項按營運租賃列賬，並以直線法於租賃期間分期在收益表列作開支，或倘出現減值，則減值亦於收益表列作開支。

2.6 物業、廠房及設備

除在建工程外，物業、廠房及設備均以歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括因收購該項目而直接產生之支出。

2. Summary of significant accounting policies (Cont'd)

2.6 Property, plant and equipment (Cont'd)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the period in which they are incurred.

Depreciation of other property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

— Buildings	25 to 50 years
— Machinery	5 to 10 years
— Furniture and equipment	5 to 10 years
— Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Construction in progress comprises buildings on which construction work has not been completed and plant and machinery on which installation work has not been completed. It is carried at cost which includes construction and installation expenditures and other direct costs less any impairment losses. On completion, construction in progress is transferred to the appropriate categories of property, plant and equipment at cost less accumulated impairment losses. No depreciation is provided for construction in progress until it is completed and available for use.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are charged to the income statement.

2. 重要會計政策概要 (續)

2.6 物業、廠房及設備 (續)

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才列入資產的賬面值或確認為獨立資產（如適用）。所有其他維修及保養在產生的財政期間內於收益表支銷。

物業、廠房及設備以直線法於其估計可用年限內將其成本分配至其剩餘價值以計算折舊，所採用的折舊率如下：

樓宇	25至50年
機器	5至10年
傢具及設備	5至10年
汽車	5年

本集團於各結算日檢討資產的剩餘價值及可使用年期，並作出適當調整。

若資產的賬面值高於其估計可收回價值，則其賬面值將即時撇減至可收回價值。

在建工程指在建樓宇、廠房及有待安裝的機器，並按成本入賬。成本包括於建築或安裝及其他直接成本減減值虧損。當有關資產投入運作時，將成本減累計減值虧損轉撥至其他物業、廠房及設備。在建工程項目直至有關資產完成及可作擬定用途前不作折舊撥備。

出售收益及虧損透過比較賬面值及所得款項釐定。有關收益及虧損計入收益表。

2. Summary of significant accounting policies (Cont'd)

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, are tested annually at least for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Financial assets

From 1st April, 2004 to 31st March, 2005:

The Group classifies its investments in securities, other than subsidiaries, as long-term investments.

Long-term investments were carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of long-term investments were recognised in the income statement. Profits or losses on disposal of long-term investments, representing the difference between the net sales proceeds and the carrying amounts, were recognised in the income statement as they arised.

2. 重要會計政策概要 (續)

2.7 非金融資產減值

無特定期限的資產毋須攤銷，但此等資產每年均接受至少一次減值評估。如有任何跡象顯示出現耗蝕，本集團亦會評估該資產的減值情況。至於須攤銷的資產，如有任何跡象顯示出現耗蝕，本集團將評估該資產的減值情況。減值虧損為資產賬面值超越其可收回價值之數額。可收回價值為資產公平價值減出售成本後之價值與其使用價值之間的較高者。為了評估資產減值，本集團按可獨立地確認其現金流量(現金產生單位)的最低水平劃分資產類別。除商譽以外而出現減值的非金融資產可於各報告日期就可能撥回減值進行審閱。

2.8 金融資產

二零零四年四月一日至二零零五年三月三十一日期間：

本集團將其證券投資(附屬公司除外)歸類為長期投資。

長期投資按其公平價值入賬。於每個結算日，因此等長期投資公平價值之任何變動而產生之未變現收益或虧損於收益表內確認。出售此等長期投資之收益及虧損按出售所得款項淨額減其賬面值於收益表內確認。

2. Summary of significant accounting policies (Cont'd)

2.8 Financial assets (Cont'd)

From 1st April, 2005 onwards:

The Group classifies its investments in the following categories: derivative financial instrument at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(a) *Derivative financial instruments*

The Group's derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement within "other gains/losses" in the income statement.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months in which case they are classified as non-current assets.

Loan and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(c) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

2. 重要會計政策概要(續)

2.8 金融資產(續)

由二零零五年四月一日起：

本集團將投資項目劃分為以下類別；按公平價值列入損益賬的衍生金融工具、貸款及應收款、以及可出售金融資產。分類方法乃取決於投資項目之收購目的。管理層將於始初確認時為其投資項目分類，並於每個報告日重新評估此項分類。

(a) *衍生金融工具*

本集團之衍生金融工具未能指定作為對沖工具，故此該等衍生工具之公平價值變動將直接列作其他收益／虧損於收益表內確認。

(b) *貸款及應收款*

貸款及應收款均設有固定或可確定付款金額，以及不會在活躍市場上市的非衍生金融資產。此等項目已計入流動資產之內，但由資產負債表結算日起計十二個月後方到期的項目則劃分為非流動資產。

貸款及應收款初步按公平值確認，而其後則採用實際利率法按已攤銷成本減減值撥備計量。於各結算日，本集團會評估是否有客觀憑證顯示個別金融資產或一組金融資產已減值。

(c) *可出售金融資產*

可出售金融資產為劃分為此類別的非衍生項目，或未有劃分為以上各類別。除非管理層計劃於結算日起計十二個月內出售有關投資，否則可出售金融資產將計入非流動資產內。

2. Summary of significant accounting policies (Cont'd)

2.8 Financial assets (Cont'd)

(c) *Available-for-sale financial assets* (Cont'd)

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement — is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2. 重要會計政策概要 (續)

2.8 金融資產 (續)

(c) *可出售金融資產* (續)

於各結算日，本集團會評估是否有客觀憑證顯示個別或一組金融資產已減值。就分類為可出售之權益性證券而言，倘有重大或長期出現公平價值低於其成本情況可視為該證券已減值。在此情況下，累計虧損（指購置成本及現時之公平價值之差異）減去已於收益表確認之減值損失將由股本權益轉出並於收益表內確認。已於收益表內確認之有關權益性工具之減值損失不能於收益表內撥回。

2.9 存貨

存貨以成本值及可變現淨值兩者的較低者列賬。成本值是以加權平均法計算。製成品及在製品的成本值包括材料、直接勞工成本及按正常營運產能下的所有生產間接開支。有關數額不包括借貸成本。可變現淨值為於日常業務過程內的估計售價扣除適當的浮動銷售開支計算。

2. Summary of significant accounting policies (Cont'd)

2.10 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtors, probability that the debtors will either enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within general and administrative expenses.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.12 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

2. 重要會計政策概要 (續)

2.10 貿易應收賬款及其他應收款

貿易應收款及其他應收款最初按公平價值確認，其後則以實際利率法按經攤銷成本值計算，並須扣除減值撥備。如有客觀證據顯示本集團無法按照應收款的原來條款收取所有欠款，則須為貿易應收款及其他應收款作出減值撥備。應收賬客戶面對嚴重財政困難、應收賬客戶將會破產或財務重組，及違約未付或逾期未付款項均被視為貿易應收賬款出現減值的跡象。撥備額為資產賬面值與估計未來現金流量按實際利率折算之現值兩者的差額，並於收益表確認。

2.11 現金及現金等值

現金及現金等值包括手頭現金、銀行通知存款及原到期日為三個月或以下的短期高流動投資，以及銀行透支。銀行透支於資產負債表列作流動負債的借貸。

2.12 股本

普通股分類為股本權益。

因發行新股份或購股權而直接產生的遞增成本於股本權益內列作所得款項的扣減項目。

2. Summary of significant accounting policies (Cont'd)

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.14 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2. 重要會計政策概要 (續)

2.13 借貸

借貸最初乃按公平價值(扣除已產生的交易成本)確認。交易成本為直接歸屬予金融資產或金融負債之購買、發行或出售的增量成本，其中包括付予代理、顧問、經紀及交易商的費用和佣金、規管機構和證券交易所收取的費用，以及轉讓稅和關稅。借貸其後按經攤銷成本列賬，如扣除交易成本之後的收益和贖回價值出現差額，則於借貸期內以實際利率法在收益表內確認。

除非本集團有權無條件將債務結算日期遞延至結算日後至少十二個月，否則借貸將被劃分為流動負債。

2.14 遞延所得稅

遞延所得稅採用負債法就資產及負債的稅基與其在綜合財務報表的賬面值兩者的暫時差異作全數撥備。然而，倘遞延所得稅因確認業務合併以外交易的資產或負債而產生，且於交易時間對會計及應課稅溢利或虧損並無影響，則遞延所得稅不會入賬。遞延所得稅採用在結算日前已頒布或實質頒布之稅率(及法例)釐定，並預期於相關遞延所得稅資產變現或遞延所得稅負債償還時應用。

遞延所得稅資產以可能有未來應課稅溢利而就此可使用暫時差異而確認。

2. Summary of significant accounting policies (Cont'd)

2.14 Deferred income tax (Cont'd)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.15 Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Retirement benefits*

Group companies participate in various defined contribution retirement benefit schemes. A defined contribution plan is a retirement benefit scheme under which the Group pays contributions into a separate entity (insurance company or trustee/state administered fund), on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employment costs when they are due.

2. 重要會計政策概要(續)

2.14 遞延所得稅(續)

遞延所得稅就附屬公司之投資的暫時差異而撥備，惟本集團可控制暫時差異的撥回時間，並有可能在可預見未來不會撥回則除外。

2.15 員工福利

(i) *僱員應享假期*

僱員的應享年假及長期服務假期乃於應計予僱員時確認。僱員因提供服務產生的應享年假乃按截至資產負債表結算日的年假估計負債計算撥備。僱員應享病假及分娩假期僅於支取時才確認。

(ii) *退休福利*

集團公司參加不同定額供款退休福利計劃。定額供款計劃指本集團以強制、合約或自願基準向獨立實體(保險公司或信託人／國家運作的基金)作出定額供款之退休金計劃。倘基金並無足夠資產就本期及過往期間之僱員服務向所有僱員支付福利，本集團並無法定或推定責任作出進一步供款。

供款將會於到期支付時確認為僱用成本。

2. Summary of significant accounting policies (Cont'd)

2.15 Employee benefits (Cont'd)

(iii) Bonus plans

The Group recognises a liability and an expense for bonuses. It recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Shared-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2. 重要會計政策概要 (續)

2.15 員工福利 (續)

(iii) 花紅計劃

本集團將花紅確認為負債及開支。當有合約責任或過往慣例引致推定責任時，本集團即就花紅撥備。

(iv) 以股份支付的酬金

集團設有一項以股權結算，以股份支付的薪酬計劃。就僱員提供服務而授予之購股權的公平價值確認為一項支出。將於授予期內列作支出的總金額乃參考所授期權的公平價值釐定（不包括任何非市場性質的授予條件所產生的影響，如盈利能力及銷售額增長指標）。在假定預期可予以行使的購股權數目時，非市場性質的授予條件亦加入一併考慮。於各結算日，本集團修訂對預期可予以行使的期權數目所作的估計。修訂原先估計的影響（如有）則在收益表確認，及於剩餘的歸屬期內對股本權益作出相應調整。

已收款項（扣除任何直接應計交易成本）在行使期權時撥入股本（面值）及股份溢價。

2.16 撥備

本集團因已發生的事件而產生現有的法律或推定責任；較可能需要有資源流出以償付責任；金額已經可靠估計而作出撥備。不就未來營運虧損確認撥備。

2. Summary of significant accounting policies (Cont'd)

2.16 Provisions (Cont'd)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

- (a) *Sales of goods*
Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- (b) *Interest income*
Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

2.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction, installation or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are charged to the income statement in the period in which they are incurred.

2. 重要會計政策概要 (續)

2.16 撥備 (續)

如有多項類似責任，而需要在償付中流出資源的可能性則根據責任的類別整體考慮。即使在同一責任類別所包含任何一個項目的相關資源流出的可能性極低，仍須確認撥備。

2.17 收益確認

收益包括在本集團正常經營活動中已收到或應收的出售產品及服務的公平值。收益以扣除增值稅、回佣及折扣，以及對銷本集團公司內部銷售後的金額列示。收益確認如下：

- (a) *銷售貨品*
銷售貨品於產品被送交其客戶，客戶接受該產品並且收回相關應收款項的機會能夠合理確定時確認入賬。
- (b) *利息收入*
利息收入採用實際利息法按時間比例基準確認入賬。倘應收款項出現減值時，本公司會將賬面值撇減至可收回款額，即估計的未來現金流量按該工具之原有效利率貼現值，並繼續將貼現計算並確認為利息收入。

2.18 借貸成本

與收購、建造或生產資產（即必須耗用較長時間才可達致預期用途或可供出售的資產）直接有關的借貸成本均撥充為該等資產之成本的一部份。所有其他借貸成本均於其產生期間於收益表內扣除。

2. Summary of significant accounting policies (Cont'd)

2.19 Operating leases (as the lessee)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The up-front prepayments made for land use rights are expensed in the income statement on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the income statement. In prior years, land use rights were accounted for at cost less accumulated depreciation and impairment.

2.20 Contingent assets and liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of the obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

The Group does not recognise liabilities for financial guarantees at inception, but perform a liability adequacy test at each reporting date by comparing its net liability regarding the financial guarantee with the amount that would be required if the financial guarantee would result in a present legal or constructive obligation. If the liability is less than its present legal or constructive obligation amount, the entire difference is recognised in the income statement immediately. As at 31st March, 2005 and 2006, no additional liability has been recognised for outstanding financial guarantees.

2. 重要會計政策概要(續)

2.19 經營租賃(作為承租人)

凡擁有權之大部份風險及回報仍歸出租人所有之租約，均歸類為經營租賃。根據經營租賃(扣除出租人給予之任何優惠)作出之付款按租約年期以直線法自收益表扣除。

就土地使用權預先支付的款項以直線法於租賃期間分期在收益表列作開支，或倘出現減值，則減值亦於收益表列作開支。於過往年度，租賃土地為按成本減累計折舊及累計減值入賬。

2.20 或然資產及或然負債

或然負債指因過往事件可能引起之責任，此等責任存在與否須視乎某一宗或多宗本集團不能全權掌控之事件會否發生。或然負債亦可能是因過往事件引致之現有責任，但由於可能毋需流出經濟資源或責任金額未能可靠計算而未有確認。

或然負債不會確認，但會在財務報表附註披露。當流出資源之可能性改變導致可能流出資源時，此等負債將確認為撥備。

本集團於訂立財務擔保時不會確認負債，但會於各結算日測試負債的充足程度，方法為比較財務擔保之負債淨額與假設財務擔保將導致現有法律或推定責任時所需金額。倘負債少於其現有法律或推定責任金額，則差額將即時全數於收益表確認。於二零零五年及二零零六年三月三十一日，並無就未償還財務擔保確認額外負債。

2. Summary of significant accounting policies (Cont'd)

2.20 Contingent assets and liabilities (Cont'd)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk, and cash flow and fair value interest-rate risk.

Management regularly monitors the financial risks of the Group and uses derivative financial instruments to hedge certain foreign exchange risk exposures. Because of the simplicity of the financial structure and the current operations of the Group, no other hedging activities are undertaken by management.

(a) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from the exposure of various currencies against Hong Kong Dollars, including the Chinese Renminbi, Euro and Singapore Dollars. Such foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in operations in Mainland China and Singapore.

2. 重要會計政策概要(續)

2.20 或然資產及或然負債(續)

或然資產指因過往事件可能產生之資產，此等資產存在與否須視乎某一宗或多宗本集團不能全權掌控之事件會否發生。或然資產不會確認，但會於經濟利益可能流入時在財務報表附註披露。當大致確定利益將流入時，則會確認資產。

2.21 股息分派

向本公司股東分派的股息在股息獲本公司股東批准期間內確認為負債。

3. 財務風險管理

3.1 財務風險因素

本集團經營活動面對各種財務風險，包括外匯風險、信貸風險、流動資金風險及現金流量利率風險。

管理層定期監控本集團之財務風險，並運用衍生金融工具對沖承受之若干外匯風險。由於本集團之財務結構及現行營運簡單，管理層毋須進行其他對沖活動。

(a) 外匯風險

本集團因不同貨幣(包括人民幣、歐元及新加坡元)兌港元而須承擔外匯風險。外匯風險源自日後進行之商業交易、已確認資產與負債以及於中國內地業務之投資淨額。

3. Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Foreign exchange risk (Cont'd)

To manage foreign exchange risk arising from certain future commercial transactions and recognised liabilities, the Group uses forward contracts transacted with external financial institutions to partially hedge against such foreign exchange risk.

In addition, the conversion of the Chinese Renminbi into foreign currencies is subject to the foreign exchange control rules and regulations promulgated by the Mainland China government.

(b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amount of the trade and bills receivable included in the balance sheets represents the Group's maximum exposure to credit risk in relation to its financial assets. Derivative counter parties and cash transactions are limited to high-credit-quality financial institutions.

(c) Liquidity risk

The Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements.

(d) Cash flow and fair value interest-rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. In previous years, the Group made use of the lower cost Hong Kong Dollar loan facilities to finance its Chinese Renminbi-denominated commitments in Mainland China.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 外匯風險(續)

為應付日後多項商業交易及已確認負債產生之外匯風險，本集團旗下各實體以遠期貨幣合約與外界金融機構進行交易以對沖部分外匯風險。

此外，將人民幣換算為外幣須受中國內地政府所頒佈之外匯管制規則及規例監管。

(b) 信貸風險

信貸風險並非本集團之主要風險。綜合資產負債表內貿易應收賬款及票據之賬面值乃本集團就其金融資產所須承受之最大信貸風險。衍生工具之另一方及現金交易僅限於信貸良好之財務機構。

(c) 流動資金風險

本集團確保其備有足夠之現金及信用額度，以應付其流動資金所需。

(d) 現金流及公平值利率風險

由於本集團並無重大之計息資產，故本集團之收入及經營現金流大致與市場利率變動無關。

本集團之利率風險乃由短期及長期借貸產生。浮息借貸令本集團承受現金流利率風險。於過往年度，本集團利用息率較低的港幣貸款額度以支付於國內的各項人民幣承擔。

3. Financial risk management (Cont'd)**3.2 Fair value estimation**

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of forward currency contracts is determined using forward exchange rates at the balance sheet date.

4. Critical accounting estimates and judgements

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives and it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in future periods.

3. 財務風險管理 (續)**3.2 公平值估算**

貿易應收及應付賬款之面值減去估計信貸調整後，乃假設與其公平值相若。遠期貨幣合約之公平值則使用結算日之遠期貨幣市場息率計算。

4. 重大會計估計及判斷

本公司經常檢查所採用之估計，有關檢查基於過往經驗及其他因素，包括根據情況合理預期發生之未來事件。

本集團對未來情況作出估計及假設。有關之會計估計甚少與實際結果一致。甚有可能導致須於下個財政年度內對資產及負債賬面值作出重大調整之估計及假設闡述如下：

(a) 物業、廠房及設備之可使用年期

本集團管理層釐定估計其物業、廠房及設備之可使用年期及有關折舊費用。此種估計乃以具相似性質或功能之物業、廠房及設備之過往實際可使用年限為基準，可因科技發展及競爭對手就業內週期所作出之行動而產生重大變化。管理層將於可使用年期少於以往估計可使用年期時增加折舊費用或撇銷或撇減任何已棄置或出售之技術過時或非策略性資產。本集團定期檢討折舊年期及殘值，故若兩者出現變動，可能影響日後期間之折舊費用。

4. Critical accounting estimates and judgements (Cont'd)

(b) **Impairment of property, plant and equipment, leasehold land and land use rights**

Property, plant and equipment, leasehold land and land use rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or market valuations. These calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the income statement.

4. 重大會計估計及判斷（續）

(b) **物業、廠房及設備、租賃土地與土地使用權之估計減值**

物業、廠房及設備、租賃土地與土地使用權，乃於有事件或情況變動顯示其賬面值可能不能收回時作減值檢討。物業、廠房及設備、租賃土地與土地使用權之可收回金額乃按其使用價值釐訂並考慮最近期市場資料及過往經驗。此等計算及估值須運用判斷及推算。於評估是否有資產減值時，以下情況尤其需要管理層運用判斷：(i)是否發生一宗事件顯示有關資產價值可能未能收回；(ii)資產之賬面值是否高於其可收回價值，即資產之公平值減銷售成本與根據於營運中持續使用該資產而估算之未來現金流之淨現值之較高者；及(iii)於準備現金流預測時所應用之合適假設包括該等現金流預測是否已採用合適利率貼現。於評估減值是否存在期間若改變管理層採納之假設，包括貼現利率或現金流預算增長率，可能對減值測試中使用之淨現值造成重大影響並因此影響集團之財務狀況及營運表現。假若預測表現及其相關未來現金流預測有重大不利改變時，可能需要於收益表計量減值費用。

4. Critical accounting estimates and judgements (Cont'd)

(c) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and variable selling expenses. These estimates are based on current market conditions and the historical experience of manufacturing and selling products of a similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to industry cycles. Management reassesses these estimates at each balance sheet date.

(d) Trade, bills and other receivables

The Group's management determines the provision for impairment of trade, bills and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of its customers and other debtors and current market conditions, and requires the use of judgements and estimates.

Management reassesses the provision at each balance sheet date.

(e) Income taxes

The Group is subject to income taxes in several jurisdictions. There are certain 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 current and deferred income tax provisions in the period in which such determination is made. Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates are changed.

4. 重大會計估計及判斷(續)

(c) 撇減存貨至可變現淨值

存貨可變現淨值指日常業務估計售價扣除估計銷售開支。有關估計根據現行市況及過往出售類似產品之經驗而作出。相關估計可能因客戶口味及競爭對手對抗行業激烈競爭所採取措施而出現重大變動。管理層於各結算日重新評估此等估計。

(d) 貿易應收賬款、票據及其他應收款項

本集團根據貿易應收賬款、票據及其他應收款項之估計可收回程度就該等應收款計提撥備。識別應收賬款及其他應收款項減值乃根據客戶及其他債權人過往信貸狀況以及目前市場狀況，同時需要作出判斷及估計。

於各結算日，管理層會重新評估此等撥備。

(e) 所得稅

本集團須繳納若干司法權區稅項。於日常業務過程中有頗多未能確定最終稅項之交易及計算。倘該等事宜之最終稅務結果與初步記錄之金額不同，有關差異將影響作出釐定之期間內之所得稅及遞延稅項撥備。倘管理層認為未來應課稅溢利可用作對銷暫時性差異或稅項虧損可予動用時，則會確認與若干暫時性差異有關之遞延稅項資產淨值及稅項虧損。倘預期結果預原先之估算不同，有關差異會對有關估算出現變動之期間內遞延稅項資產及稅項之確認構成影響。

4. Critical accounting estimates and judgements (Cont'd)

(f) Employee benefits-share-based payments

The determination of the fair value of share options granted requires estimates in determining, among other things, the expected volatility of the share price, the expected dividend yield, the risk-free interest rate for the life of the option, and the number of options that are expected to become exercisable as stated in Note 27. Where the outcome of the number of options that are exercisable is different, such difference will impact the income statement in the subsequent remaining vesting period of the relevant share options.

5. Segment information

(a) Sales for the year represent principally sales of goods.

(b) Primary reporting format — business segment

The Group is organised into the following main business segments: (i) Packaging materials, labels and paper products business, and (ii) Environmentally friendly products.

Segment assets consist primarily of property, plant and equipment, leasehold land and land use rights, inventories, receivables and operating cash. They exclude available-for-sale investments and taxation.

Segment liabilities comprise operating liabilities. They exclude taxation.

Capital expenditure comprises additions to leasehold land and land use rights and property, plant and equipment as set out in Notes 15 and 16, respectively.

Inter-segment sales are conducted on terms mutually agreed among group companies.

4. 重大會計估計及判斷(續)

(f) 僱員福利 — 以股份為基礎之付款

釐定授出購股權的公平值須於附註27所提及估計股價預期的波動幅度、估計所派付的股息、購股權行使期的無風險利率及預計可予行使的購股權數目等因素。倘實際可予行使的購股權數目有所偏差，其差額或會影響有關購股權在剩餘歸屬期間的收益表。

5. 分類資料

(a) 年內銷售主要來自貨物的銷售。

(b) 主要呈報形式 — 業務分類

本集團主要分為以下業務分類：(i)包裝材料、標籤及紙類製品及(ii)環保產品。

分類資產主要包括物業、廠房及設備、租賃土地及土地使用權、存貨、應收款及經營現金，不包括之項目為可供出售之投資及稅項。

分類負債主要包括經營負債，不包括稅項。

資本性開支包括購入租賃土地及土地使用權及物業、廠房及設備，詳見附註15及16。

各業務分類間的銷售均按集團內公司間協議之條款進行。

5. Segment information (Cont'd)

(b) Primary reporting format — business segment (Cont'd)

The segment results for the year ended 31st March, 2006 are as follows:

5. 分類資料(續)

(b) 主要呈報形式 — 業務分類(續)

二零零六年三月三十一日止年度之分類業績如下：

		2006		
		Packaging materials, labels and paper products 包裝材料、標籤及紙類製品 HK\$'000 千港元	Environmentally friendly products 環保產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Sales	銷售			
Total gross segment sales	分類銷售總額合計	865,547	72,322	937,869
Inter-segment	分類間銷售	(555)	(34,626)	(35,181)
		<u>864,992</u>	<u>37,696</u>	<u>902,688</u>
Operating results	經營溢利			
Segment results	分類業績	<u>72,962</u>	<u>5,032</u>	77,994
Unallocated expenses	未分配企業開支			(10,993)
Interest income	利息收入			635
Finance costs	融資成本			(14,024)
Income tax expense	所得稅開支			<u>(22,484)</u>
Profit for the year	年內應佔溢利			<u>31,128</u>

5. Segment information (Cont'd)

(b) Primary reporting format — business segment (Cont'd)

Other segment items included in the income statement for the year ended 31st March, 2006 are as follows:

		2006		
		Packaging materials, labels and paper products 包裝材料、標籤及紙類製品 HK\$'000 千港元	Environ-mentally friendly products 環保產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Depreciation and amortisation	折舊及攤銷	47,092	3,598	50,690
Reversal of impairment of receivables	應收款減值回撥	(4,640)	(1,655)	(6,295)
Write-down of inventories	滯銷存貨減值	1,000	—	1,000

Segment assets and liabilities as at 31st March, 2006 and capital expenditure for the year then ended are as follows:

5. 分類資料(續)

(b) 主要呈報形式 — 業務分類(續)

列入二零零六年三月三十一日止年度之收益表的其他分類項目如下：

		2006		
		Packaging materials, labels and paper products 包裝材料、標籤及紙類製品 HK\$'000 千港元	Environ-mentally friendly products 環保產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Depreciation and amortisation	折舊及攤銷	47,092	3,598	50,690
Reversal of impairment of receivables	應收款減值回撥	(4,640)	(1,655)	(6,295)
Write-down of inventories	滯銷存貨減值	1,000	—	1,000

截至二零零六年三月三十一日止年度之分類資產、負債及資本開支如下：

		2006		
		Packaging materials, labels and paper products 包裝材料、標籤及紙類製品 HK\$'000 千港元	Environ-mentally friendly products 環保產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment assets	分類資產	741,450	80,479	821,929
Unallocated assets	未分配資產			1,333
Total assets	總資產			823,262
Segment liabilities	分類負債	430,049	13,983	444,032
Unallocated liabilities	未分配負債			33,809
Total liabilities	總負債			477,841
Capital expenditure	資本開支	103,131	25,170	128,301

5. Segment information (Cont'd)

(b) Primary reporting format — business segment (Cont'd)

The segment results for the year ended 31st March, 2005 are as follows:

5. 分類資料(續)

(b) 主要呈報形式 — 業務分類(續)

二零零五年三月三十一日止年度之分類業績如下：

		2005		
		Packaging materials, labels and paper products 包裝材料、標籤及紙類製品 HK\$'000 千港元	Environmentally friendly products 環保產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Sales	銷售			
Total gross segment sales	分類銷售總額合計	793,895	79,103	872,998
Inter-segment	分類間銷售	(5,387)	(16,824)	(22,211)
		<u>788,508</u>	<u>62,279</u>	<u>850,787</u>
Operating results	經營溢利			
Segment results	分類業績	<u>88,502</u>	<u>8,847</u>	97,349
Unallocated expenses	未分配企業開支			(10,641)
Interest income	利息收入			226
Finance costs	融資成本			(6,224)
Income tax expense	所得稅開支			<u>(17,906)</u>
Profit for the year	年內應佔溢利			<u>62,804</u>

5. Segment information (Cont'd)

(b) Primary reporting format — business segment (Cont'd)

Other segment items included in the income statement for the year ended 31st March, 2005 are as follows:

		2005		
		Packaging materials, labels and paper products 包裝材料、標籤及紙類製品 HK\$'000 千港元	Environmentally friendly products 環保產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Depreciation and amortisation	折舊及攤銷	39,583	3,028	42,611
Impairment of receivables	應收款減值撥備	5,263	1,400	6,663
Write-down of inventories	滯銷存貨減值	100	—	100

The segment assets and liabilities as at 31st March, 2005 and capital expenditure for the year then ended are as follows:

		2005		
		Packaging materials, labels and paper products 包裝材料、標籤及紙類製品 HK\$'000 千港元	Environmentally friendly products 環保產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment assets	分類資產	621,980	69,550	691,530
Unallocated assets	未分配資產			5,597
Total assets	總資產			697,127
Segment liabilities	分類負債	318,762	19,305	338,067
Unallocated liabilities	未分配負債			32,229
Total liabilities	總負債			370,296
Capital expenditure	資本開支	93,495	6,858	100,353

5. 分類資料(續)

(b) 主要呈報形式 — 業務分類(續)

列入二零零五年三月三十一日止年度之收益表的其他分類項目如下：

截至二零零五年三月三十一日止年度之分類資產、負債及資本開支如下：

5. Segment information (Cont'd)

(c) Secondary reporting format — geographical segments

The Group primarily operates in Hong Kong, Mainland China and Singapore.

Analysis by geographical location is as follows:

5. 分類資料(續)

(c) 次要呈報形式 — 地區分類

本集團之主要營業地區為香港，中國大陸及新加坡。

按地區劃分之業績分析如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Results	業績		
Sales*	銷售*		
— Hong Kong and Mainland China	— 香港及中國大陸	386,080	364,691
— Singapore	— 新加坡	125,819	97,796
— United States of America	— 美國	291,947	312,521
— Others	— 其他	98,842	75,779
		902,688	850,787
Profit attributable to equity holders of the Company	年內本公司權益持有人應佔溢利		
— Hong Kong and Mainland China	— 香港及中國大陸	7,101	31,177
— Singapore	— 新加坡	3,266	8,580
— United States of America	— 美國	15,655	19,006
— Others	— 其他	5,106	4,041
		31,128	62,804
Assets	資產		
Hong Kong and Mainland China	香港及中國大陸	752,095	623,783
Singapore	新加坡	71,167	73,344
		823,262	697,127
Capital expenditure	資本開支		
Hong Kong and Mainland China	香港及中國大陸	128,253	89,759
Singapore	新加坡	48	10,594
		128,301	100,353

5. Segment information (Cont'd)**(c) Secondary reporting format — geographical segments (Cont'd)**

Note:

* Sales by geographical location is determined on the basis of the destination of shipments/deliveries of merchandise.

5. 分類資料(續)**(c) 次要呈報形式 — 地區分類(續)**

註：

* 以地區劃分之銷售，乃根據商品付運之目的地而決定。

6. Other gains — net**6. 其他收益淨額**

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Interest income from bank deposits	銀行存款利息收入	635	226
Net gain on long-term listed investments	長期投資之收益淨額	—	63
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益淨額	277	756
		<u>912</u>	<u>1,045</u>

7. Expenses by nature

Expenses included in cost of sales, selling and marketing costs and general and administrative expenses are analysed as follows:

7. 按性質劃分之開支

已列入銷售成本、銷售及分銷成本及一般及行政開支的分析如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Employment costs (including directors' emoluments) (Note 9)	職員成本(包括董事酬金)(附註9)	172,081	143,487
Operating lease rentals of premises charged by	租用物業營業契約之租金支付予		
— third parties	— 第三者	11,432	10,159
— related parties (Note 33)	— 關連人士(附註33)	58	47
(Reversal of)/Provision for impairment of receivables	應收賬款減值(回撥)/撥備	(6,295)	6,663
Write-down of inventories	滯銷存貨減值	1,000	100
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	2,752	534
Depreciation of other property, plant and equipment	其他物業、廠房及設備之折舊		
— owned assets	— 自置資產	43,894	34,066
— assets held under finance leases	— 以財務契約持有之資產	4,044	8,011
Net exchange losses	滙兌虧損淨額	1,332	1,733
Auditors' remuneration	核數師酬金	<u>1,499</u>	<u>1,515</u>

8. Finance costs

8. 融資成本

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Interest on bank loans wholly repayable within five years	須於五年內悉數償還之 貸款利息	13,230	5,444
Interest element of finance leases	財務契約之利息	794	780
		<u>14,024</u>	<u>6,224</u>

9. Employment costs (including directors' emoluments)

9. 職員成本(包括董事酬金)

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Salaries, wages and allowances	薪金、工資及津貼	148,782	122,544
Discretionary bonuses	自由決定之花紅	5,712	4,790
Other employee welfare and benefits	員工其他福利	7,739	7,275
Pension costs — defined contribution plans (i)	退休成本 — 界定供款 計劃(i)	9,020	7,747
Provision for long service payments	長期服務金之撥備	135	500
Share-based payments	股份支付酬金	693	631
		<u>172,081</u>	<u>143,487</u>

9. Employment costs (including directors' emoluments) (Cont'd)*Note:*

- (i) The Group has arranged for its Hong Kong employees to join the Hong Kong Mandatory Provident fund Schemes (the "MPF Scheme"), which is a defined contribution scheme managed by independent trustees. Under the MPF scheme, each of the Group (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Hong Kong Mandatory Provident Fund legislation. The monthly contributions of each of the employer and the employee are subject to a cap of HK\$1,000 and thereafter contributions are voluntary.

As stipulated by rules and regulations in Mainland China, group companies operating in Mainland China contribute to state-sponsored retirement plans for their employees. The employees contribute approximately 5% to 8% of their basic salaries, while the group companies contribute approximately 8% to 20% of the basic salaries of their employees and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

As stipulated by rules and regulations in Singapore, the group company operating in Singapore contributes to the Singapore Central Provident Fund, a statutory pension scheme. The group company and its employees contribute 20% and 13% of the basic salaries of the employees, respectively. The total of the employer's and employees' contributions are subject to a cap of monthly earnings of SGD4,500.

During the year ended 31st March, 2006, the aggregate amount of the Group's contributions to the aforementioned pension schemes was approximately HK\$9,020,000 (2005: HK\$7,747,000). As at 31st March, 2006, unutilised forfeited contributions available to reduce the Group's employer contributions payable in future periods amounted to approximately HK\$9,000 (2005: HK\$90,000).

9. 職員成本(包括董事酬金)(續)*附註：*

- (i) 本集團已為香港員工參加強制性公積金計劃(「強積金計劃」)，該計劃為界定供款並由獨立信託人管理，根據強積金計劃，本集團(僱主)及其僱員每月供款為僱員有關入息(按強制性公積金計劃條例之定義)之5%。而本集團及僱員供款每月之上限均各為1,000港元，超過上限的供款均為自願性供款。

根據中國大陸法規，本集團於中國大陸有業務之公司為其僱員設立一個界定供款並由國家資助的退休金計劃，員工之供款額為基本薪金約5%至8%，而本集團公司之供款額為該僱員基本薪金約8%至20%，而除年度供款外，該公司就實際的退休金付款或退休後福利而言，並不負任何責任。該個由國家資助的退休金計劃承擔對退休僱員的所有退休金責任。

根據新加坡法規，本集團於新加坡有業務之分公司需供款至一個名為中央公積金的法定退休金計劃，該公司及其僱員之供款額分別為該僱員基本薪金之20%及13%。僱主及僱員須供款之上限為每月收入4,500新加坡元。

截至二零零六年三月三十一日止年度內，本集團作出之上述退休金計劃供款約為9,020,000港元(二零零五年：7,747,000港元)。於二零零六年三月三十一日，可用作減低本集團將來供款之已註銷供款金額為約9,000港元(二零零五年：90,000港元)。

10. Directors' and senior executives' emoluments

(a) The remuneration of every Director for the year ended 31st March, 2006 is set out below:

10. 董事及高級行政人員酬金

(a) 二零零六年三月三十一日止年度各董事之酬金詳情如下：

Name of Director 董事姓名	Fees 袍金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 千港元	Discretionary bonuses 自由決定 之花紅 HK\$'000 千港元	Pension costs-defined contribution plans 退休金計劃 之僱主供款 HK\$'000 千港元	Share-based payments 股份支付 酬金 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Executive Directors 執行董事						
Mr. Lam Kwong Yu 林光如先生	138	2,940	325	61	—	3,464
Ms. Yeung Chui 楊翠女士	88	2,911	273	51	—	3,323
Mr. Tai Tzu Shi, Angus 戴祖璽先生	88	1,056	209	28	143	1,524
Mr. Cheung Chi Shing, Charles 張志成先生	88	1,307	289	35	143	1,862
Non-Executive Director 非執行董事						
Mr. Christopher James Williams Christopher James Williams 先生	260	—	—	—	—	260
Independent Non-Executive Directors 獨立非執行董事						
Mr. Chan Yue Kwong, Michael 陳裕光先生	260	—	—	—	—	260
Mr. Kwok Lam Kwong, Larry, JP 郭琳廣太平紳士	150	—	—	—	—	150
Mr. Tam King Ching, Kenny 譚競正先生	150	—	—	—	—	150
	<u>1,222</u>	<u>8,214</u>	<u>1,096</u>	<u>175</u>	<u>286</u>	<u>10,993</u>

10. Directors' and senior executives' emoluments (Cont'd)

The remuneration of every Director for the year ended 31st March, 2005 is set out below:

10. 董事及高級行政人員酬金（續）

二零零五年三月三十一日止年度各董事之酬金詳情如下：

Name of Director 董事姓名	Fees 袍金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 千港元	Discretionary bonuses 自由決定之花紅 HK\$'000 千港元	Pension costs—defined contribution plans	Share-based payments 股份支付酬金 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Executive Directors 執行董事						
Mr. Lam Kwong Yu 林光如先生	138	2,940	290	48	—	3,416
Ms. Yeung Chui 楊翠女士	88	2,895	253	41	—	3,277
Mr. Tai Tzu Shi, Angus 戴祖璽先生	88	1,056	168	22	150	1,484
Mr. Cheung Chi Shing, Charles 張志成先生	88	1,307	238	25	150	1,808
Non-Executive Director 非執行董事						
Mr. Christopher James Williams Christopher James Williams 先生	260	—	—	—	—	260
Independent Non-Executive Directors 獨立非執行董事						
Mr. Chan Yue Kwong, Michael 陳裕光先生	260	—	—	—	—	260
Mr. Kwok Lam Kwong, Larry, JP* 郭琳廣太平紳士*	68	—	—	—	—	68
Mr. Tam King Ching, Kenny* 譚競正先生*	68	—	—	—	—	68
	1,058	8,198	949	136	300	10,641

* Mr. Kwok Lam Kwong, Larry, JP and Mr. Tam King Ching, Kenny were appointed on 21st July, 2004.

* 郭琳廣太平紳士及譚競正先生於二零零四年七月二十一日獲委任。

The share-based payments represent charges to the income statement of the fair value of the share options under the share option scheme measured at the respective grant dates, regardless of whether the share options are or will be exercised or not.

無論購股權是否將會被行使，股份支付酬金為購股權根據購股權計劃，按不同授出日期以公平值於收益表中列作開支。

No director waived any emolument during the year.

年內概無董事免收任何酬金。

10. Directors' and senior executives' emoluments (Cont'd)

- (b) The five individuals whose emoluments were the highest in the Group for the year include four (2005: four) directors, whose emoluments are reflected in the analysis presented in Note 10(a) above. The emoluments paid/payable to the remaining individual were as follows:

Basic salaries and allowances	基本薪金及津貼
Discretionary bonuses	自由決定之花紅
Share-based payment	股份支付酬金

The emoluments of the remaining one (2005: one) individual fell within the following bands:

Nil — HK\$1,000,000	0至1,000,000港元
HK\$1,000,001 —	1,000,001港元至
HK\$1,500,000	1,500,000港元

- (c) No incentive payment for joining the Group or compensation for loss of office was paid or payable to any director or the five highest paid individuals during the year.

11. Income tax expense

The Company is exempted from taxation in Bermuda until 2016. Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit arising in or derived from Hong Kong. Overseas taxation has been provided by subsidiaries with operations in Singapore and Mainland China, based on their estimated assessable profits at the rates of taxation of 20% and 15% to 33%, respectively.

10. 董事及高級行政人員酬金(續)

- (b) 五位最高薪人士中，四位(二零零五年：四位)為本公司董事，其酬金已載於上述附註10(a)的分析中。已付／應付酬金給餘下人士如下：

2006 HK\$'000 千港元	2005 HK\$'000 千港元
1,020	595
184	110
18	12
<u>1,222</u>	<u>717</u>

餘下一位(二零零五年：一位)人員的酬金介乎下列範圍：

2006	2005
—	1
<u>1</u>	<u>—</u>

- (c) 年內概無向任何董事或最高薪之五位人士支付酬金作為邀請其加入本集團之獎金或作為其失去職位之賠償。

11. 所得稅開支

本公司由現時直至二零一六年為止獲豁免繳納百慕達稅項。香港利得稅已根據在香港賺取或源自香港之估計應課稅溢利，按17.5%(二零零五年：17.5%)之稅率作出撥備。海外稅項由經營新加坡及中國大陸業務之附屬公司就其估計應課稅溢利分別按20%及15%至33%之稅率作出撥備。

11. Income tax expense (Cont'd)

The amount of taxation charged to the consolidated income statement represents:

11. 所得稅開支(續)

於綜合收益表中扣除的稅項包括：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Current income tax expense	即期所得稅開支		
— Hong Kong profits tax	— 香港利得稅	17,573	12,735
— Overseas taxation	— 海外稅項	6,452	4,866
		<u>24,025</u>	<u>17,601</u>
Deferred taxation (Note 25)	遞延稅項(附註25)	(1,541)	305
		<u>22,484</u>	<u>17,906</u>

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the group companies as follows:

按本集團之除稅前溢利計算之稅項與採用本集團公司所在國家之加權平均稅率計算之理論金額有所差異，其對賬如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Profit before income tax	除稅前溢利	<u>53,612</u>	<u>80,710</u>
Tax calculated at domestic tax rate applicable to profits in the respective countries/places	按所在國家／地區之適用利得稅率計算之所得稅	8,917	13,028
Effect of	影響		
— income not subject to tax	— 無須課稅收入	(630)	(163)
— expenses not deductible for tax	— 不可扣稅支出	1,567	821
— deferred tax assets not recognised	— 未確認之遞延稅項資產	2,455	607
— utilisation of previously unrecognised deferred tax assets	— 使用以往未確認之遞延稅項資產	(988)	(1,547)
Additional provision in respect of prior years	過往年度撥備增加	<u>11,163</u>	<u>5,160</u>
Taxation charge	扣除之稅項	<u>22,484</u>	<u>17,906</u>

The weighted average applicable tax rate was 16.6% (2005: 16.1%).

加權平均適用稅率為16.6%(二零零五年：16.1%)。

11. Income tax expense (Cont'd)

The increase in effective tax rate is caused by a change in the profitability of the group companies in respective countries/places and additional provision in respect of prior years resulting from certain clarifications made by the Hong Kong Inland Revenue Department in 2006 in respect of the deductibility of expenses.

12. Profit attributable to shareholders

The consolidated profit attributable to shareholders includes a profit of HK\$544,000 (2005: a loss of HK\$631,000) dealt with in the financial statements of the Company.

13. Dividends

Interim dividends — HK\$0.015
(2005: HK\$0.015) per share

Proposed final dividends
— HK\$0.015
(2005: HK\$0.025) per share

中期股息 — 每股港幣
1.5仙 (二零零五年：
每股港幣1.5仙)

擬派末期股息 — 每股
港幣1.5仙 (二零零五年：
每股港幣2.5仙)

11. 所得稅開支 (續)

有效稅率之增加是由於本集團公司於所在國家／地區之溢利轉變及於二零零六年香港稅務局澄清若干支出可否扣稅而需為過往年度增加撥備。

12. 股東應佔溢利

股東應佔綜合溢利已包括本公司賬目內處理之溢利為544,000港元 (二零零五年：虧損631,000港元)。

13. 股息

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Interim dividends — HK\$0.015 (2005: HK\$0.015) per share	6,442	6,378
Proposed final dividends — HK\$0.015 (2005: HK\$0.025) per share	6,442	10,701
	12,884	17,079

A final dividend is proposed in respect of the year ended 31st March, 2006 of HK1.5 cent per share, amounting to a total dividend of approximately HK\$6,442,000, is to be proposed at the Company's Annual General Meeting to be held on 18th August 2006. These proposed dividends are not reflected as dividends payable in these financial statements, but will be reflected as an appropriation of distributable reserves during the year ended 31st March, 2006.

截至二零零六年三月三十一日止年度之擬派末期股息為每股1.5港仙，股息總額約為6,442,000港元，將於二零零六年八月十八日舉行之股東週年大會提呈審批，此等財務報表並無反映此應派股息，但將會列作截至二零零六年三月三十一日止年度可分派儲備之分配。

14. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		2006	2005
Profit attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔溢利 (千港元)	31,128	62,804
Weighted average number of ordinary shares in issue ('000)	已發行普通股加權平均數 (千股)	428,426	425,175
Basic earnings per share (HK cents)	每股基本盈利 (港仙)	7.27	14.77

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. The Company's only category of dilutive potential ordinary shares is share options. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

		2006	2005
Profit attributable to equity holders of the Company used to determine diluted earnings per share (HK\$'000)	釐定每股攤薄盈利所用之股權持有人應佔溢利 (千港元)	31,128	62,804
Weighted average number of ordinary shares in issue ('000)	已發行普通股加權平均數 (千股)	428,426	425,175
Adjustments for share options ('000)	購股權之調整 (千股)	467	1,136
Weighted average number of ordinary shares for diluted earnings per share ('000)	計算每股攤薄盈利所用普通股加權平均數 (千股)	428,893	426,311
Diluted earnings per share (HK cents)	每股攤薄盈利 (港仙)	7.26	14.73

14. 每股盈利

基本

每股基本盈利乃按年內本公司權益持有人應佔溢利除已發行普通股加權平均數計算。

	2006	2005
Profit attributable to equity holders of the Company (HK\$'000)	31,128	62,804
Weighted average number of ordinary shares in issue ('000)	428,426	425,175
Basic earnings per share (HK cents)	7.27	14.77

攤薄

每股攤薄盈利乃就假設所有具有攤薄潛力普通股獲轉換調整已發行普通股加權平均數計算。本公司唯一具攤薄潛力普通股為購股權。購股權乃按尚未行使購股權所附帶認購權之貨幣價值，可按公平值 (按本公司股份平均每日市價釐定) 收購之股份數目。上述計算之股份數目會與假設行使購股權而應已發行之股份數目比較。

	2006	2005
Profit attributable to equity holders of the Company used to determine diluted earnings per share (HK\$'000)	31,128	62,804
Weighted average number of ordinary shares in issue ('000)	428,426	425,175
Adjustments for share options ('000)	467	1,136
Weighted average number of ordinary shares for diluted earnings per share ('000)	428,893	426,311
Diluted earnings per share (HK cents)	7.26	14.73

15. Leasehold land and land use rights

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book amounts are analysed as follows:

15. 租賃土地及土地使用權

本集團於租賃土地及土地使用權的權益指預付經營租賃款項及其賬面淨值，分析如下：

		Consolidated	
		綜合	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
In Hong Kong held on:	於香港持有：		
Leases of between 10 to 50 years	介乎10至50年之租約	3,458	3,546
In Mainland China held on:	於中國大陸持有：		
Land use rights of between 10 to 50 years	介乎10年至50年之土地使用權	22,955	25,077
		26,413	28,623
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Beginning of the year	年初	28,623	18,717
Additions	添置	—	10,440
Amortisation	攤銷	(2,752)	(534)
Translation adjustments	滙兌調整	542	—
End of the year	年終	26,413	28,623

The 2005 comparative figures are stated after reflecting the adjustment described in Note 2.1(iii).

二零零五年比較數字已反映附註2.1(iii)所提及之調整。

Amortisation of prepaid operating lease payments of HK\$88,000 (2005: HK\$156,000) has been expensed in cost of sales, and HK\$2,664,000 (2005: HK\$378,000) has been expensed in general and administrative expenses.

預付經營租賃之攤銷88,000港元(二零零五年：156,000港元)已列作銷售成本開支，及2,664,000港元(二零零五年：378,000港元)已列作一般及行政開支。

At 31st March, 2006, leasehold land with a net book amount of approximately HK\$2,166,000 (2005: HK\$2,223,000) was mortgaged as collateral for the Group's banking facilities (Note 32).

於二零零六年三月三十一日，賬面淨值約2,166,000港元(二零零五年：2,223,000港元)之租賃土地用作本集團備用信貸之附屬抵押(附註32)。

16. Property, plant and equipment

16. 物業、廠房及設備

		Consolidated 綜合					Total 總計 HK\$'000 千港元
		Buildings 樓宇 HK\$'000 千港元	Machinery 機器 HK\$'000 千港元	Furniture and equipment 傢俬及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	
At 1st April, 2004	於二零零四年四月一日						
Cost	成本	85,985	405,872	33,404	11,417	2,215	538,893
Accumulated depreciation	累計折舊	(10,876)	(209,204)	(23,994)	(7,754)	—	(251,828)
Net book amount	賬面淨值	<u>75,109</u>	<u>196,668</u>	<u>9,410</u>	<u>3,663</u>	<u>2,215</u>	<u>287,065</u>
Year ended 31st March, 2005	截至二零零五年三月三十一日止年度						
Opening net book amount	年初賬面淨值	75,109	196,668	9,410	3,663	2,215	287,065
Additions	添置	—	66,616	2,311	1,128	19,858	89,913
Disposals	出售	(1,345)	(82)	(1)	(99)	—	(1,527)
Depreciation	折舊	(1,800)	(36,051)	(3,093)	(1,133)	—	(42,077)
Translation adjustments	滙兌調整	—	348	1	6	—	355
Closing net book amount	年終賬面淨值	<u>71,964</u>	<u>227,499</u>	<u>8,628</u>	<u>3,565</u>	<u>22,073</u>	<u>333,729</u>
At 31st March, 2005	於二零零五年三月三十一日						
Cost	成本	84,640	465,491	35,665	11,785	22,073	619,654
Accumulated depreciation	累計折舊	(12,676)	(237,992)	(27,037)	(8,220)	—	(285,925)
Net book amount	賬面淨值	<u>71,964</u>	<u>227,499</u>	<u>8,628</u>	<u>3,565</u>	<u>22,073</u>	<u>333,729</u>
Year ended 31st March, 2006	截至二零零六年三月三十一日止年度						
Opening net book amount	年初賬面淨值	71,964	227,499	8,628	3,565	22,073	333,729
Additions	添置	32,540	50,699	13,191	1,170	30,701	128,301
Depreciation	折舊	(3,237)	(39,023)	(4,444)	(1,234)	—	(47,938)
Disposals	出售	—	(23)	(7)	(8)	—	(38)
Translation adjustments	滙兌調整	981	2,721	144	30	974	4,850
Closing net book amount	年終賬面淨值	<u>102,248</u>	<u>241,873</u>	<u>17,512</u>	<u>3,523</u>	<u>53,748</u>	<u>418,904</u>
At 31st March, 2006	於二零零六年三月三十一日						
Cost	成本	118,271	519,471	49,063	12,939	53,748	753,492
Accumulated depreciation	累計折舊	(16,023)	(277,598)	(31,551)	(9,416)	—	(334,588)
Net book amount	賬面淨值	<u>102,248</u>	<u>241,873</u>	<u>17,512</u>	<u>3,523</u>	<u>53,748</u>	<u>418,904</u>

The 2005 comparative figures are stated after reflecting the adjustment described in Note 2.1(iii).

二零零五年比較數字已反映附註2.1(iii)所提及之調整。

16. Property, plant and equipment (Cont'd)

- (a) Depreciation expense recognised in the income statements is analysed as follows:

Cost of sales	銷售成本
Selling and marketing costs	銷售及分銷成本
General and administrative expenses	一般及行政開支

- (b) Construction in progress mainly represents factories and office buildings under construction in Mainland China.

At 31st March, 2006, buildings with a net book value of approximately HK\$2,094,000 (2005: HK\$3,978,000) were mortgaged as collateral for the Group's banking facilities (Note 32).

(c) **Finance leases**

Certain property, plant and equipment are held under finance leases. Details of these assets are:

16. 物業、廠房及設備(續)

- (a) 於收益表中確認之折舊開支，分析如下：

For the year ended 31st March 截至三月三十一日止年度	
2006 HK\$'000 千港元	2005 HK\$'000 千港元
44,577	40,241
317	130
3,044	1,706
47,938	42,077

- (b) 在建工程主要指在中國大陸興建中的廠房及辦公室樓宇。

於二零零六年三月三十一日，賬面淨值約2,094,000港元(二零零五年：3,978,000港元)之樓宇用作本集團備用信貸之附屬抵押(附註32)。

(c) **財務契約**

若干物業、廠房及設備乃按財務契約持有。有關資產之詳情如下：

		Consolidated 綜合		
		Machinery 機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本	38,323	1,173	39,496
Less: Accumulated depreciation	減：累計折舊	(11,319)	(494)	(11,813)
Net book value	賬面淨值	27,004	679	27,683
Depreciation for the year	本年度折舊	3,809	235	4,044

17. Available-for-sale investments/Long-term investments

17. 可供出售之投資／長期投資

		Consolidated	
		綜合	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Shares listed in Hong Kong, at cost	香港上市股份，按成本值	821	736
Adjustment to quoted market value	調整至市場價值	359	232
Quoted market value	市場價值	1,180	968

		Consolidated	
		綜合	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Beginning of the year	年初	968	905
Additions	增加	85	—
Revaluation surplus charged to equity (Note 28)	計入股本權益之估值盈餘(附註28)	127	—
Adjustment to quoted market value recognised in income statement	於收益表中確認之市場價值調整	—	63
End of the year	年終	1,180	968

18. Investments in subsidiaries

In the Company's balance sheet, investments in subsidiaries consisted of:

18. 於附屬公司之投資

在本公司資產負債表內，於附屬公司之投資包括：

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares	非上市股份	91,449	91,449
Due from subsidiaries	應收附屬公司款項	166,107	165,161
		257,556	256,610
Less: Accumulated impairment losses	減：累計減值撥備	(12,622)	(13,859)
		244,934	242,751

The outstanding balances with subsidiaries are unsecured, non-interest bearing and not repayable on demand.

附屬公司之尚未償還款項為無抵押，免息及無須即時償還。

18. Investments in subsidiaries (Cont'd)

Particulars of the principal subsidiaries as at 31st March, 2006 were:

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營業地點	Issued and fully paid share capital 已發行及繳足股本	Percentage of equity interest held 所佔股權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Starlite Cultural Communications Limited 星光文化傳播有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	Inactive 伺機作業
Starlite International Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	100%	—	Inactive 伺機作業
Starlite International (Holdings) Ltd.	British Virgin Islands 英屬維爾京群島	US\$2 2美元	100%	—	Investment holding 投資控股
Starlite Printers Holdings Cook Islands Limited	Cook Islands 科克群島	US\$200 200美元	100%	—	Investment holding 投資控股
Starlite Printers (Far East) Pte. Ltd.	Singapore 新加坡	S\$8,759,396 8,759,396 新加坡元	100%	—	Printing of packaging materials and production of paper products and investment holding 包裝材料印刷及紙品生產及投資控股
Starlite Printers (Malaysia) Sdn. Bhd.	Malaysia 馬來西亞	Rm1,000,000 1,000,000馬元	100%	—	Inactive 伺機作業
Everfar Holdings Limited	British Virgin Islands 英屬維爾京群島	US\$20,000 20,000美元	50%	50%	Investment holding 投資控股
Starlite Visual Communication Limited 星光視覺媒體有限公司	Hong Kong 香港	HK\$2,000,000 2,000,000港元	—	100%	Production and distribution of licensed products 生產及分銷特許經營產品

18. 於附屬公司之投資 (續)

於二零零六年三月三十一日，主要附屬公司資料如下：

18. Investments in subsidiaries (Cont'd)

18. 於附屬公司之投資(續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立 及營業地點	Issued and fully paid share capital 已發行及 繳足股本	Percentage of equity interest held 所佔股權 百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Star Union Limited 星盟有限公司	Hong Kong/ Mainland China 香港／中國大陸	HK\$2 2港元	—	100%	Property holding 持有物業
Starlite Consumer Products, Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100%	Investment holding 投資控股
Starlite Entertainment (Holdings) Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100%	Investment holding 投資控股
Starlite International Development Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100%	Procurement agency 採購代理服務
Starlite International Marketing Services Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100%	Procurement agency 採購代理服務
Starlite Label Company Limited 星光膠貼有限公司	Hong Kong 香港	HK\$950,000 ordinary 950,000港元 普通股	—	100%	Inactive 伺機作業
		HK\$50,000 non-voting deferred (ii) 50,000港元 無投票權 遞延股份(ii)	—	—	
Starlite Laser Graphics Limited 星華鐳射分色有限公司	Hong Kong 香港	HK\$3,230,000 ordinary 3,230,000港元 普通股	—	100%	Provision of design and colour separation services 提供設計及分色服務
		HK\$170,000 non-voting deferred (ii) 170,000港元 無投票權 遞延股份(ii)	—	—	

18. Investments in subsidiaries (Cont'd)

18. 於附屬公司之投資(續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立 及營業地點	Issued and fully paid share capital 已發行及 繳足股本	Percentage of equity interest held 所佔股權 百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Starlite Management Services Limited	Hong Kong 香港	HK\$200 200港元	—	100%	Provision of management services 提供管理服務
Starlite Packaging Technology Consultancy Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100%	Holding of trade and service marks 持有貿易及服務商標
Starlite Development (China) Limited 星光發展(中國)有限公司	Hong Kong 香港	HK\$200 200港元	—	100%	Trading of paper products 紙類製品貿易
Starlite Paper Products Limited 星輝紙品有限公司	Hong Kong/ Mainland China 香港/ 中國大陸	HK\$1,738,000 ordinary 1,738,000港元 普通股	—	100%	Production of paper products 紙品生產
		HK\$262,000 non-voting deferred (ii) 262,000港元 無投票權 遞延股份(ii)	—	—	
Starlite Printers Limited 星光印刷有限公司	Hong Kong 香港	HK\$2,700,000 ordinary 2,700,000港元 普通股	—	100%	Printing and trading of packaging materials 包裝材料印刷及貿易
		HK\$2,300,000 non-voting deferred (ii) 2,300,000港元 無投票權 遞延股份(ii)	—	—	
Starlite Printers HK Holdings (BVI) Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100%	Investment holding 投資控股

18. Investments in subsidiaries (Cont'd)

18. 於附屬公司之投資(續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立 及營業地點	Issued and fully paid share capital 已發行及 繳足股本	Percentage of equity interest held 所佔股權 百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Starlite Printers, Inc.	United States of America 美國	US\$1 1美元	—	100%	Inactive 伺機作業
Starlite Printers (China) Limited 星光印刷(中國) 有限公司	British Virgin Islands 英屬維爾京群島	US\$100 100美元	—	100%	Investment holding 投資控股
Starlite Printers (Shenzhen) Co., Ltd. (i) 星光印刷(深圳) 有限公司(i)	Mainland China 中國大陸	US\$8,000,000 8,000,000美元	—	100%	Printing of packaging materials and production of paper products 包裝材料印刷及 紙品生產
Starlite Printers (Suzhou) Co., Ltd. (i) 星光印刷(蘇州) 有限公司(i)	Mainland China 中國大陸	US\$15,000,000 15,000,000美元	—	100%	Printing of packaging materials and production of paper products 包裝材料印刷及 紙品生產
Starlite Productions Limited 星光創作有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	—	100%	Inactive 伺機作業
Starlite Productions (BVI) Limited	British Virgin Islands 英屬維爾京群島	US\$256,420 256,420美元	—	100%	Investment holding 投資控股
Starlite Productions (Holdings) Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100%	Investment holding 投資控股
Shenzhen Xiangguangmei Gifts Co., Ltd. (i) 深圳星光美精品 有限公司(i)	Mainland China 中國大陸	RMB4,200,000 4,200,000人民幣	—	90%	Inactive 伺機作業

18. Investments in subsidiaries (Cont'd)

18. 於附屬公司之投資(續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立 及營業地點	Issued and fully paid share capital 已發行及 繳足股本	Percentage of equity interest held 所佔股權 百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Guangzhou Starlite Environmental Friendly Center, Limited (i) 廣州星光環保中心 有限公司(i)	Mainland China 中國大陸	US\$6,000,000 6,000,000美元	—	100%	Production of environmentally friendly and other paper products 生產環保及其他紙類 產品
Greenworks International Limited 綠色工程國際有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Investment holding and trading of environmentally friendly and other paper products 投資控股及環保及 其他紙類產品貿易
Shaoguan Fortune Creative Industries Company Limited (i) 韶關科藝創意工業 有限公司(i)	Mainland China 中國大陸	US\$2,990,000 2,990,000美元	—	100%	Inactive 伺機作業
Starlite Enterprises (Shanghai) Inc. 港星商貿(上海)有限公司	Mainland China 中國大陸	—	—	100%	Inactive 伺機作業

Notes:

附註：

- (i) All subsidiaries incorporated in Mainland China, except for Guangzhou Starlite Environmental Friendly Center, Limited and Shenzhen Xiangguangmei Gifts Co., Ltd., are wholly foreign owned companies to be operated for 50 years up to 2042 to 2053. Guangzhou Starlite Environmental Friendly Center, Limited is a contractual joint venture established in Mainland China to be operated for 50 years up to 2044. Under the joint venture agreement, the joint venture partner is entitled to a pre-determined fee and is not entitled to share any profit or required to bear any loss of the joint venture. Shenzhen Xiangguangmei Gifts Co., Ltd. is an equity joint venture established in Mainland China to be operated for 20 years up to 2017.

- (i) 除廣州星光環保中心有限公司及深圳星光美精品有限公司外，在中國大陸成立之全部附屬公司均為外資全資擁有，經營年期為五十年，直至二零四二年至二零五三年止。廣州星光環保中心有限公司乃在中國大陸成立之合作經營企業，經營年期五十年，直至二零四四年為止。根據合營協議，合營夥伴可獲得一筆預定費用之款項，惟無權分佔合營企業之任何盈利或負擔任何虧損。深圳星光美精品有限公司乃在中國大陸成立之合資經營企業，經營年期二十年，直至二零一七年。

18. Investments in subsidiaries (Cont'd)

Notes: (Cont'd)

- (ii) The non-voting deferred shares are not owned by the Group. These shares have no voting rights, are not entitled to dividends unless the net profit of the relevant company exceeds HK\$50,000,000,000 and are not entitled to any distributions upon winding up unless a sum of HK\$50,000,000,000 has been distributed by the relevant company to the holders of its ordinary shares.

None of the subsidiaries had any loan capital in issue at any time during the year ended 31st March, 2006.

19. Inventories

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$699,549,000 (2005: HK\$629,484,000).

During the ended 31st March, 2006, the Group recorded a write-down of inventories of HK\$1,000,000 (2005: HK\$100,000), which was included in cost of sales.

The carrying amount of inventories that was pledged as security for trust receipts bank loan arrangements amounted to approximately HK\$13,234,000 (2005: HK\$6,109,000) as at 31st March, 2006 (see Note 32).

18. 於附屬公司之投資（續）

附註：（續）

- (ii) 此等無投票權遞延股份並非由本集團擁有。此等股份並無投票權，除非有關公司之純利超過50,000,000,000港元，否則持有人無權享有股息；而有關公司清盤時，亦無權享有任何分派，除非有關公司向普通股股東作出之分派達到50,000,000,000港元。

以上所有附屬公司於截至二零零六年三月三十一日止年度內任何時間均無已發行之借貸資本。

19. 存貨

Consolidated 綜合	
2006 HK\$'000 千港元	2005 HK\$'000 千港元
Raw materials	39,526
Work-in-progress	17,340
Finished goods	15,831
85,136	72,697

存貨成本合共699,549,000港元（二零零五年：629,484,000港元）確認為開支並列入銷售成本中。

於二零零六年三月三十一日止年度內，本集團錄得滯銷存貨撥備1,000,000港元（二零零五年：100,000港元），此撥備已列入銷售成本中。

於二零零六年三月三十一日，賬面值約為13,234,000港元（二零零五年：6,109,000港元）之存貨按信托收據銀行貸款安排作為抵押（見附註32）。

20. Trade and bills receivable

The Group grants to its customers credit terms generally ranging from 30 to 120 days.

The aging analysis of trade and bills receivable is as follows:

0 to 90 days	0至90天
91 to 180 days	91至180天
181 to 365 days	181至365天
Over 365 days	超過365天
Less: Provision for impairment of receivables	減：應收賬款呆壞賬撥備

The carrying amounts of trade and bills receivable approximate their fair values.

Other than Hong Kong dollars which is the Group's functional currency, trade and bills receivable is also denominated in US dollars, Renminbi and Singapore dollars.

There is no concentration of credit risk with respect to trade and bills receivable, as the Group has a large number of customers, internationally dispersed.

The Group has recognised a reversal of HK\$6,295,000 (2005: provision of HK\$6,663,000) for the impairment of its trade and bills receivable, which has been included in general and administrative expenses in the income statement.

20. 貿易應收賬款及票據

集團給予顧客信貸期限一般為30天至120天不等。

貿易應收賬款及票據之賬齡分析如下：

Consolidated	
綜合	
2006	2005
HK\$'000	HK\$'000
千港元	千港元
170,762	130,348
6,336	14,484
2,897	5,020
646	3,409
180,641	153,261
(3,888)	(11,597)
176,753	141,664

應收貿易賬款及票據的賬面值約相等於其公平值。

除港元(即本集團之功能貨幣)外，貿易應收賬款及票據亦以美元、人民幣及新加坡元結算。

由於本集團的客戶分散於不同國家，貿易應收賬款及票據並無信貸集中之風險。

本集團確認貿易應收賬款及票據減值回撥6,295,000港元(二零零五年：撥備6,663,000港元)，該回撥／撥備已列入收益表中之一般及行政開支。

21. Cash and cash equivalents/Pledged bank deposits

21. 現金及現金等值／已抵押銀行存款

		Consolidated 綜合		Company 公司	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Cash at bank and on hand	銀行存款及現金	76,958	79,926	71	407
Short-term bank deposits	短期銀行存款	12,854	—	—	—
Pledged bank deposits	已抵押銀行存款	—	12,306	—	—
		89,812	92,232	71	407

The effective interest rate on short-term bank deposits and pledged bank deposits was 2.90% per annum (2005: 0.32% per annum); these deposits have an average maturity of two months (2005: three months).

短期銀行存款及已抵押銀行存款之有效利率為年息2.90厘（二零零五年：年息0.32厘），此等存款平均到期日為兩個月（二零零五年：三個月）。

Cash and cash equivalents and pledged bank deposits were denominated in the following currencies:

現金及現金等值及已押銀行存款乃按以下貨幣列值：

		Consolidated 綜合		Company 公司	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Hong Kong Dollars	港元	20,268	43,739	71	407
Chinese Renminbi ("RMB")	人民幣	12,941	16,815	—	—
US Dollars	美元	15,786	17,988	—	—
Euro	歐元	26,948	437	—	—
Singapore Dollars	新加坡元	13,574	12,934	—	—
Others	其他	295	319	—	—
		89,812	92,232	71	407

The Group's cash and cash equivalents denominated in RMB are deposited with banks in Mainland China. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of Mainland China is subject to the foreign exchange control rules and regulations of foreign exchange control promulgated by the Mainland China Government.

本集團以人民幣列值之現金及現金等值均存放於中國大陸之銀行。將人民幣換算為外幣及滙出中國大陸須受中國內地政府所頒佈之外匯管制規則及規例監管。

21. Cash and cash equivalents/Pledged bank deposits (Cont'd)

Cash and bank overdrafts include the following for purposes of the cash flow statements:

21. 現金及現金等值／已抵押銀行存款 (續)

現金流量表中現金及銀行透支包括：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Cash and cash equivalents	現金及現金等值	89,812	79,926
Bank overdrafts	銀行透支	(505)	(1,742)
		<u>89,307</u>	<u>78,184</u>

22. Borrowings**22. 借貸**

		Consolidated 綜合	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Non-current	非即期		
Long-term bank loan	長期銀行貸款	<u>135,135</u>	<u>60,510</u>
Current	即期		
Current portion of long-term bank loans	長期銀行貸款，即期部份	59,100	38,935
Short-term bank loan	短期銀行貸款	46,824	45,101
Trust receipts import bank loans	信託收據進口銀行貸款	13,234	6,109
Bank overdrafts	銀行透支	<u>505</u>	<u>1,742</u>
		<u>119,663</u>	<u>91,887</u>
		<u>254,798</u>	<u>152,397</u>

The maturity of borrowings is as follows:

借貸之到期日如下：

		Consolidated 綜合	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Within 1 year	壹年內	119,663	91,887
Between 1 and 2 years	介乎壹至二年	59,100	25,850
Between 2 and 5 years	介乎二至五年	<u>76,035</u>	<u>34,660</u>
		<u>254,798</u>	<u>152,397</u>

22. Borrowings (Cont'd)

The carrying amounts of bank borrowings are denominated in the following currencies:

22. 借貸(續)

銀行借貸之賬面值乃按以下貨幣列值：

		Consolidated	
		綜合	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong Dollars	港元	217,387	107,171
Chinese Renminbi ("RMB")	人民幣	33,810	39,492
US Dollars	美元	3,228	1,886
Singapore Dollars	新加坡元	373	3,848
		254,798	152,397

The effective interest rates (per annum) at the balance sheet date were as follows:

於結算日之有效年利率如下：

		2006				2005			
		HK\$	RMB	US\$	S\$	HK\$	RMB	US\$	S\$
		港元	人民幣	美元	新加坡元	港元	人民幣	美元	新加坡元
Bank overdrafts	銀行透支	6.75%	—	—	7.25%	—	—	—	7.25%
Trust receipts import	信託收據進口								
bank loans	銀行貸款	6.16%	—	6.18%	—	4.50%	—	4.58%	—
Finance lease	財務契約	3.39%	—	—	5.83%	3.30%	—	—	3.25%
Short-term bank loan	短期銀行貸款	5.41%	5.70%	—	—	2.75%	5.31%	—	6.75%
Long-term bank loan	長期銀行貸款	5.24%	—	—	—	2.37%	—	—	—

The carrying amounts of all bank borrowings approximate their fair value.

借貸之賬面值與其公平值相若。

23. Finance lease obligations

23. 財務契約債務

		Consolidated 綜合	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Total minimum lease payments under finance leases	財務契約最低總還款：		
— not exceeding one year	— 不超過壹年	8,174	9,855
— more than one year and not exceeding two years	— 超過壹年但不超過兩年	2,631	5,976
— more than two years and not exceeding five years	— 超過兩年但不超過五年	2,767	545
		<u>13,572</u>	<u>16,376</u>
Less: Future finance charges	減：未來財務費用	(825)	(541)
		<u>12,747</u>	<u>15,835</u>
Analysed as —	分析如下：		
The present value of obligations under finance leases	財務契約債務的現值：		
— not exceeding one year	— 不超過壹年	7,655	9,455
— more than one year and not exceeding two years	— 超過壹年但不超過兩年	2,428	5,837
— more than two years and not exceeding five years	— 超過兩年但不超過五年	2,664	543
		<u>12,747</u>	<u>15,835</u>
Less: Amounts payable within one year included under current liabilities	減：列入流動負債之壹年內須償還款額	(7,655)	(9,455)
		<u>5,092</u>	<u>6,380</u>

24. Trade and bills payable

The aging analysis of trade and bills payable is as follows:

0 to 90 days	0至90天
91 to 180 days	91至180天
181 to 365 days	181至365天
Over 365 days	超過365天

24. 貿易應付賬款及票據

貿易應付賬款及票據賬齡分析如下：

Consolidated 綜合	
2006 HK\$'000 千港元	2005 HK\$'000 千港元
131,526	114,339
2,580	6,862
388	912
—	27
134,494	122,140

Other than Hong Kong Dollars which is the Group's functional currency, trade and bills payable is also denominated in US dollars, Renminbi, Japanese Yen, Singapore dollars and Euro.

除港元(即本集團之功能貨幣)外,貿易應付賬款及票據亦以美元、人民幣、日圓、新加坡元及歐元結算。

25. Deferred income tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against tax liabilities and when the deferred taxes relate to the same fiscal authority. The offset amounts are as follows:

25. 遞延所得稅

當有合法強制執行權利可將流動稅項資產與流動稅項負債互相抵銷,及遞延所得稅涉及同一財政機關,則遞延所得稅資產及負債即可互相抵銷。互相抵銷的款額如下:

Deferred tax liabilities to be settled after 12 months	將於12個月後償付的 遞延所得稅負債
--	-----------------------

Consolidated 綜合	
2006 HK\$'000 千港元	2005 HK\$'000 千港元
15,794	17,301

Movements in net deferred tax liabilities are as follows:

遞延稅項負債淨額之變動詳情如下：

Beginning of the year	年初
Deferred taxation (credited)/charged to income statement (Note 11)	於收益表(計入)/扣除之 遞延稅項(附註11)
Translation adjustment	滙兌調整
End of the year	年終

Consolidated 綜合	
2006 HK\$'000 千港元	2005 HK\$'000 千港元
17,301	16,948
(1,541)	305
34	48
15,794	17,301

25. Deferred income tax (Cont'd)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future profits is probable. The Group has not recognised deferred tax assets of approximately HK\$27,477,000 (2005: HK\$28,747,000), in respect of the tax effect of cumulative tax losses (subject to agreement by relevant tax authorities) amounting to HK\$5,991,000 (2005: HK\$5,520,000) that can be carried forward against future taxable income. Tax losses amounted to approximately HK\$24,553,000 (2005: HK\$22,494,000) will be expired up to 2011, while the remaining balance can be carried forward indefinitely.

The movement in deferred tax assets/(liabilities) prior to offsetting of balances within the same entity and same taxation jurisdiction is as follows:

Deferred tax assets:

		Tax losses 稅項虧損		Others 其他		Total 總計	
		2006	2005	2006	2005	2006	2005
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Beginning of the year	年初	—	—	1,856	1,356	1,856	1,356
Credited/(Charged) to income statement	於收益表中計入／(扣除)	258	—	(1,396)	496	(1,138)	496
Translation adjustment	滙兌調整	—	—	(2)	4	(2)	4
End of the year	年終	258	—	458	1,856	716	1,856

Deferred tax liabilities:

		Accelerated taxation depreciation 加速稅項折舊	
		2006	2005
		HK\$'000 千港元	HK\$'000 千港元
Beginning of the year	年初	19,157	18,304
(Credited)/Charged to income statement	於收益表中(計入)／扣除	(2,679)	801
Translation adjustment	滙兌調整	32	52
End of the year	年終	16,510	19,157

25. 遞延所得稅(續)

就承前結轉的稅項虧損列為遞延所得稅資產確認入賬，惟以有可能透過日後應課稅溢利將有關稅項優惠變現的數額為限。本集團並無確認遞延所得稅資產約27,477,000港元(二零零五年：28,747,000港元)，其中5,991,000港元之累計稅項虧損之稅項影響(二零零五年：5,520,000港元)可以結轉及抵銷日後的應課稅收入(須受有關稅務機構同意)。稅項虧損約共24,553,000港元(二零零五年：22,494,000港元)將於二零一一年屆滿，餘額可以無限期結轉。

遞延稅項資產／(負債)之變動(與同一實體及徵稅地區之結餘抵銷前)如下：

遞延稅項資產：

遞延稅項負債：

26. Share capital

26. 股本

		2006		2005	
		Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元
Authorised — Ordinary shares of HK\$0.1 each	法定股本 — 每股面值0.1港元 之普通股	1,000,000	100,000	1,000,000	100,000
Issued and fully paid — Ordinary shares of HK\$0.1 each:	已發行及繳足 — 每股面值0.1港元 之普通股				
Beginning of the year	年初	425,175	42,517	425,175	42,517
Issue of shares upon exercise of share options	因行使購股權而發行 之股份	4,301	430	—	—
End of the year	年終	429,476	42,947	425,175	42,517

During the year ended 31st March, 2006, certain employee share options were exercised to subscribe for 4,301,000 shares (2005 : Nil) in the Company at an aggregate consideration of approximately HK\$3,270,000 (2005 : Nil).

截至二零零六年三月三十一日止年度內僱員行使部份購股權認購4,301,000股(二零零五年：無)本公司股份，總代價約為3,270,000港元(二零零五年：無)。

27. Employee share options

Effective from September 2002, the Company has adopted a new employee share options scheme (the "New Share Options Scheme") to replace the old employee share options scheme adopted in 1993 (the "Old Share Options Scheme"). Under the New Share Options Scheme, the Company may grant options to employees (including executive directors of the Company) to subscribe for shares in the Company, subject to a maximum of 30% of the nominal value of the issued share capital of the Company from time to time excluding for this purpose any shares issued on the exercise of options. The exercise price will be determined by the Company's board of directors and shall be at least the highest of (i) the closing price of the Company's shares on the date of grant of the options, (ii) an average closing price of the Company's shares for the five trading days immediately preceding the date of grant of the options, and (iii) the nominal value of the Company's shares of HK\$0.1 each. All options granted under the Old Share Options Scheme will continue to be valid and exercisable in accordance with the rules of the Old Share Options Scheme.

27. 僱員購股權

自二零零二年九月起，本公司已採納新僱員購股權計劃(「新計劃」)用以代替一九九三年採納之舊僱員購股權計劃(「舊計劃」)。根據新計劃本公司可向員工(包括本公司之執行董事)授出購股權以認購本公司股份，而可發行之股份將最多為本公司不時已發行股份之30%，但不計算因行使購股權而發行之股份。認購價由董事局釐定，惟不可低於以下三項之最高者：(i)於授出日期本公司股份之收市價；(ii)本公司股份於緊接授出日期前五個營業日之股份平均收市價；及(iii)本公司股份之面值(即每股0.1港元)。根據舊計劃之條款，在終止舊計劃前授出之購股權仍繼續生效及可根據其條款繼續行使。

27. Employee share options (Cont'd)

Movements of employee share options during the year ended 31st March, 2006 were:

27. 僱員購股權(續)

截至二零零六年三月三十一日止年度內之僱員購股權變動如下：

Date of grant 授出日期	Exercise period 行使時間	Subscription price per share 每股認購價	Beginning of year 年初	Number of shares 股份數目			End of year 年終
				Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	
			'000 千股	'000 千股	'000 千股	'000 千股	'000 千股
Old Share Option Scheme							
舊購股權計劃							
10th September, 1997	11th March, 1998 to 9th September, 2007	HK\$0.69	4,214	—	(700)	—	3,514
一九九七年九月十日	一九九八年三月十一日至 二零零七年九月九日	0.69港元					
New Share Option Scheme							
新購股權計劃							
10th January, 2003	10th July, 2003 to 9th January, 2006	HK\$0.53	200	—	(80)	(120)	—
二零零三年一月十日	二零零三年七月十日至 二零零六年一月九日	0.53港元					
17th January, 2003	17th July, 2003 to 16th January, 2006	HK\$0.57	500	—	(500)	—	—
二零零三年一月十七日	二零零三年七月十七日至 二零零六年一月十六日	0.57港元					
6th February, 2004	6th August, 2004 to 5th February, 2007	HK\$0.93	4,200	—	(837)	—	3,363
二零零四年二月六日	二零零四年八月六日至 二零零七年二月五日	0.93港元					
19th February, 2004	19th August, 2004 to 18th February, 2007	HK\$1.07	6,900	—	—	—	6,900
二零零四年二月十九日	二零零四年八月十九日至 二零零七年二月十八日	1.07港元					
29th December, 2004	29th June, 2005 to 28th December, 2007	HK\$0.77	7,800	—	(2,184)	—	5,616
二零零四年十二月二十九日	二零零五年六月二十九日至 二零零七年十二月二十八日	0.77港元					
28th October, 2005	29th April, 2006 to 27th October, 2007	HK\$0.72	—	482	—	—	482
二零零五年十月二十八日	二零零六年四月二十九日至 二零零七年十月二十七日	0.72港元					
			23,814	482	(4,301)	(120)	19,875

27. Employee share options (Cont'd)

The weighted average fair value of options granted on 29th December, 2004 and not yet vested on 1st January, 2005 and options granted on 28th October 2005 determined using the Binomial Option Pricing Model was HK\$0.16 per share option, totalling approximately HK\$1,324,000, of which approximately HK\$631,000 and HK\$693,000 were charged to the income statement for the years ended 31st March, 2005 and 2006, respectively, as employment costs. The significant inputs into the model include the following data and assumptions:

Share price at the grant date	HK\$0.77
Exercise price	HK\$0.77/HK\$0.72
Expected volatility of the Company's share	40% per annum
Average option life	2.6 years
Expected dividend yield	5.5% per annum
Average risk-free interest rate	1.37% per annum
Early exercise assumption	Option holders will exercise their options when the share price is at least 190% of the exercise price.

The volatility rate of the share price of the Company was determined based on the movement of the share prices during the period from October 1995 to October 2005 and the volatility rates of selected comparators.

The Company considers that certain subjectivity and uncertainty might exist in the above value of options as such values are subject to a number of assumptions and given the limitations of the Binomial Model.

27. 僱員購股權(續)

就二零零四年十二月二十九日授出而同時於二零零五年一月一日尚未歸屬之購股權及於二零零五年十月二十八日授出之購股權而言，其公平值經二項式期權定價模型估算定為每股0.16港元，合共約1,324,000港元，其中約631,000港元及約693,000港元已分別於截至二零零五年三月三十一日止年度及截至二零零六年三月三十一日止年度之收益表內計入員工成本支銷。投進該模型之主要數據及假設包括：

授出當日之股份價格	0.77港元
認購價	0.77港元／0.72港元
預期股份波幅	年率40%
平均購股權年期	2.6年
預期股息派發率	年率5.5%
無風險年率	年率1.37%
提早認購假設	當股價達至最低為認購價之190%時會提早行使購股權

上述預期股價之波幅乃根據一九九五年十月至二零零五年十月期間之股份價格每日統計數字及若干可比較公司之分析為基礎。

由於以上計算包括若干假設及二項式期權定價模型存在一定限制，本公司認為上述購股權之公平值存在一定主觀性及不明朗性。

28. Reserves

Movements were:

28. 儲備

變動之詳情如下：

[illegible]

28. 儲備(續)

		Share premium	<div>Capital reserve</div>	<div>Share-based compensation reserve</div>	<div>Investment reserve</div>	<div>Cumulative translation adjustments</div>	<div>Retained profits</div>	<div>Total</div>
		股份溢價 HK\$'000 千港元	資本儲備 HK\$'000 千港元	酬金儲備 HK\$'000 千港元	投資儲備 HK\$'000 千港元	滙兌調整 累積 HK\$'000 千港元	保留溢利 HK\$'000 千港元	總額 HK\$'000 千港元
Company	公司							
As at 31st March, 2004	於二零零四年三月三十一日	100,968	520	—	—	—	54,981	156,469
Loss for the year	本年度虧損	—	—	—	—	—	(631)	(631)
Employee share option scheme	僱員購股權計劃							
— Value of employee services	— 僱員服務價值	—	—	631	—	—	—	631
Dividends paid	已付股息	—	—	—	—	—	(14,881)	(14,881)
As at 1st April, 2005, as restated	於二零零五年四月一日， 重列	100,968	520	631	—	—	39,469	141,588
Profit for the year	本年度溢利	—	—	—	—	—	544	544
Employee share options scheme	僱員購股權計劃							
— Value of employee services	— 僱員服務價值	—	—	693	—	—	—	693
— Issue of shares upon exercise of employee share options	— 行使僱員購股權而發行的股份	3,189	—	(349)	—	—	—	2,840
Dividends paid	已付股息	—	—	—	—	—	(17,141)	(17,141)
As at 31st March, 2006	於二零零六年三月三十一日	104,157	520	975	—	—	22,872	128,524
Representing:	代表：							
2006 dividend proposed	二零零六年擬派股息						6,442	
Others	其他						16,430	
							22,872	

29. Notes to the consolidated cash flow statement

29. 綜合現金流量表附註

(a) Reconciliation of cash generated from operations:

(a) 經營業務現金流入之對賬：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Profit before income tax	除稅前溢利	53,612	80,710
Interest income	利息收入	(635)	(226)
Interest expense	利息支出	14,024	6,224
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	47,938	42,077
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	2,752	534
Net gain on disposal of property, plant and equipment	出售固定資產之收益淨額	(277)	(756)
Gain on long-term investments	長期投資收益	—	(63)
Share-based payments	股份支付酬金	693	631
Operating cash flow before working capital changes	未計營運資金變動前經營現金流量	118,107	129,131
Increase in inventories	存貨增加	(12,439)	(13,283)
Increase in trade and bills receivable	貿易應收賬款及票據增加	(35,089)	(22,664)
Increase in prepayments and deposits	預付款項及按金增加	(2,405)	(4,812)
Increase in trade and bills payable	應付賬款及票據增加	12,354	35,180
Increase in accruals and other payables	應計負債及其他應付款增加	369	13,619
Net cash generated from operations	經營產生之現金淨額	80,897	137,171

(b) In the cash flow statement, proceeds from disposal of property, plant and equipment comprise:

(b) 於現金流量表內，出售物業、廠房及設備所得收入包括：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Net book amount	賬面淨值	38	1,527
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	277	756
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之收入	315	2,283

29. Notes to the consolidated cash flow statement (Cont'd)

- (c) Major non-cash transactions:
During the year ended 31st March, 2006, the Group financed its outstanding payable at 31st March, 2005 in respect of purchase of property, plant and equipment amounting to approximately HK\$7,255,000 (2005: HK\$707,000).

30. Commitments

(a) Capital commitments

Capital commitments, which were authorised and contracted for, were:

Land and buildings	土地及樓宇
Machinery	機器

(b) Operating lease commitments

As at 31st March, 2006, the Group had lease commitments under various non-cancellable operating lease agreements extending to October 2013. The total commitments payable are analysed as follows:

Amounts payable	償還期
— within one year	— 壹年以內
— between two years and five years	— 兩年至五年內
— over five years	— 五年以上

29. 綜合現金流量表附註(續)

- (c) 主要非現金交易：
於二零零六年三月三十一日止年度，本集團繳付於二零零五年三月三十一日有關添置物業、廠房及設備的其他應付款約共7,255,000港元(二零零五年：707,000港元)。

30. 承擔

(a) 資本承擔

已批准及已訂約資本承擔，其分析如下：

Consolidated 綜合	
2006 HK\$'000 千港元	2005 HK\$'000 千港元
1,507	7,633
14,576	55,835
16,083	63,468

(b) 營業契約承擔

本集團根據多份不可註銷之租用物業營業契約協議(期限至二零一三年十月)所承擔之款項分析如下：

Consolidated 綜合	
2006 HK\$'000 千港元	2005 HK\$'000 千港元
10,763	4,147
16,390	9,266
5,751	8,066
32,904	21,479

30. Commitments (Cont'd)**(c) Other commitments**

The total pre-determined fee payable to the joint venture partner of Guangzhou Starlite Environmental Friendly Center, Limited for 50 years up to 2044 amounted to approximately HK\$18,368,000 (2005: HK\$18,505,000) (see Note 18).

31. Contingent liabilities

As at 31st March, 2006, the Company had provided guarantees in respect of banking facilities of its subsidiaries amounting to approximately HK\$665,488,000 (2005: HK\$621,748,000). The facilities utilised by the subsidiaries as at 31st March, 2006 amounted to HK\$300,871,000 (2005: HK\$205,400,000).

32. Banking facilities and pledge of assets

As at 31st March, 2006, the Group had aggregate banking facilities of approximately HK\$636,996,000 (2005: HK\$606,374,000) for overdrafts, loans, trade financing and bank guarantees. Unused facilities as at the same date amounted to approximately HK\$316,731,000 (2005: HK\$375,953,000). These facilities were secured by:

- (i) mortgages over the Group's land and buildings with a net book value of approximately HK\$4,260,000 (2005: HK\$6,201,000) (Note 15 and Note 16(b));
- (ii) certain of the Group's inventories held under trust receipts bank loan arrangements (Note 19); and
- (iii) guarantees provided by the Company and certain of its subsidiaries.

30. 承擔 (續)**(c) 其他承擔**

需付廣州星光環保中心有限公司之合營夥伴預訂數額約共18,368,000港元(二零零五年: 18,505,000港元), 直至二零零四年, 合共五十年(見附註18)。

31. 或然負債

於二零零六年三月三十一日, 本公司就若干附屬公司所獲銀行融資而提供公司擔保約665,488,000港元(二零零五年: 621,748,000港元)。於二零零六年三月三十一日各附屬公司已動用之銀行信貸額約為300,871,000港元(二零零五年: 205,400,000港元)。

32. 銀行信貸額及資產抵押

於二零零六年三月三十一日, 本集團獲提供之透支、貸款及貿易融資及銀行承擔等銀行信貸總額約為636,996,000港元(二零零五年: 606,374,000港元)。於同日尚未動用之銀行信貸額約316,731,000港元(二零零五年: 375,953,000港元)。此等銀行信貸額之抵押如下:

- (i) 本集團土地及樓宇按揭, 其賬面淨值約為4,260,000港元(二零零五年: 6,201,000港元)(見附註15及16(b));
- (ii) 本集團按信託收據銀行貸款安排所持有之若干存貨(見附註19); 及
- (iii) 本公司及其若干附屬公司所作之擔保。

33. Related party transactions

During the year ended 31st March, 2006, the Group was approximately 50.90% owned by Best Grade Advisory Limited, a company incorporated in the British Virgin Islands. Best Grade Advisory Limited is owned by two discretionary trusts, the discretionary beneficiaries of which include Mr. Lam Kwong Yu and Ms. Yeung Chui, directors of the Company.

- (a) Particulars of significant transactions between the Group and a related party are summarised as follows:

Operating lease rentals charged by related parties:	支付營業契約租金予：
Megastar Enterprises Limited*	堯天企業有限公司*

* Megastar Enterprises Limited is beneficially owned by Ms. Yeung Chui, a director of the Company.

In the opinion of the Company's directors and the Group's management, the above transactions were carried out in the usual course of business and on normal commercial terms, and in accordance with the terms of the contract entered into by the Group and the related party.

(b) Key management compensation**33. 有關連人士之交易**

於二零零六年三月三十一日止年度 Best Grade Advisory Limited (於英屬維爾京群島註冊成立) 持有本公司 50.90% 權益。Best Grade Advisory Limited 由兩個信託持有。而該等全權信託之受益人包括本公司董事林光如先生及楊翠女士。

- (a) 本集團與有關連人士進行之重要交易詳情如下：

Consolidated 綜合	
2006 HK\$'000 千港元	2005 HK\$'000 千港元

58	47
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* 堯天企業有限公司由本公司董事楊翠女士實益擁有。

本公司董事會及本集團之管理層認為上述交易均按一般業務常規及一般商業條款，及按本集團與有關連人士簽訂合同之條款進行。

(b) 主要管理人員酬金償付

Consolidated 綜合	
2006 HK\$'000 千港元	2005 HK\$'000 千港元
Basic salaries and allowances	9,636
Discretionary bonuses	1,280
Pension costs — defined contribution plans	175
Share-based payments	304
	312
11,395	10,702

Basic salaries and allowances	基本薪金及津貼
Discretionary bonuses	自由決定之花紅
Pension costs — defined contribution plans	退休成本 — 界定供款計劃
Share-based payments	股份支付酬金