



Artfield Group Limited
雅域集團有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

The background features a large, semi-circular clock face with yellow tick marks. A yellow hand with a circular center is positioned at approximately the 10:10 position. Behind the clock, there are faint, stylized gears and a sun-like shape with rays, all in shades of green and yellow.

2007

ANNUAL REPORT 年報

Contents

目錄

Corporate Information 公司資料	2
Chairman's Statement 主席報告	4
Management Discussion and Analysis 管理層討論及分析	8
Biography of Directors and Senior Management 董事及高級管理人員簡歷	14
Corporate Governance Report 企業管治報告	19
Report of the Directors 董事會報告	25
Independent Auditor's Report 獨立核數師報告	31
Consolidated Income Statement 綜合收益表	35
Consolidated Balance Sheet 綜合資產負債表	37
Consolidated Statement of Changes in Equity 綜合權益變動表	39
Consolidated Cash Flow Statement 綜合現金流量表	40
Notes to Consolidated Financial Statements 綜合財務報告附註	43
Five Years Financial Summary 五年財務摘要	131

Corporate Information

公司資料

Board of Directors

Executive Directors

LEUNG Heung Ying, Alvin (*Managing Director*)
CHUNG Oi Ling, Stella

Independent Non-executive Directors

LO Ming Chi, Charles
LO Wah Wai
ORR Joseph Wai Shing
Wong Ngao San, Marcus

Audit Committee

LO Ming Chi, Charles (*Chairman*)
LO Wah Wai
ORR Joseph Wai Shing

Remuneration Committee

LO Ming Chi, Charles (*Chairman*)
LO Wah Wai
ORR Joseph Wai Shing

Qualified Accountant and Company Secretary

LAU King Pong FCCA, AHKICPA

Auditors

SHINEWING (HK) CPA Limited
Certified Public Accountants
16/F., United Centre,
95 Queensway, Hong Kong

Legal Adviser

Conyers Dill and Pearman
2901 One Exchange Square
8 Connaught Place
Central
Hong Kong

董事會

執行董事

梁享英 (*董事總經理*)
鍾愛玲

獨立非執行董事

勞明智
盧華威
柯偉聲
王傲山

審核委員會

勞明智 (*主席*)
盧華威
柯偉聲

薪酬委員會

勞明智 (*主席*)
盧華威
柯偉聲

合資格會計師兼公司秘書

劉景邦 FCCA, AHKICPA

核數師

信永中和(香港)會計師事務所有限公司
執業會計師
香港金鐘道95號
統一中心16樓

法律顧問

Conyers Dill and Pearman
香港
中環
康樂廣場8號
交易廣場1座2901室

Corporate Information

公司資料

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Wing Hang Bank, Limited

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business

Room 1507, 15th Floor,
Office Tower, Convention Plaza,
1 Harbour Road, Wanchai
Hong Kong

Principal Share Registrar and Transfer Office

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
Room 1803, Fook Lee Commercial Centre,
Town Place, 33 Lockhart Road,
Wanchai
Hong Kong

Hong Kong Stock Exchange Stock Code

1229

Website

<http://www.artfield.com.hk>

主要往來銀行

香港上海滙豐銀行有限公司
永亨銀行有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

總辦事處及主要營業地點

香港
灣仔港灣道1號
會議展覽中心辦公大樓
15樓1507室

股份過戶登記總處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Bermuda

香港股份過戶登記分處

聯合證券登記有限公司
香港
灣仔
駱克道33號中央廣場
福利商業中心1803室

香港聯合交易所 股份代號

1229

網站

<http://www.artfield.com.hk>

Chairman's Statement

主席報告

TO ALL SHAREHOLDERS

On behalf of the board of directors (the "Board") of Artfield Group Limited (the "Company"), I present herewith the audited consolidated final results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2007.

CHANGE OF CONTROLLING SHAREHOLDER AND MANAGEMENT

On 2 May 2007, Marigold Worldwide Group Limited ("Marigold"), Golden Glory Group Limited ("Golden Glory") and Mr. Liang Jin You, being 100% of the beneficial owner of Golden Glory, entered into a Sale and Purchase Agreement whereby Marigold agreed to purchase and Golden Glory agreed to sell 119,184,300 shares of the Company, representing approximately 39.14% of the entire issued share capital of the Company. The Sale and Purchase Agreement was completed on 2 May 2007 and Marigold has become the substantial shareholder of the Company since then.

Pursuant to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers, Marigold and parties acting in concert with it were required to make a mandatory conditional cash offer for all the issued shares of the Company other than those already owned by Marigold and parties acting in concert with it (the "Offer"). Since the Offer did not result in Marigold and parties acting in concert with it holding more than 50% of the voting rights of the Company, the Offer did not become unconditional and lapsed at 4:00 p.m. on 4 July 2007.

The Board announced on 13 June 2007 the appointment of Mr. Leung Heung Ying, Alvin as a Managing Director, Ms. Chung Oi Ling, Stella as an executive director and Mr. Wong Ngao San, Marcus as an independent non-executive director of the Company with effect from 14 June 2007. As a result of the change in controlling shareholder of the Company, Mr. Liang Jin You resigned as the executive director, Chairman, and Managing Director of the Company; Ms. Li Kwo Yuk resigned as executive director and Deputy Chairman of the Company; and each of Mr. Leung Kin Yau, Mr. Ou Jian Sheng and Mr. Deng Ju Neng resigned as executive director, all with effect immediately after the close of

致各位股東

本人謹代表雅域集團有限公司(「本公司」)董事會(「董事會」)欣然向各股東提呈本公司及其附屬公司(統稱「本集團」)截至二零零七年三月三十一日止年度經審核之綜合末期業績。

控股股東及管理人員變動

Marigold Worldwide Group Limited(「Marigold」)、Golden Glory Group Limited(「Golden Glory」)與Golden Glory之全資實益擁有人梁金友先生，於二零零七年五月二日訂立一項買賣協議，據此，Marigold同意購買而Golden Glory同意出售119,184,300股股份，約佔本公司全部已發行股份之39.14%，買賣協議於二零零七年五月二日完成後，Marigold便成為本公司之主要股東。

根據香港公司收購及合併守則第26.1條，Marigold及與其一致行動之人士，須就本公司所有已發行股份(已由Marigold及其一致行動之人士擁有者除外)提出強制有條件之現金收購建議(「建議」)。由於該建議未能令Marigold及與其一致行動之人士持有本公司半數以上之投票權，故有關建議並於二零零七年七月四日下午四時未能成為無條件，並告失效。

董事會於二零零七年六月十三日宣佈委任梁享英先生為本公司董事總經理、鍾愛玲女士為本公司執行董事及王傲山先生為本公司獨立非執行董事，自二零零七年六月十四日起生效。由於本公司之控股股東出現變動，梁金友先生已辭任本公司之執行董事、主席及董事總經理；李戈玉女士辭任本公司之執行董事及副主席；而梁健友先生、歐健生先生與鄧巨能先生亦分別辭任本公司之執行董事一職，所

Chairman's Statement

主席報告

the Offer on 4 July 2007. On 11 July 2007, the Company further announced the resignation of Mr. Chen Vee Yong Frederick and Mr. Lee Sang Yoon as executive directors of the Company with effect from 11 July 2007.

Notwithstanding the aforesaid, Mr. Liang Jin You, Ms. Li Kwo Yuk, Mr. Leung Kin Yau and Mr. Ou Jian Sheng remain as directors of the principal operating subsidiaries of the Company with a view to ensure the continuity of the management of the Group's existing businesses.

REVIEW OF OPERATION AND PROSPECT

During the year under review, the Group restructured its business activities with a view to streamline its businesses and diversify to other area. It included the following :

1. Disposal of the entire issued share capital of City Bright International Limited which engaged in the manufacturing and trading of lighting products in June 2006.
2. Disposal of the manufacturing and the electroplating operations and facilities of the Group involving Royal Success Enterprises Limited (mainly engaged in the manufacturing of wooden products); Artfield Industries (Shenzhen) Limited (mainly engaged in the manufacturing of clocks and other office related products) and Ultra Good Electroplating Limited (mainly engaged in the provision of electroplating services) in March 2007. The Group has entered into two Supply Agreements with Royal Success Enterprises Limited, Ultra Good Electroplating Limited and Artfield Industries (Shenzhen) Limited for an initial term of 2 years in order to maintain a steady source of supply of finished goods for its customers and for the Group to further develop supply chain in the future.

Following the aforesaid disposals, the Group's business operations mainly comprise of marketing and trading of clock, timepieces, gift and premium and other office related products and trading of metals. The Group owns 3 brand names "Wehrle", "KLIK" and "Artex" and established overseas sales networks in the UK, Germany and the USA.

有離職自二零零七年七月四日生效；二零零七年七月十一日，本公司再宣佈陳維雄先生與李相潤先生辭任本公司之執行董事，並於二零零七年七月十一日生效。

為了讓本集團現有業務之管理工作得以延續，梁金友先生、李戈玉女士、梁健友先生與歐健生先生仍留任為本公司主要營運附屬公司之董事。

業務回顧和前景

本集團於回顧年度期間重整業務，以期達致架構精簡，並將業務擴展至其他方面。措施如下：

1. 於二零零六年六月出售從事照明產品製造及貿易業務之邦暉國際有限公司全部已發行股本。
2. 於二零零七年三月出售本集團製造及電鍍業務和設施，當中涉及主要從事木製品製造業務之豐成企業有限公司、主要從事時鐘及其他辦公室相關產品製造業務之雅域實業(深圳)有限公司及主要從事提供電鍍服務之特佳電鍍有限公司。本集團已經與豐成企業有限公司、雅域實業(深圳)有限公司及特佳電鍍有限公司訂立了兩份初步為期兩年之供應協議，讓本集團繼續穩定地取得供應製成品之貨源，以滿足客戶之要求，以及為本集團日後進一步發展供應鏈作準備。

於上述之業務重組後，本集團之業務主要包括鐘錶、時計、禮品、贈品及其他辦公室相關產品之營銷及貿易，以及金屬貿易之業務。本集團現時擁有「Wehrle」、「KLIK」及「Artex」三個品牌，在英國、德國及美國亦有廣泛之海外銷售網絡。

Chairman's Statement

主席報告

3. In April 2006, the Group acquired the entire issued share capital of Matrix Software Inc. which engages in the marketing and development of online computer game. Details of the latest development of this company has been sent out in the section headed "Management Discussion and Analysis" of this report. In view of the substantial delay and uncertainty in timing in launching the online computer game since the acquisition of Matrix Software Inc., the Group currently does not intend to devote more resources into this online computer game business and is currently considering the business mix of the Group which would bring to the shareholders as a whole a respectable return to their investment.

As stated in the composite offer and response document in relation to the Offer dated 13 June 2007, a review will be conducted on the Group's financial position and operations and formulate a long-term strategy and plans for the Group to broaden and expand the scope of business of the Group. Apart from exploring new business opportunities, the Group will, in view of the flourishing capital market and for the purpose of opening up an immediate new source of income thus turning the Group to a profitable position in the near future, engage in trading of listed securities in the coming year. The Group will continue to stream-line and restructure its existing businesses as it sees fit and necessary and to strengthen its financial position and to diversify its businesses with a view to enhance the intrinsic value of the Company's shares.

3. 二零零六年四月，本集團收購Matrix Software Inc.，該公司經營及開發網上電腦遊戲業務，有關該公司之發展詳情已載於本報告之「管理層討論及分析」一章內。自收購Matrix後，鑑於網上電腦遊戲之推出時間嚴重延誤及無法肯定推出時間，本集團目前無意將更多資源投放於此業務上，並正考慮整合業務。本集團將致力為所有股東帶來更大回報。

正如二零零七年六月十三日有關收購建議文章所述，本集團將重新審視其財務狀況及營運，並擬定長期策略，計劃擴充本集團之業務範疇。除拓展新業務商機外，基於股票市場的興旺，本集團將於來年參與證券交易業務，希望該業務短期內成為本集團之直接收入來源。本集團將繼續精簡架構及重組現有業務，以改善其財務狀況，尋求業務多元化發展，藉此增加股東價值。

Chairman's Statement

主席報告

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 March 2007 (2006: Nil).

APPRECIATION

On behalf of all my fellow directors, I would like to express our greatest appreciation to the entire staff of the Group for their hard work and efforts. I would also like to extend our gratitude to the investors, business partners, and shareholders for their support and confidence in the Group over the past years. Thanks to our dedicated staff, the support of our shareholders and the trust of our partners, I am highly confident that the Group will continue to grow and create significant value to our shareholders. I look forward to sharing with you more positive developments in years to come.

By order of the Board

Leung Heung Ying, Alvin
Managing Director

Hong Kong, 27 July 2007

股息

董事會不建議就截至二零零七年三月三十一日止年度派付任何股息(二零零六年：無)。

致謝

本人謹代表各董事，衷心感謝全體員工對本集團所作出之貢獻及付出之努力，本人也藉此感謝本集團之投資者、業務夥伴及股東過去多年來一直支持本集團並對本集團有信心。本人深信本集團未來數年將繼續壯大發展，並為股東創造更高的價值。

承董事會命

梁享英
董事總經理

香港，二零零七年七月二十七日

Management Discussion and Analysis

管理層討論及分析

COMPETITIVE ADVANTAGE AND CORE COMPETENCE

The Group achieves its competitive advantage through the following core competences:

- (i) The Group is considered as one of the leading player in clocks industry by virtue of its more than 20 years of experiences in the manufacturing, marketing and trading of clock, timepieces, gift and premium and other office related products. The other businesses are complementary and conducive to the Group's core business. The Group owns 3 brand names "WEHREL", "KLIK" and "ARTEX" which have long history and good standing in international clocks market. The Group's listing status provides financial reliability and confidence to customers.
- (ii) Quality Control, Research and Development
The management of the Company places great emphasis on products quality and reliability by adopting strict quality controls standard, quality audit and endurance test for its products in order to fulfill the stringent requirements of its high-end customers.
- (iii) The Group has a strong in-house design, research and development team who are expertise in their chosen fields with dedication to serve its prestigious customers. The Group also enters into partnership with well-acclaimed overseas design houses for new products designs and development apart from the vast reservoir of its own brands designs.
- (iv) Sales and Marketing
The Group's sales and marketing activities operate in global arena with offices and presence in the USA, Germany, UK and the PRC. The presence attunes with the Group's niche marketing strategy and enables the Group to keep abreast with the market conditions and to develop new market segments.

BUSINESS REVIEW

It was stated in last year's annual report and in this year's interim report that the Group has encountered difficult operating environment with respect to its traditional manufacturing operations due to ever escalation of material costs, labour and overhead costs, persistent appreciation of Renminbi and increasingly stringent custom and regulatory controls of the PRC government towards importing of materials into, and exporting of products out of, the PRC, where the Group's manufacturing operations were based.

競爭優勢及核心能力

本集團憑藉下列核心能力獲得競爭優勢：

- (i) 本集團在時鐘、鐘錶、禮品、贈品及其他辦公室相關產品之生產、市場推廣及貿易方面擁有超過二十年之經驗，已被認定為時鐘業內的領導者之一。其他業務與本集團的核心業務相輔相成。本集團擁有「WEHREL」、「KLIK」及「ARTEX」三個在國際時鐘市場中歷史悠久且享負盛名的品牌。本集團之上市地位提供了可靠的財政背景及得到客戶信任。
- (ii) 品質控制、研究及開發
本公司管理層著重產品之質量及可靠性，因而制定了嚴格的產品品質控制標準、品質審查及耐用測試程序，以滿足高級貨品客戶之嚴謹要求。
- (iii) 本集團擁有強大的內部設計、研究及開發隊伍，他們均是在其有關範疇內之表表者，亦致力服務其尊貴客戶。本集團除本身擁有之龐大品牌設計外，亦與海外昭著之設計公司訂立了合作協議，設計及開發新產品。
- (iv) 銷售及市場推廣
本集團之市場銷售覆蓋全球，並於美國、德國、英國及中國設有辦事處。此設定配合本集團之特色市場策略，及確保本集團與市場環境並進及開發新市場類別。

業務回顧

去年之年報及本年度之中期報告均有詳述，本集團之傳統生產業務正面臨艱難的經營環境：原料成本上漲、勞工及生產成本急升，人民幣不斷升值，加上本集團生產基地所在之中國政府對原料和產品進出口的海關及監管限制日益收緊。

Management Discussion and Analysis

管理層討論及分析

During the year the Group reviewed its manufacturing operations, including looking into alternative source of products supply, with a view to reduce production costs so as to improve the competitiveness of the Group's products in the global market.

During the period under review, the Group took strategic steps to bring the above goals to reality by disposing of the manufacturing operation of the Lighting Products Division in June 2006, the original equipment manufacturing ("OEM") operations and facilities of the Clocks and Other Office Related Products Division as well as the entire operation of the Electroplating Services Division in March 2007.

After the aforesaid disposals, the Group's principal businesses mainly comprised of (i) Clocks and Other Office Related Products Division which will now engage primarily in the marketing and trading of clock, timepieces, gift and premium and other office related products; (ii) Lighting Products Division which will now engage in the trading of lighting products through its overseas offices; and (iii) Trading Division which engages primarily in the trading of metals.

FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$173,405,000 for the year ended 31 March 2007 (2006: HK\$221,135,000). It represents a reduction of approximately HK\$47,730,000 or 21.6% as compared with last year. Turnover for (i) clocks and other office related products decreased by approximately HK\$21,241,000 or 13.6% from that of last year; (ii) lighting products decreased by approximately HK\$11,969,000 or 58.4% from that of last year; (iii) trading of metals decreased by approximately HK\$10,542,000 or 35.6% from that of last year. Service fee from the discontinued operation of electroplating services decreased by approximately HK\$3,978,000 or 26.1% as compared with last year.

A loss of approximately HK\$124,795,000 (2006: approximately HK\$72,111,000) was recorded by the Company for the year ended 31 March 2007. This was mainly attributable to the allowance for bad and doubtful debts against a customer in the metal trading business of approximately HK\$30,386,000 and the write down of inventories of approximately HK\$27,648,000 as a result of the disposal of the manufacturing operations and the impairment loss recognised in respect of intangible asset of approximately HK\$46,440,000.

The performance of each of the Group's businesses for the year ended 31 March 2007 are set out below:

本集團於年內審閱其製造業務，其中包括物色其他產品供應之來源，藉此減省生產成本以提升本集團產品於環球市場之競爭力。

於回顧期間，本集團採取戰略步驟，透過於二零零六年六月出售照明產品業務之製造業務，以及於二零零七年三月出售原設備製造（「OEM」）業務及時鐘及其他辦公室相關產品之設施及電鍍服務業務之全部業務實現以上目標。

於進行上述出售後，本集團之主要業務主要包括(i)將主要從事鐘錶、時計、禮品及贈品及其他辦公室相關產品之市場推廣及買賣；(ii)照明產品業務將主要透過其海外辦公室從事照明產品之買賣；及(iii)貿易業務將主要買賣金屬。

財務回顧

於截至二零零七年三月三十一日止年度，本集團錄得營業額約173,405,000港元（二零零六年：221,135,000港元），此較去年減少約47,730,000港元或21.6%。(i)時鐘及其他辦公室相關產品之銷售營業額較去年減少約21,241,000港元或13.6%；(ii)照明產品較去年減少約11,969,000港元或58.4%；(iii)買賣金屬之銷售營業額較去年減少約10,542,000港元或35.6%及來自終止經營電鍍業務之服務費用較去年減少約3,978,000港元或26.1%。

截至二零零七年三月三十一日止年度本公司錄得約124,795,000港元之虧損（二零零六年：約72,111,000港元）。此虧損主要來自就金屬買賣業務一名客戶提供之呆壞賬撥備約30,386,000港元、因出售製造業務撇銷存貨約27,648,000港元以及就無形資產確認之減值虧損約46,440,000港元。

於截至二零零七年三月三十一日止年度，本集團各業務之表現載列如下：

Management Discussion and Analysis

管理層討論及分析

Clocks and Other Office Related Products

This Division achieved a turnover of approximately HK\$134,612,000 in the year under review, it represents a reduction of approximately HK\$21,241,000 or 13.6% as compared with the same period last year.

The gross profit margin of clocks and other office related products was seriously hampered by increase in cost of materials such as copper, aluminum and plastic resin used in the production of the Division's products, couple with the surging labour cost and the persistent appreciation of Renminbi during the year under review.

This Division reported a segment trading loss of approximately HK\$17,780,000 (included allowance for bad and doubtful debts in the amount of approximately HK\$497,000) for the year ended 31 March 2007. The segment trading result for last year was a trading loss of approximately HK\$20,072,000 (including allowance for bad and doubtful debts in the amount of approximately HK\$1,668,000).

Lighting Products

The Group has disposed the manufacturing operation of the Lighting Products Division in June 2006. The disposal resulted a gain from the disposal of subsidiaries approximately HK\$6,658,000. Following disposal of the manufacturing operation of the lighting products business, the Group carries on the lighting products business on trading basis mainly through its overseas offices.

The lighting products division reported a turnover of approximately HK\$8,519,000 and a segment trading loss of approximately HK\$1,166,000 in the year ended 31 March 2007 as compared with a turnover of approximately HK\$20,488,000 and a segment trading loss of approximately HK\$2,391,000 (included allowance for bad and doubtful debts in the amount of approximately HK\$31,000) in the same period last year.

Trading

The Trading Division mainly engages in trading of metal in the PRC market. During the year review, the business was inevitably affected by the PRC government's tightening of macro-economic policy. This Division reported a turnover of approximately HK\$19,037,000 and segment trading loss of approximately HK\$30,094,000 as compared with a turnover of approximately

時鐘及其他辦公室相關產品

本業務在回顧年度內錄得營業額約134,612,000港元，較去年同期減少約21,241,000港元或13.6%。

在回顧年度內，時鐘及其他辦公室相關產品之毛利率，因用作生產本業務產品之原料(例如銅、鋁及塑膠樹脂等)之成本上漲，加上勞工成本急升及人民幣不斷升值而受到嚴重損害。

本業務於截至二零零七年三月三十一日止年度錄得分類貿易虧損約17,780,000港元(包括呆壞賬撥備約497,000港元)。去年本分類之貿易業績為貿易虧損約20,072,000港元(包括呆壞賬撥備約1,668,000港元)。

照明產品

本集團於二零零六年六月出售照明產品業務之製造業務。此出售帶來約6,658,000港元之出售附屬公司收益。於出售照明產品之製造業務後，本集團繼續按貿易準則，透過其海外辦事處從事照明產品業務。

於截至二零零七年三月三十一日止年度，照明產品業務錄得約8,519,000港元之營業額及約1,166,000港元之分類貿易虧損，而去年同期則錄得約20,488,000港元之營業額及約2,391,000港元之分類貿易虧損(包括呆壞賬撥備約31,000港元)。

貿易

本業務主要從事中國市場金屬貿易。在回顧年度內，業務無可避免地受到中國政府收緊宏觀調控政策所影響。本業務錄得營業額為約19,037,000港元及分類貿易虧損為約30,094,000港元，去年則為營業額約29,579,000港元及分類貿易溢利363,000港元。年內分類貿易虧損包括就一名付款習慣較慢及

Management Discussion and Analysis

管理層討論及分析

HK\$29,579,000 and a segment trading profit of HK\$363,000 in last year. The segment trading loss for the year included allowance for bad and doubtful debts in the amount of approximately HK\$30,386,000 against a customer whose payment practice was slow and the repayment ability was in doubt. The Group will continue to take necessary measure, including taking legal action, for the recovery of the debts.

In the short run, the management looks upon the business as an important source of marketing intelligence to the Group's other businesses in the PRC market, the management does not expect this Division to make substantial contribution to the Group's bottom line in the near future.

INVESTMENT IN ONLINE COMPUTER GAMES

The Group acquired the entire issued share capital of Matrix Software Inc. in April 2006. Matrix Software Inc. engages in the marketing and development of online computer games, it owns an intellectual property right in the online computer game known as "Shanghai Storm" in the PRC, Hong Kong and Macau and it is an MMORPG (massively multiplayer online role-playing game) with a unique 3D game engine. The aforesaid acquisition resulted in creation of an intellectual property in the amount of HK\$46,440,000 and gave rise to a goodwill of HK\$3,960,000.

As stated in the composite offer and response document of the Company dated 13 June 2007, the new management of the Company will conduct a review on the existing businesses of the Group. It has come to the attention of the Board that there is a substantial procrastination in the development and testing, launching and commercialization of the online computer game. As disclosed in the Company's interim report for the six months ended 30 September 2006 dated 8 December 2006, the Open Beta was scheduled to be launched in January 2007 in Korea and February 2007 in the PRC and will be expected to be commercialized in June 2007. However, the Open Beta was subsequently delayed to the second quarter of 2007 in Korea and in July 2007 in the PRC and was scheduled to be commercialized in July 2007.

Notwithstanding the aforesaid, according to latest information currently available to the Board, the online computer game is still at the testing stage, which exact duration cannot be ascertained. Neither are the actual dates for Open Beta and commercialization of it in Korea can be predicted with reasonably accuracy at this stage needless to say in the PRC since the online computer game is originally developed in Korea and localization of it in the PRC

償還能力成疑之客戶提供約30,386,000港元之呆壞帳撥備金額。本集團將繼續實行所需措施(包括採取法律行動)以收回負債。

短期展望，管理層視本業務為推廣本集團在中國市場之其他業務之重要資訊來源。管理層並不期望本業務能在短期內對本集團之盈利作出重大貢獻。

投資網上電腦遊戲

本集團於二零零六年四月收購Matrix Software Inc.之全部已發行股本。Matrix Software Inc.從事網上電腦遊戲之市場推廣及開發，其於中國、香港及澳門擁有以「上海風暴」之名稱註冊之網上電腦遊戲之知識產權，並為擁有獨特3D遊戲引擎之MMORPG(大型多人網上角色扮演遊戲)。上述收購帶來一筆46,440,000港元的知識產權費用，以及3,960,000港元的商譽。

如本集團日期為二零零七年六月十三日之綜合收購及回應文件所述，本公司之新管理層將審閱本集團的現有業務。董事會留意到網上電腦遊戲的開發及測試、推出及商品化有重大延誤的現象。如本公司於二零零六年十二月八日刊發，截至二零零六年九月三十日止六個月的中期報告所披露，公測版定於二零零七年一月在韓國推出，於二零零七年二月在中國推出，並預計於二零零七年六月商品化。然而，公測版其後延至二零零七年第二季在韓國推出，二零零七年七月才在中國推出，並將於二零零七年七月商品化。

儘管上文所述，根據董事會得到的最新資料(確實的時間不能確定)，網上電腦遊戲仍處於測試階段。公測版推出的實際日子及於韓國商品化於本階級均不能準確預計，遑論預計於中國推出的時間。因為網上電腦遊戲起源於韓國，公測版要在中國本地化及作商業用途，首先要在韓國成功推出及商品化。該不能預計的重大延誤令本集團對網上電腦遊戲的

Management Discussion and Analysis

管理層討論及分析

for Open Beta and commercial use can only be done subsequent to a successful launch and commercialization of it in Korea. This unexpected substantial delay causes the Group to cast a serious doubt on the timing and certainty of the commercial viability of the online computer game and makes it impossible to assess the existing fair value of the relating intellectual property and goodwill when preparing the financial statement for the financial year ended 31 March 2007. After serious considerations and extensive discussions, a prudent approach is adopted whereby the intellectual property of and goodwill arising from the online computer game are written down.

PROSPECTS

The Group will endeavor to achieve a break-even in the clocks business in the coming year while it will conduct a review of the Group's financial position and operations and formulate a long-term strategy and plans for the Group to broaden and expand the scope of business and income stream of the Group. Apart from exploring new business opportunities, the Group will, in view of the flourishing capital market and for the purpose of opening up an immediate new source of income thus turning the Group to a profitable position in the near future, engage in trading of listed securities in the coming year. The Group will continue to streamline and restructure its existing businesses as it sees fit and necessary and to diversify its businesses with a view to enhance the intrinsic value of the Company's shares.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2007, the Group had total outstanding debts and finance lease obligations of approximately HK\$10,834,000 (2006: approximately HK\$33,575,000), of which approximately HK\$5,346,000 (2006: approximately HK\$24,314,000) was secured bank loans, approximately HK\$5,324,000 (2006: approximately HK\$11,416,000) was bank overdrafts, there was no unsecured other loan as at 31 March 2007 (2006: approximately HK\$567,000) and approximately HK\$452,000 (2006: approximately HK\$1,184,000) was obligations under finance leases. The amount repayable within one year accounted for 99.0% (2006: 98.3%) of the total borrowings as at 31 March 2007. The maturity profile of the Group's total borrowings as at 31 March 2007 is analysed as follows:

		2007 二零零七年	2006 二零零六年
Within one year	一年內	99.0	98.3%
In the second year	第二年內	0.9	1.2%
In the third to fifth years, inclusive	第三年至第五年內(包括首尾兩年)	0.1	0.5%
Total	合計	100%	100%

時間及商用的可行性存疑，及令本集團在編制截至二零零七年三月三十一日止年度的財務報表時不能評估有關知識產權及商譽之公平值。經過認真考慮及多番商議，決定採納審慎的方法處理網上電腦遊戲產生的知識產權及商譽。

前景

本集團將致力於來年令時鐘業務達致收支平衡，並將審視本集團之財務狀況及營運，並擬定長期策略及計劃以擴闊及擴充本集團之業務範疇及收入來源，除尋求新商機外，鑒於資本市場發展蓬勃及為了迅速開拓新的收入來源，令本集團於未來有利可圖，本集團將於來年從事買賣上市的證券。本集團將因應情況繼續精簡及重組現行的業務，並擴展業務，以增加本公司股份內在的價值。

流動資金及財務資源

於二零零七年三月三十一日，本集團之未償還貸款及融資租賃之承擔合共約10,834,000港元(二零零六年：約33,575,000港元)，其中擔保銀行貸款為約5,346,000港元(二零零六年：約24,314,000港元)，銀行透支為約5,324,000港元(二零零六年：約11,416,000港元)，於二零零七年三月三十一日概無無擔保其他貸款(二零零六年：約567,000港元)以及融資租賃之承擔為約452,000港元(二零零六年：約1,184,000港元)。於二零零七年三月三十一日，需於一年內償還的借貸佔總金額99.0%(二零零六年：98.3%)。本集團於二零零七年三月三十一日之總借貸之到期詳情分析如下：

Management Discussion and Analysis

管理層討論及分析

Our gearing ratio was at a healthy level of 0.2% (2006:0.4%). The computation is based on long-term borrowings of the Group divided by shareholder's equity as at 31 March 2007.

The Group's sound financial position will provide us with good financial capacity to either expand our existing operation or to diversify into other strategic growth business.

CHARGES ON GROUP'S ASSETS

Certain of the Group's leasehold land and buildings and investment properties were pledged to secure general banking facilities granted to the Group.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group is minimal so long as the Government of the Hong Kong Special Administrative Region's policy to peg the Hong Kong dollars with the US dollars remains unchanged.

TREASURY POLICIES

The Group generally finances its operation with internal generated resources and banking and credit facilities provided by banks in Hong Kong and the UK. All borrowings are denominated in Hong Kong dollars, the US dollars, and British pounds. Borrowing methods used by the Group mainly include trust receipt loans, overdrafts facilities, invoice financing and bank loans. The interest rates of most of these borrowings are fixed by reference to the Hong Kong Dollar Prime Rate or foreign currency's Trade Finance Rates.

CONTINGENT LIABILITIES

As at 31 March 2007, the Group did not have contingent liabilities (2006: nil).

EMPLOYEES

As at 31 March 2007, the Group had 114 employees (2006: 1,808) spreading among Hong Kong, the PRC, the US, Germany and the UK. Industrial relationship has been well maintained.

The Group has adopted an extensive training policy for its employees. It has also sponsored senior executives for higher education programs.

The Group has adopted a share option scheme whereby certain employees of the Group may be granted options to acquire shares of the Company.

本集團之負債比率現處於0.2% (二零零六年：0.4%)之穩健水平。負債比率之計算乃按本集團之長期借貸除以於二零零七年三月三十一日之股東權益。

本集團之財務狀況健全，具有充裕之財務能力以擴展現有業務，並於具策略性增長之業務作多元化發展。

集團資產抵押

本集團若干租約土地及樓宇及投資物業已作抵押，以致本集團獲得若干銀行貸款。

外匯風險

本集團主要以美元及港元賺取收益及支付費用。鑑於香港特別行政區政府仍然實施港元與美元掛鈎之政策，故此本集團之外匯風險不變。

庫存政策

本集團一般透過內部資金與香港及英國銀行給予之銀行融資及信貸融資提供其業務運作所需資金。所有借貸主要以港元、美元及英鎊為結算單位。本集團採用之借貸方法主要包括信託收據貸款、透支融資、發票融資及銀行貸款。上述貸款之利息大部份參照港元最優惠利率或外幣貿易財務利率而釐定，以固定息率計算。

或然負債

於二零零七年三月三十一日，本集團並無或然負債 (二零零六年：無)。

僱員

於二零零七年三月三十一日，本集團共有員工114名 (二零零六年：1,808名) 分佈於香港、中國、美國、德國及英國各地。本集團與員工一直保持良好關係。

本集團已採用一套完備的員工培訓政策，並贊助高級行政人員進修高級教育課程。

本集團已採納一項購股權計劃，本集團部分員工可享有購股權以認購本公司之股份。

Biography of Directors and Senior Management

董事及高級管理人員簡歷

Executive Directors

Mr. LEUNG Heung Ying, Alvin, aged 44, is the Managing Director of the Company. Mr. Leung was appointed as a Managing Director of the Company on 14 June 2007. He was graduated from the University of Bradford, United Kingdom with a Bachelor Degree. He received a Master Degree from London School of Economics and Political Science of University of London, United Kingdom and a Bachelor Degree in Chinese Laws from the Peking University, the PRC. He is a fellow member of the Institute of Chartered Accountant in England Wales and Hong Kong Institute of Certified Public Accountants (“HKICPA”). Currently, he is a Standing Committee Member of Political Consultative Committee of Wu Hua county of Guangdong Province and is an arbitrator of China International Economic And Trade Arbitration Commission. Since 2006, Mr. Leung has been appointed by the Government of Hong Kong Special Administrative Region as a member of Energy Advisory Committee and Public Affairs Forum, respectively. In respect of the professional side, he is a council member of Hong Kong Securities Professionals Association and has served in various committees of HKICPA.

With more than fifteen years of extensive experience in securities and corporate finance, Mr. Leung has participated in a number of international initial public offers (including B shares and H shares) as well as mergers and acquisitions exercises. He worked for the Listing Division of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), Jardine Fleming Securities Limited (now known as JPMorgan Chase) and was the Head of Corporate Finance of Industrial and Commercial Bank of China (Asia) Limited as well as an executive director of Kingston Corporate Finance Limited. Mr. Leung was a non-executive director of Mexan Limited, which is listed on the Stock Exchange, from January 2005 to October 2005.

He does not have any relationship with any director or senior management of the Company.

Ms. CHUNG Oi Ling, Stella, aged 45, is an executive director of the Company. Ms. Chung was appointed on 14 June 2007. She obtained a Bachelor Degree in Accounting and Banking from Chu Hai College, Hong Kong. She has more than 15 years of extensive experience in administration, personnel and sales & marketing. She does not have any relationship with any director or senior management of the Company.

執行董事

梁享英先生，44歲，為本公司之董事總經理。梁先生於二零零七年六月十四日獲委任為本公司之董事總經理。彼畢業於英國百拉福大學，獲授學士學位。彼持有英國倫敦大學倫敦經濟及政治學院頒授之碩士學位，並持有中國北京大學之中國法律學士學位。彼為英格蘭及威爾斯特許會計師公會及香港會計師公會（「香港會計師公會」）之資深會員。目前，彼為廣東省五華縣政協常務委員及中國國際經濟貿易仲裁委員會仲裁員。自二零零六年以來，梁先生分別獲香港特別行政區政府委任為能源諮詢委員會及公共事務論壇成員。專業能力方面，彼現為香港證券學會理事，並曾於香港會計師公會之多個委員會任職。

梁先生在證券及企業融資方面擁有逾十五年豐富經驗，曾參與多項國際首次公開招股（包括B股及H股）及併購活動。彼曾任職於香港聯合交易所有限公司（「聯交所」）上市科及怡富證券有限公司（現稱為摩根大通），並擔任中國工商銀行（亞洲）有限公司企業融資部主管及金利豐財務顧問有限公司之執行董事。梁先生於二零零五年一月至二零零五年十月期間，出任聯交所上市之茂盛控股有限公司非執行董事。

彼與本公司任何董事或高級管理人員概無任何關係。

鍾愛玲女士，45歲，為本公司之執行董事。鍾女士於二零零七年六月十四日獲委任。彼持有香港珠海書院會計及銀行學士學位。彼於行政、人事以及銷售及市場推廣方面擁有逾十五年豐富經驗。彼與本公司任何董事或高級管理人員概無任何關係。

Biography of Directors and Senior Management

董事及高級管理人員簡歷

Independent Non-executive Directors

Mr. LO Ming Chi, Charles, aged 57, JP, is an independent non-executive director of the Company. Mr. Lo was appointed in August 1998. Mr. Lo is a Certified Practising Accountants in Australia and is an associate member of the Financial Services Institute of Australia. He is a director of New Century Group Hong Kong Limited, chairman and director of Xin Corporation Limited. He is also an independent non-executive director of Tak Sing Alliance Holding Limited and Hembly International Holdings Limited and an independent non-executive director of Cash Retail Management Group Limited (formerly known as Pricerite Group Limited) from 3 November 2003 to 16 November 2006 and Freeman Corporation Limited from 23 September 2004 to 21 August 2006. All of which are listed on the Stock Exchange. He has over 29 years' experience in financial and investment services in Australia, Hong Kong and other Asian countries. He does not have any relationship with any director or senior management of the Company.

Mr. LO Wah Wai, aged 43, was appointed on 16 September 1998 as an executive director of the Company. He was redesignated as a non-executive director of the Company on 15 May 2001. He was re-designated as an independent non-executive director of the Company on 30 September 2004. He holds a bachelor's degree in business administration from the Chinese University of Hong Kong, and a master's degree in science from New Jersey Institute of Technology, the United States. He is a practising member of the Hong Kong Institute of Certified Public Accountants and a member of the Amercian Institute of Certified Public Accountants and the Senior International Finance Manager. Prior to joining the Group in 1998, he worked and held senior positions in both an international accounting firm and an investment bank where he accumulated extensive experience in statutory accounting, corporate finance and strategic investment. He is currently the Chairman and an executive director of BM Intelligence International Limited, a company listed on the Growth Enterprise Market of the Stock Exchange. He is also the independent non-executive director of China Investment Fund Company Limited and Sino-Tech International Holdings Limited (formerly known as Semtech International Holdings Limited), both companies are listed on the main board of the Stock Exchange. He does not have any relationship with any director or senior management of the Company.

獨立非執行董事

勞明智先生，57歲，太平紳士，為本公司之獨立非執行董事。勞先生於一九九八年八月獲委任。勞先生為澳洲執業會計師公會及澳洲證券學會會員。彼為新世紀集團香港有限公司董事、新創綜合企業有限公司主席兼董事。彼亦為達成集團有限公司及恒寶利國際控股有限公司獨立非執行董事，並由二零零三年十一月三日至二零零六年十一月十六日期間為時惠環球控股有限公司（前稱為實惠集團有限公司），而於二零零四年九月二十三日至二零零六年八月二十一日為民豐控股有限公司之獨立非執行董事，該等公司均於聯交所上市。彼在澳洲、香港及其他亞洲國家之金融服務擁有超過二十九年經驗。彼與本公司任何董事或高級管理人員概無任何關係。

盧華威先生，43歲，於一九九八年九月十六日獲委任為本公司之執行董事及於二零零一年五月十五日重新任命為本公司之非執行董事，於二零零四年九月三十日重新任命為本公司之獨立非執行董事。彼持有香港中文大學工商管理學士學位，及美國新澤科技學院 (New Jersey Institute of Technology) 理學碩士學位。彼為香港會計師公會之執業會員及美國時許會議會計師公會會員，並為高級國際財務管理師。於一九九八年加入本集團之前，彼曾於國際知名之會計師事務所及投資銀行擔任高級職位，並在會計、企業財務及策略性投資方面累積了豐富經驗。彼現為邦盟滙駿國際有限公司之主席兼執行董事，該公司乃於聯交所創業板上市。彼亦為中國投資基金有限公司及泰豐國際集團有限公司（前稱為先科國際集團有限公司）之獨立非執行董事，上述公司均為於聯交所主板上市之公司。彼與本公司任何董事或高級管理人員概無任何關係。

Biography of Directors and Senior Management

董事及高級管理人員簡歷

Mr. ORR Joseph Wai Shing, aged 47, is an independent non-executive director of the Company appointed on 30 September 2004.

He is the Vice President of NHT Global in Asia Pacific responsible for strategic planning and development. In the past 20 years, he worked for multinational companies including Time Warner, Baker & McKenzie, EDAW and Hyatt International as well as professional firm KPMG. He is a Certified Public Accountant in Washington, USA and a member of the Hong Kong Institute of Certified Public Accountants, American Institute of Certified Public Accountants and CPA Australia.

He received an MBA from Kellogg School of Management, Northwestern University and the Hong Kong University of Science and Technology, a Master of Arts Degree in International Business and International Financial Management from the University of Reading and a Bachelor of Arts (Hons) degree in Accounting and Finance from Middlesex University and a Professional Diploma in PRC corporate tax and auditing from Zhongshan University. He does not have any relationship with any director or senior management of the Company.

Mr. WONG Ngao San, Marcus, aged 29, is an independent non-executive director of the Company. Mr. Wong was appointed on 14 June 2007. He is a Registered Financial Planner and Certified Financial Consultant. Having more than 10 years' of experiences in Insurance and Wealth Management, he currently serves as a District Director and Registered Financial Planner of American International Assurance Co. (Bermuda) Limited. Mr. Wong has been a director of Yan Oi Tong Since 2004. He does not have any relationship with any director or senior management of the Company.

Senior Management

Mr. LIANG Jin You, aged 49, is the executive director of Artfield Company Limited ("ACL") and Artfield Manufacturing Company Limited ("AMCL"), the wholly-owned subsidiaries of the Company and the major operating companies with respect to clocks and metal trading businesses of the Group. Mr. Liang joined the Group in 1998 and he oversees the clocks and trading businesses of the Group. He has over 24 years' experience in industrial management, trading business and real estate business in Hong Kong and the PRC. He is a brother of Mr. LEUNG Kin Yau and the spouse of Ms. LI Kwo Yuk.

柯偉聲先生，47歲，為本公司之獨立非執行董事。彼於二零零四年九月三十日獲委任。

彼現時為NHT Global亞太地區副總裁，負責策略規劃及發展。過去二十年，彼曾在多間跨國公司工作，包括Time Warner、Baker & McKenzie、EDAW and Hyatt International以及專業機構畢馬威。彼為美國華盛頓執業會計師和香港會計師公會、美國執業會計師公會會員及澳洲註冊會計師。

彼持有美國西北大學凱洛格管理學院及香港科技大學工商管理學碩士、英國雷丁大學國際貿易和財務管理學碩士及英國密德薩斯大學會計和財務學榮譽學士及中國中山大學企業法、稅法及會計法專業文憑。彼與本公司任何董事或高級管理人員概無任何關係。

王傲山先生，29歲，為本公司之獨立非執行董事。王先生於二零零七年六月十四日獲委任。彼為註冊財務策劃師及認可財務顧問。彼於保險及理財方面擁有逾十年經驗，現任美國友邦保險(百慕達)有限公司區域總監及註冊財務策劃師。自二零零四年以來，王先生一直擔任仁愛堂之董事。彼與本公司任何董事或高級管理人員概無任何關係。

高級管理人員

梁金友先生，49歲，為本公司全資附屬公司兼本集團時鐘及金屬貿易業務之主要營運公司Artfield Company Limited (「ACL」)及雅域實業有限公司(「雅域實業有限公司」)之執行董事。梁先生於一九九八年加入本集團，負責統籌本集團之時鐘及貿易業務。彼於中、港兩地之工業管理、貿易及房地產業務等方面有超過二十四年經驗。彼為梁健友先生之胞兄及李戈玉女士之配偶。

Biography of Directors and Senior Management

董事及高級管理人員簡歷

Ms. LI Kwo Yuk, aged 44, is the executive director of ACL and AMCL, the wholly-owned subsidiaries of the Company and the major operating companies with respect to clocks and metal trading businesses of the Group. Ms. Li joined the Group in 2000 and she oversees the purchasing, personnel and administration departments of the Group's clocks and metal trading businesses. She has over 21 years' experience in accounting, trading and administration. She is the spouse of Mr. LIANG Jin You.

Mr. LEUNG Kin Yau, aged 42, is an executive director of ACL and AMCL, the wholly-owned subsidiaries of the Company and the major operating companies with respect to clocks trading business of the Group. He joined the Group in 1998. He has over 17 years' experience in the trading of industrial materials and consumer products in Hong Kong and the PRC. He was appointed as the President in marketing of 德力時鐘(深圳)有限公司南海分公司 to oversee the marketing strategies and development of the Group's clocks business in the PRC. He is a younger brother of Mr. LIANG Jin You.

Mr. OU Jian Sheng, aged 43, is an executive director of AMCL. He joined the Group in 1999 and he is responsible for the overall marketing and development of the Group's clocks business. He has a bachelor's degree in mechanical design and is a qualified mechanical engineer. He was employed in 廣州電器科學研究所 (Guangzhou Electrical Appliance Science Research Centre) of 中國機械工業部(the Mechanical Engineering Industrial Department) and was the factory director of 廣東佛山電風扇總廠(Guangdong Foshan Electrical Fan General Factory). He is the brother-in-law of Ms. LI Kwo Yuk.

李戈玉女士，44歲，為本公司全資附屬公司兼本集團時鐘及金屬貿易業務之主要營運公司ACL及雅域實業有限公司之執行董事。李女士於二零零零年加入本集團，負責監控本集團時鐘貿易業務之採購部與人事及行政部之運作。彼在會計、貿易及行政方面有超過二十一年經驗。彼為梁金友先生之配偶。

梁健友先生，42歲，為本公司全資附屬公司兼本集團時鐘及金屬貿易業務之主要營運公司ACL及雅域實業有限公司之執行董事。梁先生於一九九八年加入本集團。彼於中、港兩地買賣工業原料及零售產品方面有超過十七年經驗。彼獲委任為德力時鐘(深圳)有限公司南海分公司之市場部總監，負責監督本集團中國時鐘業務之市場策劃及發展。彼為梁金友先生之胞弟。

歐健生先生，43歲，為雅域實業有限公司之執行董事。彼於一九九九年加入本集團，負責本集團時鐘業務之整體市場推廣及發展。彼持有機械設計學位及機械工程師之資格。彼曾任職於中國機械工業部轄下之廣州電器科學研究所，並曾任職於廣東佛山電風扇總廠，出任廠長。彼為李戈玉女士之妹夫。

Biography of Directors and Senior Management

董事及高級管理人員簡歷

Mr. LAU King Pong, aged 54, is the Company Secretary of the Company and the Financial Controller of the Group since November 2004. Mr. Lau has over 21 years' experience in accounting and financial control from a variety of businesses and has worked in senior management position with a large multinational conglomerate and public listed companies, including a reputable local banking institution. He has extensive experience in companies set-up, taxes planning, financial management, treasury operations and management information systems development. Mr. Lau is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He does not have any relationship with any director or senior management of the Company.

Mr. Wong Wai Kong, aged 47, is the President in Marketing of AMCL, a wholly owned subsidiary of the Company since May 2006. He is responsible for the sales, marketing and products development of AMCL. He has more than 15 years of top level marketing management experience in various industries. Before joining the group he held senior positions in several companies in Hong Kong including Greater China Investment Company Limited and A-World Group. He graduated from the University of Hong Kong with a Bachelor degree in Economics and Management. He does not have any relationship with any director or senior management of the Company.

Mr. Graeme Blair Christie, aged 58, joined the Group in May 2006 as Regional Sales and Marketing President, Europe. He is responsible for all of the Group's business and operations in Europe and the management of Ferdinand International (Marketing) Limited, a wholly owned subsidiary of the Company in the United Kingdom and Wehrle Uhrenfabrik GmbH, a wholly owned subsidiary of the Company in Germany. He has worked in the clock industry for more than 16 years, including responsibility for Europe for General Time, then the world's largest clock company. He has an Honours Degree from St. Andrews University and is a Member of the Institute of Marketing. He does not have any relationship with any director or senior manager of the Company.

劉景邦先生，54歲，自二零零四年十一月起擔任本公司之公司秘書及本集團之財務總監。劉先生在多個行業之會計及財務管理方面積逾二十一年經驗，曾於一間大型跨國企業及多間上市公司，包括一間本地知名的銀行機構出任高級管理職務。彼於籌組公司、稅務策劃、財務管理、庫務運作及資訊管理系統發展等方面累積深厚資歷。劉先生為英國特許會計師公會資深會員及香港會計師公會會員。彼與本公司任何董事或高級管理人員概無任何關係。

黃惠江先生，47歲，自二零零六年五月起擔任本公司全資擁有附屬公司雅域實業有限公司之市場部總裁。彼負責雅域實業有限公司之銷售，市場推擴及產品發展工作，彼擁有逾十五年於各行業高級市場管理經驗。於加入本集團前，彼於數間香港公司出任高職包括大中華投資有限公司及世聯集團。彼畢業於香港大學獲取經濟及管理學士學位。彼與本公司任何董事或高級管理人員概無任何關係。

Graeme Blair Christie先生，58歲，於二零零六年五月加入集團為歐洲區域銷售及市場部總裁。彼負責集團於歐洲方面業務及管理本公司於英國之全資擁有附屬公司，Ferdinand International (Marketing) Limited和於德國之全資擁有附屬公司，Wehrle Uhrenfabrik GmbH。彼於時鐘行業超過十六年之工作經驗，包括負責當時世界最大之時鐘公司GeneralTime之歐洲業務。彼擁有St. Andrews University之榮譽學士學位為市場學學會之會員。彼與本公司任何董事或高級管理人員概無任何關係。

Corporate Governance Report

企業管治報告

Commitment to Corporate Governance

The Company is committed to maintain statutory and regulatory standards and adherence to the principles of corporate governance emphasizing on transparency, independence, accountability, responsibility and fairness.

The Company has applied the principles of the Code provisions under the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) throughout the year ended 31 March 2007 (“the year under review”), save for the deviations from Code Provision A.1.1, A.2.1 and A.4.1 as disclosed below.

The Board

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. It should act in the best interest of the Company and its shareholders at all times. The Board sets strategies for the Company and monitors the performance and activities of the senior management.

The Board currently comprises two executive directors and four independent non-executive directors. The brief biographical details of the directors and relationship among them are set out in the section headed “Biography of Directors and Senior Management” of this report. The executive directors of the Company are responsible for the day to day operations of the Company whereas the independent non-executive directors of the Company are responsible for ensuring a high standard of financial and management reporting to the Board and shareholders as well as to provide a balanced composition in the Board so that there is a strong independent element on the Board.

企業管治承諾

本公司致力保持法定及法規標準，並緊守強調透明、獨立、問責、負責任及公允之企業管治原則。

本公司於截至二零零七年三月三十一日止年度（「回顧年度」）一直應用聯交所證券上市規則（「上市規則」）附錄十四所載企業管治守則之守則條文之原則，惟如下文所述偏離守則條文第A.1.1條、A.2.1條及A.4.1條之行為除外。

董事會

董事會負責領導及控制本公司並透過督導及監管本公司事務而令本公司取得佳績。董事會應一直以本公司及其股東最佳利益之方式行事。董事會為本公司制定策略及監察高級管理層之表現及活動。

董事會目前由兩名執行董事及四名獨立非執行董事組成。有關董事之履歷簡介及彼等之間之關係載於本報告「董事及高級管理人員簡歷」一節。執行董事負責本公司之日常運作；獨立非執行董事負責確保向董事會及股東作出之財務及管理報告屬高標準，並使董事會之組成得以平衡，使董事會具有高度獨立性。

Corporate Governance Report

企業管治報告

For the sake of flexibility, the Board holds meeting whenever necessary. During the year under review, the Board held eleven meetings which exceeded the minimum number of board meetings required under Code provision A.1.1., the attendance records of individual directors are as follows:

董事會於有需要時舉行會議以維持靈活性。於回顧年度內，董事會曾舉行十一次會議，數目超過守則條文第A.1.1條文所規定的最低董事會會議數目，個別董事之出席紀錄如下：

Name of Directors	Number of meetings attended	董事名稱	出席會議次數
Executive Directors:		執行董事：	
LEUNG Heung Ying, Alvin (Managing Director) (appointed on 14 June 2007)	—	梁享英 (董事總經理) (於二零零七年六月十四日獲委任)	—
CHUNG Oi Ling, Stella (appointed on 14 June 2007)	—	鍾愛玲 (於二零零七年六月十四日獲委任)	—
LIANG Jin You (Former Chairman and former Managing Director) (resigned on 4 July 2007)	11/11	梁金友 (前主席兼董事總經理) (於二零零七年七月四日辭任)	11/11
LI Kwo Yuk (resigned on 4 July 2007)	11/11	李戈玉 (於二零零七年七月四日辭任)	11/11
LEUNG Kin Yau (resigned on 4 July 2007)	6/11	梁健友 (於二零零七年七月四日辭任)	6/11
OU Jian Sheng (resigned on 4 July 2007)	9/11	歐健生 (於二零零七年七月四日辭任)	9/11
DENG Ju Neng (resigned on 4 July 2007)	8/11	鄧巨能 (於二零零七年七月四日辭任)	8/11
CHEN Vee Yong, Frederick (resigned on 11 July 2007)	4/11	陳維雄 (於二零零七年七月十一日辭任)	4/11
LEE Sang Yoon (appointed on 27 June 2006 and resigned on 11 July 2007)	4/11	李相潤 (於二零零六年六月二十七日獲委任 及於二零零七年七月十一日辭任)	4/11
Independent Non-executive Directors:		獨立非執行董事：	
LO Ming Chi, Charles	7/11	勞明智	7/11
LO Wah Wai	4/11	盧華威	4/11
ORR Joseph Wai Shing	6/11	柯偉聲	6/11
WONG Ngao San, Marcus (appointed on 14 June 2007)	—	王傲山 (於二零零七年六月十四日獲委任)	—

Directors who are considered having conflict of interest or material interests in the proposed transactions or issues to be discussed, would not be counted in the quorum of meeting and would abstain from voting on the relevant resolution.

於建議交易或將予討論事項中被視為存在利益衝突或重大利益之董事不會計算入會議之法定人數，彼等亦會就有關決議案放棄投票。

Corporate Governance Report

企業管治報告

All directors of the Company have access to the Company Secretary who attended all the scheduled Board meetings and is responsible for ensuring that the Board procedures are being complied with, and advising the Board on compliance matters.

Each of the independent non-executive directors of the Company has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that all the independent non-executive directors of the Company are independent in accordance with the Listing Rules.

Code Provision A.4.1 specifies that non-executive directors should be appointed for a specific term, subject to re-election.

The independent non-executive directors of the Company were not appointed for specific terms but were subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's by-laws.

Directors' Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Save for Messrs. CHEN Vee Yong, Frederick and LEE Sang Yoon, who are past executive directors and have not given their confirmations, all the directors of the Company during the year under review, namely Mr. LIANG Jin You, Ms. LI Kwo Yu, Mr. LEUNG Kin Yau, Mr. OU Jian Sheng, Mr. DENG Ju Neng, Mr. LO Ming Chi, Charles, Mr. LO Wah Wai and Mr. ORR Joseph Wai Shing, have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2007.

Chairman and Chief Executive Officer

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. During the year under review the Company did not have any officer with CEO title. Mr. Liang Jin You was the Chairman and Managing Director of the Company and also carried out the responsibility of CEO during such period. In view of the size of operation of the Group, the Board considered that this structure is more suitable for the Company as it can promote the efficient formulation and implementation of the Company's strategies.

本公司全體董事均可接觸出席公司秘書，公司秘書出席所有擬定之董事會會議及負責確保已遵守董事會程序，及就合規事宜向董事會提供意見。

本公司各獨立非執行董事已根據上市規則第3.13條而發出年度獨立確認書。董事會認為本公司所有獨立非執行董事具根據上市規則所指之獨立性。

守則條文A.4.1訂明非執行董事須按指定任期委任，惟可膺選連任。

本公司之獨立非執行董事並非按指定任期委任，惟須根據本公司細則之條文於本公司之股東大會上輪席退任及膺選連任。

董事證券交易

本公司已採納上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」）作為董事進行證券交易之操守守則。除陳維雄先生及李相潤先生為過往之執行董事且並無作出確認外，本公司年內全體董事（即梁金友先生、李戈玉女士、梁健友先生、歐健生先生及鄧巨能先生、勞明智先生、盧華威先生及柯偉聲先生）已根據本公司之明確要求確認，彼等已於截至二零零七年三月三十一日止年度內遵守標準守則內之要求水平。

主席及行政總裁

守則條文第A.2.1條規定須分開訂立主席與行政總裁（「行政總裁」）之角色，並不得由同一個別人士履行。於回顧年度，本公司並無任何人士出任行政總裁。於有關期間，梁金友先生曾為本公司主席兼董事總經理，並履行行政總裁職務。鑑於本集團之營運規模，董事會認為現時架構更適合本公司，因為可以促進有效制定及落實本公司策略。

Corporate Governance Report

企業管治報告

Remuneration Committee

The Remuneration Committee was set up in July 2005 with specific terms of reference which include reviewing the Company's policy and structure on the remuneration of directors and senior management of the Company, making recommendation to the Board on the remuneration of the directors and senior management of the Company and advising shareholders of the Company how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules.

Current members of the Remuneration Committee are Messrs. LO Ming Chi, Charles, LO Wah Wai and ORR Joseph Wai Shing. In line with good and fair practice, the Committee currently consists of three independent non-executive directors. The emoluments of the directors of the Company are decided by the Board, as authorised by the shareholders at the annual general meeting having regard to the operating results of the Company, individual performance and prevailing market conditions. The Company has also adopted a share option scheme as an incentive to directors and senior management. The Board conducts regular review of the structure and composition of the Committee with particular attention to the skills, knowledge and experience of individual members.

A total of two meetings have been held for the year ended 31 March 2007. The individual attendance of members are as follows:—

Name of members	Number of meetings attended
Mr. LO Ming Chi, Charles (<i>Chairman</i>)	2/2
Mr. LO Wah Wai	2/2
Mr. ORR Joseph Wai Shing	2/2

薪酬委員會

薪酬委員會於二零零五年七月成立，並訂有特定職權範圍。其中包括檢討本公司董事及高級管理層薪酬政策及架構、就本公司董事及高級管理層之薪酬向董事會提出建議，及就如何就須根據上市規則由股東批准之任何董事服務合約作出投票向本公司股東提供意見。

薪酬委員會之現有成員為勞明智先生、盧華威先生及柯偉聲先生。為符合良好及公平守則，該委員會目前已包含三位獨立非執行董事。本公司董事之酬金由股東於股東週年大會上授權董事會，並經參考本公司經營業績、個人表現及現行市況釐定。本公司亦採納購股權計劃，作為對董事及高級管理層之獎勵。董事會亦定期檢討該委員會之架構及組成，並尤其重視個別成員之技能、知識及經驗。

於截至二零零七年三月三十一日止年度共舉行兩次會議，個別成員之出席紀錄如下：

成員名稱	出席會議次數
勞明智先生 (主席)	2/2
盧華威先生	2/2
柯偉聲先生	2/2

Corporate Governance Report

企業管治報告

Accountability and Internal Control

The directors of the Company acknowledge their responsibility to present a balanced, clear and understandable assessment relating to annual and interim reports, price-sensitive announcements and other financial disclosures under the Exchange Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements. As at 31 March 2007, the directors of the Company are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the ability of the Company to continue as a going concern basis. The statement of the external auditors of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Auditor's Report on page 31.

Auditors' Remuneration

For the year ended 31 March 2007, the external auditors of the Group, provided the following services to the Group:

Audit services	審核服務
Non-audit and taxation services	非審核及稅務服務
Total	總計

The directors of the Company acknowledge their responsibility in ensuring the Company maintaining sound and effective internal controls to safeguard the shareholders' investment and the Company's assets, and have conducted an annual review on the effectiveness of the Group's internal control system. The review includes financial, operational and compliance controls and risk management functions.

Audit Committee

The Company has established an Audit Committee with specific written terms of reference. The terms of reference of the Audit Committee have included the duties which are set out in the Code Provision C.3.3 of the Code, with appropriate modifications when necessary.

問責制及內部監控

本公司各董事明白彼等有責任對有關年報及中期報告、股價敏感之公佈及聯交所上市規則項下之其他財政披露，對監管機構之報告，以及根據法定規定須予披露之資料提呈中肯、清晰及易明之評估。於二零零七年三月三十一日，本公司董事並不知悉任何有關可能對本公司按持續基準繼續經營之能力構成重大疑問之事件或情況之任何重大不明朗因素。本公司外聘核數師就彼等對綜合財務報表之申報責任之聲明載於第31頁之核數師報告。

核數師酬金

截至二零零七年三月三十一日止年度內，本集團之外聘核數師向本集團提供以下服務：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Audit services	460	360
Non-audit and taxation services	71	20
Total	531	380

本公司各董事明白彼等有責任確保本公司保持良好及有效之外部監控，以保障股東之投資及本公司之資產，並已對本集團內部監控制度之有效程度進行年度檢討。有關檢討包括財務、營運及合規監控以及風險管理之職能。

審核委員會

本公司已成立審核委員會，並訂立特定書面職權範圍。審核委員會之職權範圍包括守則之守則條文第C.3.3條所載之職責，並於需要時作出適當修訂。

Corporate Governance Report

企業管治報告

The current members of the Audit Committee are Messrs. LO Ming Chi, Charles, LO Wah Wai and ORR Joseph Wai Shing. A total of two meetings have been held in the year under review and the individual attendance of members are as follows:—

Name of members	Number of meetings attended
Mr. LO Ming Chi, Charles (<i>Chairman</i>)	2/2
Mr. LO Wah Wai	2/2
Mr. ORR Joseph Wai Shing	2/2

The Audit Committee reviewed the interim and full year consolidated financial statements, including the Group's adopted accounting principles and practices, internal controls, and financial reporting matters in conjunction with the external auditors. The Audit Committee endorsed the accounting treatment adopted by the Company and had the best of its ability assured itself that the disclosure of the financial information in this report complies with the applicable accounting standards and Appendix 16 of the Listing Rules.

The Audit Committee has recommended to the Board that SHINEWING (HK) CPA Limited, Certified Public Accountants, be nominated for re-appointment as external auditors of the Company at the forthcoming annual general meeting of the Company.

Shareholder's Communications

In order to develop and maintain a continuing investors' relationship with the Company's shareholders, the Company has established various channels of communications with its shareholders such as publication of interim and annual reports, press release and announcement of the latest development of the Company in a timely manner. The annual general meeting provides an opportunity for shareholders to exchange views with the Board. Moreover, resolutions are proposed at annual general meeting on each substantially separate issue, including the election of individual directors. In addition, details of the poll voting procedures and the rights of shareholders to demand a poll are included in the circular to shareholders accompanying with the annual report. Details of the proposed resolutions are also set out in the circular.

審核委員會之現有成員為勞明智先生、盧華威先生及柯偉聲先生。於回顧年度內合共舉行兩次會議，各成員之個別出席率如下：

成員姓名	出席會議次數
勞明智先生 (主席)	2/2
盧華威先生	2/2
柯偉聲先生	2/2

審核委員會已與外聘核數師檢閱中期及全年之綜合財務報表，包括本集團所採納之會計原則及守則、內部監控及財務申報事宜。審核委員會贊成本公司所採納之會計處理方式，並已盡力確保本報告乃遵照適用會計準則及上市規則附錄十六披露該等財務資料。

審核委員會已向董事會建議，於本公司應屆股東週年大會上提名執業會計師信永中和(香港)會計師事務所有限公司續任為本公司之外聘核數師。

股東之通訊

為與本公司股東發展和維繫持續之投資者關係，本公司已成立多個與股東溝通之渠道，譬如刊發中期報告及年報，適時地就本公司之最新發展發出新聞稿及公佈。股東亦可藉股東週年大會與董事會交換看法。此外，於股東週年大會上將就各項重要議題(包括個別董事之選舉)提呈決議案。此外，投票表決程序之詳情及股東要求投票表決之權利乃載於隨本年報寄交股東之通函內。將提呈之決議案的詳情亦載於通函內。

Report of the Directors

董事會報告

The directors of the Company present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2007.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries in the year under review consisted of the manufacture and marketing of clocks and lighting products, the trading of metals and the provision of electroplating services.

Results and Dividends

The Group's results for the year ended 31 March 2007 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 35 to 130. The directors of the Company do not recommend the payment of any dividend in respect of the year.

Five Years Financial Summary

A summary of the published results, assets and liabilities, and minority interests of the Group for the last five financial years, as extracted from the audited financial statements is set out on pages 131 to 132 of the annual report. This summary does not form part of the audited financial statements.

Investment Properties and Property, Plant and Equipment

Details of movements in the investment properties and property, plant and equipment of the Group during the year are set out in notes 15 and 16 to the financial statements.

Share Capital and Share Options

Details of movements in the Company's share capital and share options are set out in note 30 to the financial statements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the bye-laws of the Company or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, Sale or Redemption of Shares

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

本公司董事茲提呈本公司及本集團截至二零零七年三月三十一日止年度之董事會報告及經審核財務報告。

主要業務

本公司主要業務為投資控股。於回顧年度，本公司附屬公司之主要業務包括製造及市場銷售時鐘與照明產品、金屬貿易及提供電鍍服務。

業績及股息

本集團截至二零零七年三月三十一日止之業績及本公司與本集團於該日之業務狀況載於第35至130頁之財務報告內。本公司董事不建議派發任何該年度股息。

五年財務摘要

本集團過去五個財政年度公佈之業績，資產及負債及少數股東權益概要（節錄自經審核財務報告）載於年報第131頁至第132頁。此概要並非構成經審核財務報告之部份。

投資物業及物業、廠房及設備

本集團於年內之投資物業及物業、廠房及設備之變動詳情載於財務報告附註15及16。

股本及購股權

本公司之股本變動及購股權詳情載於財務報告附註30。

優先購股權

根據本公司之公司細則或百慕達法例，並無有關優先購買權之規定，以致本公司必須向其現有股東按持股比例發行新股份。

購入、出售或贖回股份

於本年度，本公司或其附屬公司概無購入、出售或贖回本公司之任何股份。

Report of the Directors

董事會報告

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 39(b) to the financial statement and in the consolidated statement of changes in equity, respectively.

Distributable Reserves

At 31 March 2007, the Company had no retained profits available for cash distribution and/or distribution in specie. Under the Companies Act 1981 of Bermuda, the Company's contributed surplus of HK\$128,013,000 may be distributed under certain circumstances. In addition, the Company's share premium account with a balance of HK\$86,681,000 may be distributed in the form of fully paid bonus shares.

Major Customers and Suppliers

In the year under review, sales to the Group's five largest customers accounted for 41.07% of the total sales for the year and sales to the largest customer included therein amounted to 11.69%. Purchases from the Group's five largest suppliers accounted for 16.20% of the total purchases for the year and purchases from the largest supplier included therein amounted to 5.14%. As far as the directors of the Company are aware, neither the directors, their associates, nor any shareholders (which, to the best knowledge of the directors of the Company, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

Directors

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

Executive directors:

Mr. LEUNG Heung Ying, Alvin
(appointed on 14 June 2007)

Ms. CHUNG Oi Ling, Stella
(appointed on 14 June 2007)

Mr. CHEN Vee Yong, Frederick
(resigned on 11 July 2007)

Mr. LEE Sang Yoon
(appointed on 27 June 2006 and resign on 11 July 2007)

Mr. LIANG Jin You (resigned on 4 July 2007)

Ms. LI Kwo Yuk (resigned on 4 July 2007)

Mr. LEUNG Kin Yau (resigned on 4 July 2007)

Mr. OU Jian Sheng (resigned on 4 July 2007)

Mr. DENG Ju Neng (resigned on 4 July 2007)

儲備

本公司及本集團於本年度之儲備變動詳情分別載於財務報告附註39(b)及綜合權益變動表。

可供分派儲備

於二零零七年三月三十一日，本公司沒有可供之現金分派及／或實物分派之保留溢利。根據百慕達一九八一年公司法，本公司之繳入盈餘為128,013,000港元，於若干情形下可供分派。此外，本公司之股份溢價結餘為86,681,000港元，可作已繳足紅股形式分派。

主要客戶及供應商

於回顧年度內，本集團五大客戶之銷售佔全年總銷售額41.07%，及最大客戶佔之銷售包括在內佔11.69%。本集團五大供應商之採購佔年內之總採購額16.20%，及最大供應商之採購額包括在內佔5.14%。就本公司董事會所知，擁有本公司已發行股本5%以上之董事、彼等之聯繫人士或任何股東概無持有本集團五大客戶及供應商之任何實益權益。

董事

本公司董事在本年度及至本報告日期為如下：

執行董事：

梁享英
(於二零零七年六月十四日獲委任)

鍾愛玲
(於二零零七年六月十四日獲委任)

陳維雄
(於二零零七年七月十一日辭任)

李相潤
(於二零零六年六月二十七日獲委任及
於二零零七年七月十一日辭任)

梁金友 (於二零零七年七月四日辭任)

李戈玉 (於二零零七年七月四日辭任)

梁健友 (於二零零七年七月四日辭任)

歐健生 (於二零零七年七月四日辭任)

鄧巨能 (於二零零七年七月四日辭任)

Report of the Directors

董事會報告

Directors (continued)

Independent non-executive directors:

Mr. LO Ming Chi, Charles
Mr. LO Wah Wai
Mr. ORR Joseph Wai Shing
Mr. WONG Ngo San, Marcus
(appointed on 14 June 2007)

In accordance with bye-law 86(2) of the Company's Bye-laws, Mr. Leung Heung Ying, Alvin, Ms. Chung Oi Ling, Stella and Mr. Wong Ngao San, Marcus shall hold office only until the forthcoming annual general meeting of the Company and shall be eligible for re-election at the forthcoming annual general meeting. In accordance with bye-law 87 of the Company's Bye-laws, Messrs. ORR Joseph Wai Shing and LO Wah Wai will retire by rotation at the forthcoming annual general meeting and shall be eligible for re-election at the forthcoming annual general meeting.

Biography of Directors and Senior Management

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 14 to 18 of the annual report.

Directors' Service Contracts

No director of the Company proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

Directors' Interests in Contracts

No director of the Company had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any its subsidiaries was a party at any time during the year.

Directors' and Chief Executives' Interests in Shares and Underlying Shares

As at 31 March 2007, the interests of the directors and chief executives of the Company in the shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register kept by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

董事 (續)

獨立非執行董事：

勞明智先生
盧華威先生
柯偉聲先生
王傲山先生
(於二零零七年六月十四日獲委任)

按照本公司之公司細則第86(2)條規定梁享英先生、鍾愛玲女士及王傲山先生將任職至即將舉行之股東週年大會及將符合資格並願意於即將舉行的股東週年大會上重選連任，按照本公司之細則87條規定，柯偉聲先生及盧華威先生將於即將舉行的股東週年大會上輪席退任，及符合資格並願意於即將舉行的股東週年大會上重選連任。

董事及高級管理人員簡歷

本公司董事及本集團高級管理人員簡歷詳情載於年報第14至18頁。

董事服務合約

本公司並無與擬於即將舉行之股東週年大會上膺選連任之董事訂立任何不可於一年內由本公司無償終止(法定補償除外)之服務合約。

董事合約權益

各董事在本公司或其任何附屬公司於本年度內任何時間，概無參與訂立與本集團業務有關連之重大合約，亦無擁有任何直接或間接之重大實益權益。

董事及主要行政人員之股份及相關股份權益

於二零零七年三月三十一日，本公司根據證券及期貨條例(「證券及期貨條例」)第352條而設立之名冊所記錄，本公司董事及主要行政人員於本公司或其他相聯法團(具有證券及期貨條例第XV部的涵義)之股份；或根據上市公司董事進行證券交易的標準守則而須知會本公司及聯交所之權益如下：

Report of the Directors

董事會報告

Directors' and Chief Executives' Interests in Shares and Underlying Shares (continued)

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name 姓名	Capacity 身份	Number of issued shares held 所持已發行 股份數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Mr. LIANG Jin You 梁金友先生	Held by controlled corporation (note) 控制公司持有(附註)	119,184,300	39.14%

Note: 119,184,300 shares are owned by Golden Glory Group Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of Golden Glory Group Limited is beneficially owned by General Line International (Holdings) Limited, which is in turn 100% beneficially owned by Mr. LIANG Jin You.

Save as disclosed above, none of the other directors, chief executives nor their associates had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 March 2007.

Directors' Rights to Acquire Shares or Debentures

Save as under note 30 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Share Option Scheme

Particulars of the Company's share option scheme are set out in note 30 to the financial statements.

董事及主要行政人員之股份及相關股份權益(續)

好倉

本公司每股面值0.10港元之普通股

Number of issued shares held 所持已發行 股份數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
119,184,300	39.14%

附註：119,184,300股股份由Golden Glory Group Limited擁有。Golden Glory Group Limited為於英屬處女群島註冊成立之公司，Golden Glory Group Limited之全部已發行股本由廣橋國際(控股)有限公司實益擁有，此公司由梁金友先生實益擁有。

除上文披露外，於二零零七年三月三十一日，概無其他董事、主要行政人員或彼等之聯繫人士擁有本公司或其相聯法團(具有證券及期貨條例第XV部的涵義)的任何股份、相關股份或債券的任何權益或淡倉。

董事購買股份或債券權利

除財務報告附註30所披露外，於本年內任何時間，並無任何董事、彼等之配偶或十八歲以下子女有任何認購本公司股份或債券，或已行使該等權利而獲益；或本公司及其附屬公司概無任何安排，以致本公司董事可藉購入其他法人團體之股份或債務而獲益。

購股權計劃

有關本公司之購股權計劃詳細披露載於財務報告附註30。

Report of the Directors

董事會報告

Substantial Shareholders

As at 31 March 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that other than the interests disclosed above in respect of certain directors and chief executives, the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of Shareholders 股東名稱	Note 附註	Nature of interest 權益性質	Total 總數	Approximate percentage of shareholdings 佔股權概約百分比 (%) 百分比
Golden Glory Group Limited	1&2	Beneficial owner 實益擁有人	119,184,300 (L)	39.14
General Line International (Holdings) Limited 廣橋國際(控股)有限公司	1&2	Held by controlled corporation (Note) 控制公司持有(附註)	119,184,300 (L)	39.14

(L) Long position

Note:

- These 119,184,300 Shares are owned by Golden Glory Group Limited, which is a company incorporated in the British Virgin Islands. The entire issued share capital of Golden Glory Group Limited is beneficially owned by General Line International (Holdings) Limited, which is wholly owned by Mr. Liang Jin You ("Mr. Liang") Accordingly, General Line International Holdings Limited and Mr. Liang are deemed to be interested in these Shares. Ms. Li Kwo Yuk, an executive Director as at 31 March 2007 and the spouse of Mr. Liang, is deemed to be interested in the Shares interested by Mr. Liang and their interests duplicate each other.
- Golden Glory Group Limited sold the 119,184,300 Shares it owned to Marigold Worldwide Group Limited on 2 May 2007. Marigold Worldwide Group Limited has become the substantial shareholder of the Company since then.

Saved as disclosed above, none of the other directors, chief executives or their associates had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 March 2007.

主要股東

於二零零七年三月三十一日，本公司根據證券及期貨條例第336條而設立之主要股東名冊顯示，除上文披露有關若干董事及主要行政人員之權益外，下列股東向本公司知會於本公司已發行股本之有關權益。

好倉

本公司每股面值0.10港元之普通股

(L) 好倉

附註：

- 該119,184,300股股份由Golden Glory Group Limited擁有。Golden Glory Group Limited為於英屬處女群島註冊成立之有限公司，Golden Glory Group Limited之全部已發行股本由廣橋國際(控股)有限公司實益擁有，此公司由梁金友先生(「梁先生」)全資擁有。因此，General Line International Holdings Limited及梁先生被視為於該等股份中擁有權益。於二零零七年三月三十一日，李戈玉女士為本公司之執行董事兼梁先生之配偶被視為於梁先生擁有權益之股份中擁有權益，而彼等之權益互相重疊。
- Golden Glory Group Limited於二零零七年五月二日向Marigold Worldwide Group Limited出售其擁有之119,184,300股股份。Marigold Worldwide Group Limited自此以後成為本公司主要股東。

除上文披露外，於二零零七年三月三十一日，概無其他董事、主要行政人員或彼等之聯繫人士擁有本公司或其任何相聯法團(具有證券及期貨條例第XV部的涵義)的任何股份、相關股份或債券的任何權益或淡倉。

Report of the Directors

董事會報告

Directors' Interests in Competing Business

No director of the Company had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, during the year and up to the date of this report.

Corporate Governance

In the opinion of the directors of the Company, the Company has complied throughout the year ended 31 March 2007 with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules, save as the deviations disclosed in the Corporate Governance Report as set out in pages 19 to 24.

Public Float

As at the date of this report, based on the information publicly available to the Company and within the knowledge of the directors of the Company, over 25% of the issued share capital of the Company was held by the public as required under the Listing Rules.

Auditors

Messrs KLL Associates CPA Limited ("KLL") had been the auditors of the Company for the year ended 31 March 2005. On 21 April 2006, the Company announced that KLL has resigned as auditors of the Company with effect from 23 March 2006 as to the merger of their practice with BDO McCabe Lo Limited. Following the resignation of KLL, the special general meeting of the Company has passed an ordinary resolution to appoint SHINEWING (HK) CPA Limited ("SHINEWING") as auditors of the Company. A resolution for the re-appointment of SHINEWING as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

On Behalf of the Board
LEUNG Heung Ying, Alvin
Managing Director

Hong Kong, 27 July 2007

董事在競爭業務之權益

於年內及截至本報告之日期，根據上市規則，本公司董事並無在一項業務中不論直接或間接佔有權益，而該項業務跟本集團本身業務相互競爭。

企業管治

本公司董事認為，除載於第19頁至第24頁之企業管治報告所偏差披露之外，本公司於截至二零零七年三月三十一日止年度內已遵守上市規則附錄十四之最佳應用守則（「守則」）。

公眾持股量

按本公司之公開資料及就本公司董事會所知，於本報告日期，本公司已應上市規則要求有超過25%之已發行股本由公眾持有。

核數師

華融會計師事務所有限公司（「華融」）於截至二零零四年及二零零五年三月三十一日止年度為本公司之核數師。本公司於二零零六年四月二十一日宣佈，華融因業務與德豪嘉信會計師事務所有限公司合併而辭任本公司核數師，於二零零六年三月二十三日生效。華融辭任後，本公司於股東特別大會上通過一項普通決議案，委任信永中和（香港）會計師事務所有限公司（「信永中和」）為本公司核數師。本公司將於應屆股東週年大會上提呈一項決議案，以續聘信永中和為本公司之核數師。

代表董事會
梁享英
董事總經理

香港，二零零七年七月二十七日

Independent Auditor's Report

獨立核數師報告



SHINEWING (HK) CPA Limited
16/F., United Centre
95 Queensway, Hong Kong

TO THE SHAREHOLDERS OF ARTFIELD GROUP LIMITED *(incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of Artfield Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 130 which comprise the consolidated balance sheet as at 31 March 2007, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

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

致雅域集團有限公司股東 *(於百慕達註冊成立之有限公司)*

我們已完成審核第35至130頁所載雅域集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，其中包括於二零零七年三月三十一日之綜合資產負債表及截至該日期止年度之綜合收益表、綜合權益變動表及綜合現金流量表及主要會計政策概要及其他說明附註。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》有關之披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報綜合財務報表相關之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇和應用適當之會計政策；及按情況下作出合理之會計估計。

Independent Auditor's Report

獨立核數師報告

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except as described in the basis for qualified opinion paragraph, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

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

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

核數師之責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，我們的報告僅按照《百慕達公司法》第90條，為股東（作為一個團體）而編製，並不為其他任何目的。我們並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。除保留意見之基礎一段所述者外，我們已根據香港會計師公會頒佈之香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行政序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選取之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報綜合財務報表相關之內部控制，以設計適當之審核程序，但並非為對實體內部控制之效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當的，為我們之審核意見提供基礎。

Independent Auditor's Report

獨立核數師報告

Basis for qualified opinion

The Group acquired 100% equity interests in Matrix Software Inc. (“Matrix”) during the year (the “Acquisition”). According to the unaudited management account, Matrix was holding an intangible asset, being the on-line game intellectual property rights and which was under development. We were unable to obtain sufficient documents to review and there were no alternative audit procedures that we could adopt to verify whether the carrying amount of HK\$46,440,000 are stated at fair values at the date of acquisition and the amount of goodwill of HK\$3,963,000 generated from the Acquisition were free from material misstatements.

As disclosed in notes 18 and 19 to the consolidated financial statements, impairment losses of HK\$46,440,000 and HK\$3,963,000 were recognised in respect of the intangible asset and goodwill respectively. The directors of the Company are of the opinion that the timing for launching the on-line game to the market was not determinable after reviewing the development progress of the intellectual property. The intangible asset and goodwill at the consolidated balance sheet as at 31 March 2007 have nil carrying values.

We were unable to obtain sufficient documents to review and there were no alternative audit procedures that we could adopt to verify whether the carrying values of intangible asset and goodwill were fairly stated in the consolidated balance sheet and the impairment losses on intangible asset and goodwill recognised in the consolidated income statement were appropriate.

As disclosed in note 31 to the consolidated financial statements, there were no movements in the financial position of Matrix during the period from the date of acquisition to the balance sheet date.

We were unable to adopt applicable audit procedures to ascertain whether the financial position of Matrix have been properly reflected in the consolidated financial statements and whether there were unrecorded liabilities, contingent liabilities and capital commitments existed at the balance sheet date. We were unable to quantify the impact on the consolidated financial statements.

保留意見之基礎

貴集團於年內收購Matrix Software Inc. (「Matrix」) 100%股本權益(「該收購」)。根據未經審核管理賬目，Matrix持有一項無形資產，即網上遊戲知識產權，有關資產尚處於開發階段。我們無法取得足夠文件以供審閱，亦概無其他審核程序可供採納，以核實46,440,000港元賬面值乃按收購日之公平值列賬，以及該收購所產生之3,963,000港元商譽並不受任何重大錯誤陳述所影響。

誠如綜合財務報表附註18及19所披露，無形資產及商譽分別確認46,440,000港元及3,963,000港元減值虧損。貴公司董事認為，於審閱該知識產權之開發進度後，無法確定該網上遊戲推出市場之時機。於二零零七年三月三十一日之綜合資產負債表內之無形資產及商譽並無賬面值。

我們無法取得足夠文件以供審閱，亦概無其他審核程序可供採納，以核實綜合資產負債表內之無形資產及商譽賬面值是否已公平呈列，以及綜合收益表內所確認之無形資產及商譽減值虧損是否恰當。

誠如綜合財務報表附註31所披露，Matrix於收購日起至結算日期間之財務狀況概無變動。

我們無法採納適用之審核程序以確定Matrix之財務狀況是否已於綜合財務報表內妥為反映，以及於結算日是否存在任何未列賬之負債、或然負債及資本承擔。我們無法將對綜合財務報表之影響量化。

Independent Auditor's Report

獨立核數師報告

Qualified opinion arising from limitation of audit scope

In our opinion, except for any adjustments that might have been found necessary had we been able to satisfy ourselves regarding the matter as set out in the basis for qualified opinion paragraph, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2007 and of the Group's loss and cash flow for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Lau Miu Man

Practicing Certificate Number: P03603

Hong Kong
27 July 2007

因審核範圍受到限制所產生之保留意見

我們認為，除我們對保留意見的基礎一段所列事項能令本身感到滿意所會決定的必須的調整影響外(如有)，綜合財務報表已根據香港財務報告準則真實公平地反映 貴集團於二零零七年三月三十一日之事務狀況，以及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露規定妥為編製。

信永中和(香港)會計師事務所有限公司

執業會計師

樓妙敏

執業證書號碼：P03603

香港
二零零七年七月二十七日

Consolidated Income Statement

綜合收益表

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
Continuing operations	持續經營業務			
Turnover	營業額	6	162,168	205,920
Cost of sales and services provided	貨品銷售及服務提供成本		(147,586)	(183,537)
Gross profit	毛利		14,582	22,383
Other operating income	其他經營收入		5,596	2,199
Selling and distribution expenses	銷售及分銷費用		(8,902)	(13,824)
Administrative expenses	行政費用		(37,285)	(39,452)
Finance costs	融資成本	8	(2,820)	(2,893)
Allowance for bad and doubtful debts	呆壞賬撥備		(30,883)	(1,699)
Write down for inventories	存貨撇減		(27,648)	—
Gain on disposal of subsidiaries	出售附屬公司之收益		9,885	—
Impairment loss recognised in respect of intangible asset	無形資產所確認之減值虧損	18	(46,440)	—
Impairment loss recognised in respect of goodwill	商譽所確認之減值虧損	19	(3,963)	(17,004)
Impairment loss recognised in respect of interests in associates	聯營公司權益所確認之減值虧損	20	—	(23,768)
Loss before tax	除稅前虧損		(127,878)	(74,058)
Income tax credit (expenses)	所得稅抵免(開支)	9	3,176	(63)
Loss for the year from continuing operations	持續經營業務之年內虧損		(124,702)	(74,121)
Discontinued operation	終止經營業務			
(Loss) profit for the year from discontinued operation	終止經營業務之年內(虧損)溢利	10	(93)	2,010
Loss for the year	年內虧損	11	(124,795)	(72,111)

Consolidated Income Statement

綜合收益表

		Notes	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
		附註		
Attributable to :	應佔 :			
Equity holders of the Company	本公司股權持有人		(124,577)	(72,149)
Minority interests	少數股東權益		(218)	38
			(124,795)	(72,111)
Dividend	股息	12	—	—
(LOSS) EARNINGS PER SHARE — BASIC	每股虧損(盈利) — 基本	13		
From continuing operations	來自持續經營業務		(HK40.94 cents港仙)	(HK28.10 cents港仙)
From discontinued operation	來自終止經營業務		(HK0.02 cents港仙)	HK0.61 cents港仙
From continuing and discontinued operations	來自持續及終止經營業務		(HK40.96 cents港仙)	(HK27.49 cents港仙)

Consolidated Balance Sheet

綜合資產負債表

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	15	4,220	6,426
Property, plant and equipment	物業、廠房及設備	16	14,417	56,499
Prepaid lease payments on land use rights	土地使用權預付租賃款項	17	—	9,008
Intangible assets	無形資產	18	—	—
Goodwill	商譽	19	—	—
Interests in associates	於聯營公司之權益	20	—	6,000
Deferred tax assets	遞延稅項資產	29	—	135
			18,637	78,068
Current assets	流動資產			
Inventories	存貨	21	12,024	79,118
Trade and bills receivables	應收貨款及應收票據	22	18,104	55,637
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	23	2,581	6,128
Amounts due from related companies	應收關連公司款項	24	33,113	—
Prepaid lease payments on land use rights	土地使用權預付租賃款項	17	—	220
Financial assets at fair value through profit or loss	按公平值列賬並在收益表內 處理之金融資產	25	—	2,343
Tax recoverable	可收回稅項		219	86
Bank balances and cash	銀行結存及現金		1,857	8,029
			67,898	151,561
Current liabilities	流動負債			
Trade payables	應付貨款	26	9,817	28,553
Other payables and accruals	其他應付款項及應計負債	26	13,125	21,877
Tax payable	應付稅項		1	1,277
Obligations under finance leases — due within one year	融資租賃承擔 — 於一年內到期	27	346	598
Bank and other borrowings — due within one year	銀行及其他借貸 — 於一年內到期	28	10,382	32,391
			33,671	84,696
Net current assets	流動資產淨值		34,227	66,865
Total assets less current liabilities	總資產減流動負債		52,864	144,933

Consolidated Balance Sheet

綜合資產負債表

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Capital and reserves	股本及儲備			
Share capital	股本	30	30,448	26,248
Reserves	儲備		21,390	106,591
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益		51,838	132,839
Minority interests	少數股東權益		(211)	7,002
			51,627	139,841
Non-current liabilities	非流動負債			
Obligations under finance leases	融資租賃承擔			
— due after one year	— 於一年後到期	27	106	586
Deferred tax liabilities	遞延稅項負債	29	1,131	4,506
			1,237	5,092
			52,864	144,933

The consolidated financial statements on pages 35 to 130 were approved and authorised for issue by the Board of Directors on 27 July 2007 and are signed on its behalf by :

列載於35至130頁之綜合財務報表於二零零七年七月二十七日由董事會批准並由以下董事代為簽署：

Leung Heung Ying, Alvin
梁享英
Managing Director
董事總經理

Chung Oi Ling, Stella
鍾愛玲
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Attributable to equity holders of the Company
本公司股權持有人應佔

		Share capital	Share premium	Property revaluation reserve	Capital reserve	Reserve and enterprise expansion funds	Exchange translation reserve	Retained earnings (deficit)	Total	Minority interests	Total
		股本	股本溢價	物業重估儲備	資本儲備	發展基金	匯兌儲備	保留溢利(虧損)	總額	少數股東權益	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
						儲備及企業發展基金 (Note 1) (附註1)					
At 1 April 2005	於二零零五年四月一日	26,248	40,481	11,542	45,994	9,116	(420)	67,393	200,354	6,964	207,318
Exchange difference arising on translation of overseas operation	換算海外營運產生之匯兌差額	—	—	—	—	—	4,634	—	4,634	—	4,634
(Loss) profit for the year	年內(虧損)溢利	—	—	—	—	—	—	(72,149)	(72,149)	38	(72,111)
At 31 March 2006	於二零零六年三月三十一日	26,248	40,481	11,542	45,994	9,116	4,214	(4,756)	132,839	7,002	139,841
Exchange difference arising on translation of overseas operation	換算海外營運產生之匯兌差額	—	—	—	—	—	1,744	—	1,744	17	1,761
Loss for the year	年內虧損	—	—	—	—	—	—	(124,577)	(124,577)	(218)	(124,795)
Reserves realised upon disposal of subsidiaries	出售附屬公司取得之儲備	—	—	(2,870)	(9,941)	(6,692)	—	19,503	—	—	—
Disposal of subsidiaries	出售附屬公司	—	—	—	—	—	(8,568)	—	(8,568)	(1,544)	(10,112)
Total recognised expenses for the year	年內確認之開支總額	—	—	(2,870)	(9,941)	(6,692)	(6,824)	(105,074)	(131,401)	(1,745)	(133,146)
Shares allotted and issued for settlement of consideration in respect of acquisition of a subsidiary	因支付收購附屬公司之代價而配發股份	4,200	46,200	—	—	—	—	—	50,400	—	50,400
Dividend paid to minority shareholders of a subsidiary	支付一間附屬公司少數股東之股息	—	—	—	—	—	—	—	—	(5,468)	(5,468)
Transfers (Note 2)	轉賬(附註2)	—	—	(1,226)	—	—	—	1,226	—	—	—
At 31 March 2007	於二零零七年三月三十一日	30,448	86,681	7,446	36,053	2,424	(2,610)	(108,604)	51,838	(211)	51,627

Notes :

- In accordance with the Peoples' Republic of China (the "PRC") regulations, all of the Group's subsidiaries in the PRC are required to transfer part of their profit after tax to the reserve and enterprise expansion funds, which are non-distributable, before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of directors of these companies in accordance with their joint venture agreements and/or articles of association. No transfer of reserve was made for both years as the PRC subsidiaries were loss making in both years.
- The amount represents the transfer of property revaluation reserve to the Group's deficit due to the transfer of leasehold land and buildings to investment properties during the year.

附註 :

- 根據中華人民共和國(「中國」)規例所有在中國之附屬公司需要將其部份除稅後溢利轉撥至儲備及企業發展基金，該儲備於溢利分派發生前均不可分派。該轉撥金額是需由該等公司之董事會按照該等公司之合營企業合同及/或公司細則審批。由於過去兩年度，在中國之附屬公司並無除稅後溢利，因此於過去兩年度並無除稅後溢利轉撥予儲備。
- 由於年內租賃土地及樓宇轉撥至投資物業，有關金額反映重估物業儲備轉撥至本集團之虧損項目。

Consolidated Cash Flow Statement

綜合現金流量表

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Loss before tax	除稅前虧損	(127,878)	(74,058)
(Loss) profit before tax for discontinued operation	終止經營業務之 除稅前(虧損)溢利	(160)	3,463
		(128,038)	(70,595)
Adjustments for :	就下列項目作調整 :		
Amortisation of intangible assets	無形資產攤銷	—	27
Amortisation of prepaid lease payment	預付租賃款項攤銷	228	220
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	6,765	7,091
Depreciation of investment properties	投資物業之折舊	327	272
Finance costs	融資成本	2,820	2,893
Gain on disposal of financial assets at fair value through profit or loss	出售按公平值列賬並在 收益表內處理之金融 資產之收益	(8)	—
Gain on disposal of subsidiaries	出售附屬公司之收益	(9,885)	—
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備之 虧損(收益)	497	(19)
Loss on disposal of investment properties	出售投資物業虧損	1,330	—
Impairment loss recognised in respect of goodwill	商譽所確認之減值虧損	3,963	17,004
Impairment loss recognised in respect of intangible asset	無形資產所確認之減值虧損	46,440	—
Impairment loss recognised in respect of investment properties	投資物業確認之減值虧損	—	571
Impairment loss recognised in respect of interests in associates	聯營公司權益確認 之減值虧損	—	23,768
Interest income	利息收入	(72)	(98)
Gain arising from changes in fair value of financial assets at fair value through profit or loss	按公平值列賬並在收益表內 處理之金融資產之公平值 變動產生之收益	—	(32)
Allowance for bad and doubtful debts	呆壞賬撥備	31,188	1,796
Write back of allowance for bad and doubtful debts	呆壞賬撥回	(110)	(201)
Write down for inventories	撤銷存貨	28,245	8,399

Consolidated Cash Flow Statement

綜合現金流量表

	Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Operating cash flow before movements in working capital	營運資金變動前之經營現金流量	(16,310)	(8,904)
Decrease in inventories	存貨減少	8,884	8,109
Decrease in trade and bills receivables, prepayments, deposits and other receivables	應收貨款及應收票據、預付款項、按金及其他應收款項減少	3,578	4,378
(Decrease) increase in trade payables, other payables and accruals	應付貨款、其他應付款項及應計負債(減少)增加	(4,310)	6,524
Decrease in trust receipt loans	信託收據貸款減少	(1,278)	(1,867)
Cash (used in) generated from operations	經營業務(所用)所得現金	(9,436)	8,240
Interest received	已收利息	72	98
Interest paid	已付利息	(2,820)	(2,893)
Hong Kong Profits Tax paid	已繳香港利得稅	(1,202)	(216)
Overseas taxes paid	已繳海外稅項	(16)	(1,102)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	經營業務(所用)所得現金淨額	(13,402)	4,127
INVESTING ACTIVITIES	投資業務		
Proceeds on disposal of an associate	出售一間聯營公司所得款項	6,000	—
Proceeds on disposal of investment properties	出售投資物業所得款項	3,417	—
Proceeds on disposal of financial assets at fair value through profit or loss	出售按公平值列賬並在收益表內處理之金融資產所得款項	2,351	—
Purchases of property, plant and equipment	購入物業、廠房及設備款項	(1,733)	(1,668)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	出售附屬公司(現金及等值現金淨額)	1,263	—
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	45	48
Repayment from associates	聯營公司之還款	—	210

Consolidated Cash Flow Statement

綜合現金流量表

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
NET CASH FROM (USED IN) INVESTING ACTIVITIES	投資業務所得(所用) 現金淨額	11,343	(1,410)
FINANCING ACTIVITIES	融資業務		
New bank loans raised	新增銀行貸款	26,469	12,711
Repayment of bank loans	償還銀行貸款	(18,735)	(15,415)
Dividend paid to minority shareholders of a subsidiary	支付一間附屬公司 少數股東之股息	(5,468)	—
Repayment of obligations under finance leases	償還融資租賃承擔	(598)	(1,050)
New other loans raised	新增其他貸款	—	567
Repayment of other loans	償還其他貸款	—	(259)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資業務所得 (所用)現金淨額	1,668	(3,446)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值 減少淨額	(391)	(729)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初之現金及現金等值	(3,387)	(2,964)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動之影響	311	306
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值	(3,467)	(3,387)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS, represented by:	現金及現金等值 結存分析 可分為：		
Bank balances and cash	銀行結存及現金	1,857	8,029
Bank overdrafts	銀行透支	(5,324)	(11,416)
		(3,467)	(3,387)

Notes to Consolidated Financial Statements

綜合財務報告附註

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

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

The principal activities of the Company and its subsidiaries (the “Group”) are principally engaged in manufacturing and marketing of clocks, marketing of lighting products and trading of metals.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are either effective for accounting periods beginning on or after 1 December 2005, 1 January 2006 or 1 March 2006. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new Hong Kong Accounting Standards (“HKASs”), HKFRSs and Interpretations (“HK(IFRIC) - INTs”) that have been issued but are not yet effective as at 31 March 2007. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

1. 一般資料

本公司於百慕達註冊成立為一間受豁免之有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。

本公司註冊辦事處地址及主要營業地點均於年報之公司資料一詳披露。

綜合財務報告以港元呈列，而本公司以港元作為功能貨幣。

本公司及其附屬公司（「本集團」）之主要業務為主要從事製造及銷售鐘錶、照明產品及金屬貿易。

2. 採用香港財務報告準則

於本年度，本集團已首次採用香港會計師公會頒布之多項新準則、修訂及詮釋（下文統稱「新香港財務報告準則」），該等準則由二零零五年十二月一日、二零零六年一月一日、二零零六年三月一日或其後開始之會計期間生效。採用新香港財務報告準則對本會計期間或過往會計期間業績及財務狀況之編製及呈列方式並無重大影響，因此無須作出前期調整。

本集團於二零零七年三月三十一日並無提早應用以下已頒布惟尚未生效之新及修訂準則、修訂及詮釋。本公司之董事預期該等新準則、修訂及詮釋不會對本集團之財務報告書造成重大影響。

Notes to Consolidated Financial Statements

綜合財務報告附註

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKAS 1 (Amendment)	Capital Disclosures ¹
HKAS 23 (Revised)	Borrowing costs ²
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating Segments ²
HK(IFRIC) – INT 8	Scope of HKFRS 2 ³
HK(IFRIC) – INT 9	Reassessment of Embedded Derivatives ⁴
HK(IFRIC) – INT 10	Interim Financial Reporting and Impairment ⁵
HK(IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions ⁶
HK(IFRIC) – INT 12	Service Concession Arrangements ⁷

- ¹ Effective for annual periods beginning on or after 1 January 2007.
- ² Effective for annual periods beginning on or after 1 January 2009.
- ³ Effective for annual periods beginning on or after 1 May 2006.
- ⁴ Effective for annual periods beginning on or after 1 June 2006.
- ⁵ Effective for annual periods beginning on or after 1 November 2006.
- ⁶ Effective for annual periods beginning on or after 1 March 2007.
- ⁷ Effective for annual periods beginning on or after 1 January 2008.

2. 採用香港財務報告準則 (續)

香港會計準則 第1號(修訂)	資本披露 ¹
香港會計準則 第23號(修訂)	借貸成本 ²
香港財務報告準則 第7號	金融工具：披露 ¹
香港財務報告準則 第8號	經營分部 ²
香港(IFRIC)詮釋 第8號	根據香港財務報告準則 第2號之範圍 ³
香港(IFRIC)詮釋 第9號	重新評估內含衍生 工具 ⁴
香港(IFRIC)詮釋 第10號	中期財務報告及減值 ⁵
香港(IFRIC)詮釋 第11號	香港財務報告準則 第2號—集團及庫存 股份交易 ⁶
香港(IFRIC)詮釋 第12號	服務特許安排 ⁷

- ¹ 自二零零七年一月一日或之後開始之年度期間生效。
- ² 自二零零九年一月一日或之後開始之年度期間生效。
- ³ 自二零零六年五月一日或之後開始之年度期間生效。
- ⁴ 自二零零六年六月一日或之後開始之年度期間生效。
- ⁵ 自二零零六年十一月一日或之後開始之年度期間生效。
- ⁶ 自二零零七年三月一日或之後開始之年度期間生效。
- ⁷ 自二零零八年一月一日或之後開始之年度期間生效。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

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

3. 主要會計政策

綜合財務報表乃根據歷史成本法編製，惟按公平值計算之金融工具除外，有關之會計政策闡述如下。

綜合財務報表已根據香港會計師公會頒布之香港財務報告準則編製。此外，綜合財務報表亦包括香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露事項。

(a) 綜合賬目基準

綜合財務報表包括本公司及所控制的公司(包括特殊目的機構)之財務報告(其附屬公司)。當本公司擁有決定任何實體之財務及經營政策，藉此從其活動獲益時被視為擁有該實體之控制權。

年內收購或出售之附屬公司之業績乃由實際收購日期起或至實際出售日期止計入綜合收益表中。

如需要，將會就附屬公司之財務報告書作出調整，致使其會計政策與本集團其他成員公司所用者貫徹一致。

所有集團內公司間之交易、結餘、收入及費用在綜合賬目中均予以對銷。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

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

(b) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 "Business Combinations" are recognised at their fair values at the acquisition date.

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

3. 主要會計政策 (續)

(a) 綜合賬目基準 (續)

少數股東在綜合附屬公司資產淨值中所佔權益，和本集團所佔股權，是分開呈報出來。少數股東權益包括於合併當日權益數量和少數股東從合併日起股權變動。除非少數股東有義務及有能力增加投資以抵銷虧損，否則少數股東所佔虧損，若超越其在附屬公司所佔股本權益，其差額將從本集團權益中扣減。

(b) 業務合併

收購附屬公司採用購買會計處理法入賬。收購成本按交換當日所給予之資產、所產生或承擔之負債，以及本集團為控制被收購方而已發行股本工具之公平值總額，另加業務合併直接應佔之任何成本計量。符合HKFRS 3 確認條件之被收購方之可識別資產、負債及或然負債，均以收購日之公平值確認。

因收購而產生之商譽確認為資產，初步按成本(即業務合併成本超逾本集團所佔之已確認之可識別資產、負債及或然負債之公平值淨額之權益)計量。倘於重新評估後，本集團應佔被收購方之可識別資產、負債及或然負債之公平值淨額之權益高於業務合併成本，超出部分即時於損益內確認。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Business combinations (continued)

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(c) Goodwill

Goodwill arising on acquisitions prior to 1 January 2005

Goodwill arising on an acquisition of subsidiary for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill arising on acquisitions of subsidiaries before 1 January 2005, the Group has discontinued amortisation from 1 April 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash-generating unit to which the goodwill relates may be impaired (see the accounting policy below).

Goodwill arising on acquisition on or after 1 January 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

3. 主要會計政策 (續)

(b) 業務合併 (續)

少數股東於被收購方之權益初步按少數股東於已確認資產、負債及或然負債之公平值淨額所佔比例計量。

(c) 商譽

於二零零五年一月一日或之前收購產生之商譽

於二零零五年一月一日達成協議收購附屬公司而產生的商譽乃指收購成本超出在收購日本集團應佔相關附屬公司之可辨認資產及負債之差額。

對於以前於二零零五年一月一日前收購附屬公司而產生並予以資本化之商譽，本集團自二零零五年四月一日開始不再進行攤銷，但每年或與商譽有關之現金產成單元有減值跡象時進行減值測試(參看以下會計政策內容)。

於二零零五年一月一日或之後收購產生之商譽

於二零零五年一月一日或之後達成協議收購附屬公司而產生的商譽乃指收購成本超出在收購日本集團應佔相關附屬公司之可辨認資產、負債及或然負債之淨公平值差額。有關商譽乃按成本扣減任何累計減值虧損列賬。

Notes to Consolidated Financial Statements 綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Goodwill (continued)

Goodwill arising on acquisition on or after 1 January 2005 (continued)

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. 主要會計政策 (續)

(c) 商譽 (續)

於二零零五年一月一日或之前收購產生之商譽 (續)

收購附屬公司產生而被資本化之商譽於資產負債表內分開呈列。

為進行減值測試，收購附屬公司而產生之商譽被分配到各相關因收購產生的協同效應而得益之現金產成單元，或現金產成單位之組別。各被分配商譽之現金產成單元每年或有出現減值跡象時進行減值測試。就於某個財政年度因收購而產生之商譽，被分配商譽之現金產成單元於該財政年度完結前進行減值測試。當現金產成單元之可收回金額少於該單元之賬面值，則提取的減值損失首先沖抵分配至該單元之商譽，其後按賬面值的比例沖抵該單位內其他資產。商譽之任何減值虧損乃直接於綜合收益表內確認。商譽之減值虧損於其後期間不予撥回。

當附屬公司於其後出售，其相關之被資本化商譽將包括在出售盈虧的測算內。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investments in subsidiaries

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

(e) Interests in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

3. 主要會計政策 (續)

(d) 附屬公司之投資

附屬公司之投資乃以成本值減去任何已識別之減值虧損後列於本公司之資產負債表。

(e) 於聯營公司之權益

聯營公司是一個投資者具有重大影響力之實體，它既不是附屬公司，也並非合資企業。

聯營公司之業績、資產及負債乃以會計權益法納入該等財務報告。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表中列賬，並就本集團分佔該聯營公司之損益及權益變動之收購後變動作出調整，以及減去任何已識別之減值虧損。當本集團分佔某聯營公司之虧損相等於或超出其於該聯營公司之權益（包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨額之一部分），則本集團不再繼續確認其分佔之進一步虧損。額外分佔之虧損乃被備抵，而負債僅以本集團已產生法定或推定責任或代表該聯營公司作出付款者為限被確認。

本集團以公平淨值於收購聯營公司之已確認資產、負債及或然負債當日，有關收購成本之任何附加值皆被視為商譽，而商譽包括在投資賬面值內，並作為投資一部分之減值評估。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Interests in associates (continued)

Any excess of the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

(f) Intangible assets

Intangible assets acquired separately

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

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

3. 主要會計政策 (續)

(e) 於聯營公司之權益 (續)

本集團收購聯營公司之已確認資產、負債及或然負債公平淨值之任何附加值，經重估後立即計入收益表。

當集團與其聯營公司進行實質交易時，集團於相關聯營公司之權益則於收益表內作出撇銷。

(f) 無形資產

獨立收購無形資產

獨立收購之有限使用年期之無形資產，在其估計可使用年期間以成本減累計攤銷及任何累計減值損失虧損以直線法入賬；而無限使用年期之無形資產，則以成本減任何其後累計減值虧損入賬（見下文有關減值虧損之會計政策）。

因無形資產被停止確認後而產生之收益或虧損，以出售之收益淨額與資產賬面值之間的差額計算，並在該資產獲終止確認時於綜合收益表中予以確認。

Notes to Consolidated Financial Statements 綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible assets (continued)

Patents and trademarks

Cost incurred on the acquisition of patents and trademarks are capitalised in the consolidated balance sheet and are amortised by equal annual instalments over the estimated useful life of five years. Patents and trademarks are not revalued as there is no active market for these assets.

Research and development expenditures

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

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

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

3. 主要會計政策 (續)

(f) 無形資產 (續)

專利權及商標

收購專利權及商標產生之費用於綜合資產負債表內將予資本化，並按五年之估計可使用年期每年以相等款額分期攤銷。由於專利權及商標並無活躍市場，故並無作出重估。

研究及開發成本

研究活動之費用於產生之年度內確認為開支。

收購業務合併之無形資產

倘於業務合併所收購之無形資產符合無形資產之定義，且其公平值能可靠計量，則會與商譽分開識別及確認。該等無形資產之成本為於收購日之公平值。

有限使用年期之無形資產於初步獲確認後，以成本減累計攤銷及任何累計減值損失虧損以直線法入賬；而無限使用年期之無形資產，則以成本減任何其後累計減值虧損入賬（見下文有關減值虧損之會計政策）。

Notes to Consolidated Financial Statements 綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible assets (continued)

Impairment

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

Intangible assets with finite useful lives are tested for impairment when there is an indication that an asset may be impaired (see the accounting policies in respect of impairment losses below).

3. 主要會計政策 (續)

(f) 無形資產 (續)

減值

無限使用年期之無形資產及尚未可供使用之無形資產每年進行減值測試，方法為比較其可收回款額與賬面值，而不論是否出現可能減值之任何跡象。倘估計資產之可收回款額低於其賬面值，則資產賬面值須減低至其可收回款額。減值虧損會即時確認為支出。

倘減值虧損其後撥回，則資產賬面值須增加至其經修訂之估計可收回款額，惟該增加之賬面值不得超逾過往年度假設並無就資產確認任何減值虧損下而釐定之賬面值。

有限使用年期之無形資產則於出現可能減值之跡象時進行減值測試（見下文有關減值虧損之會計政策）。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment

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

Advantage has been taken of the transitional relief provided by paragraph 80A of HKAS 16 "Property, Plant and Equipment" from the requirement to make regular revaluations of the Group's land and buildings which had been carried at revalued amounts prior to 30 September 1995, and accordingly no further revaluation of land and buildings is carried out. Prior to 30 September 1995, the revaluation increase arising on the revaluation of these assets was credited to the revaluation reserve. Any future decreases in value of these assets will be dealt with as an expense to the extent that they exceed the balance, if any, on the revaluation reserve relating to a previous revaluation of the same asset. On the subsequent sale or retirement of a revalued asset, the corresponding revaluation surplus is transferred to retained earnings.

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

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

3. 主要會計政策 (續)

(g) 物業、廠房及設備

物業、廠房及設備按成本值減累積折舊及累積減值虧損列賬。

因應香港會計準則第16號「物業、廠房及設備」第80A段規定之過渡性寬限條文，容許毋須就本集團之土地及樓宇(於一九九五年九月三十日前按重估價值入賬者)進行定期重估，因此不再進行土地及樓宇之重估。於一九九五年九月三十日前，因重估該等資產而產生之重估增值均列入重估儲備。未來該等資產之價值減少至超過於早前重估該項資產之重估儲備結餘(如有)時，差額則列作開支。其後出售或棄用重估資產時之相應重估盈餘乃轉入保留盈利內。

物業、廠房及設備項目之折舊按其估計可使用年期並計及其估計剩餘價值以直線法撇銷其成本值或估值。

根據融資租賃持有之資產乃於其估計可使用年期或相關租賃年期(取較短者)按與自置資產相同之基準折舊。

Notes to Consolidated Financial Statements 綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment (continued)

Construction in progress is stated at cost, less any identified impairment losses. Costs include all development expenditure and other direct cost attributes to such projects. Upon completion of construction, the relevant costs are transferred to appropriate categories of property, plant and equipment when they are ready for use.

No depreciation or amortisation is provided on construction in progress until the asset is completed and put into use.

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

(h) Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties using the straight-line method.

3. 主要會計政策 (續)

(g) 物業、廠房及設備 (續)

在建工程乃按成本值減任何已識別減值虧損入賬。成本值包括所有發展開支及其他該等項目應佔之直接成本。完成建築工程時，有關成本於物業、廠房及設備可供使用時撥入物業、廠房及設備項下之適當類別。

在建工程不會折舊或攤銷，直至資產完成及可投入使用時為止。

物業、廠房及設備於出售或預計不會從中獲得未來經濟利益時被終止確認，任何因資產被終止確認而產生之收益或虧損（按出售所得款項淨額與該資產之賬面值兩者之差額計算），於不再確認該項目之年度計入綜合收益表。

(h) 投資物業

於初步確認時，投資物業按成本計量，包括任何直接應佔開支。於初步確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。投資物業採用直線法計提折舊，以撇銷投資物業之成本。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Investment properties (continued)

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

(i) Land use rights

Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses. The cost of land use rights is amortised on a straight-line basis over the period of the land use rights or the term of the respective enterprise to which the land use rights are granted, whichever is the shorter.

(j) Financial instruments

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

3. 主要會計政策 (續)

(h) 投資物業 (續)

當投資物業出售或永久停止使用或預計不會從出售該項物業中獲得未來經濟利益時，即不再確認該項投資物業。不再確認某項資產所產生之任何收益或虧損（按出售所得款項淨額與該資產之賬面值兩者之差額計算），於不再確認該項目之年度計入綜合收益表。

(i) 土地使用權

土地使用權乃按成本值減累計攤銷及累計減值虧損列賬。土地使用權之成本乃以直線法按土地使用權之期間或授出土地使用權之相關公司之持有年期（以較短者為準）攤銷。

(j) 金融工具

金融資產及金融負債乃於某集團實體成為工具合同條文之訂約方時在資產負債表上確認。金融資產及金融負債起初按公平值計量。收購或發行金融資產及資產負債直接應佔之交易成本（按公平值計入損益之金融資產及金融負債除外）乃於初步確認時加入金融資產或金融負債之公平值或自金融資產或金融負債之公平值內扣除（倘適用）。收購透過損益以公平值列賬之金融資產或金融負債直接應佔之交易成本即時於收益表中確認。

Notes to Consolidated Financial Statements 綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments (continued)

Financial assets

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include the financial assets held for trading on initial recognition.

At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

3. 主要會計政策 (續)

(j) 金融工具 (續)

金融資產

本集團之金融資產分類為兩個類別之一，包括以按公平值列賬並在收益表內處理之金融資產、貸款及應收款項。所有定期購買或出售金融資產乃按交易日基準確認及取消確認。定期購買或出售乃購買或銷售金融資產，並要求於市場上按規則或慣例設定之時間框架內付運資產；所採納之與各類金融資產有關之會計政策乃載於下文。

按公平值列賬並在收益表內處理之金融資產

按公平值列賬並在收益表內處理之金融資產，包括於初步確認時持作買賣之金融資產。

於初步確認後之各結算日，按公平值列賬並在收益表內處理之金融資產乃按公平值計量，而公平值之變動在彼等產生之期間內直接在收益表中確認。

Notes to Consolidated Financial Statements 綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and bills receivables, deposits and other receivables, amounts due from related companies and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

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

3. 主要會計政策 (續)

(j) 金融工具 (續)

貸款及應收款項

貸款及應收款項指並非於活躍市場報價而具備固定或可釐定款項之非衍生工具金融資產。於初步確認後各結算日，貸款及應收款項(包括應收貨款及應收票據、按金及其他應收款項及銀行結存)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬。減值虧損乃當可客觀證明資產減值時於損益中確認，並按該資產之賬面值與按原先實際利率折讓之估計未來現金流量之現值兩者之差額計量。當資產之可收回數額增加乃客觀地與於確認減值後所引致之事件有關時，則減值虧損會於其後期間予以回撥，惟該資產於減值被回撥當日之賬面值不得超過未確認減值時之已攤銷成本。

金融負債及股權

集團實體發行之金融負債及股權工具乃根據所訂立之合約安排之性質以及金融負債及股權工具之定義而分類。

Notes to Consolidated Financial Statements 綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments (continued)

Financial liabilities and equity (continued)

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

Other financial liabilities

Other financial liabilities including trade payables, other payables, obligations under finance leases and bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

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

3. 主要會計政策 (續)

(j) 金融工具 (續)

金融負債及股權 (續)

股權工具為證明於集團經扣除其所有負債後之資產中所剩餘權益之任何合約。本集團之金融負債一般分類為其他金融負債。本集團就金融負債及股權工具而採納之會計政策載於下文。

其他金融負債

其他金融負債包括應付貨款、其他應付款項、融資租賃之承擔以及銀行及其他借貸，乃隨後採用實際利率法按已攤銷成本計量。

股權工具

本公司發行之股權工具乃按收取之所得款項(扣除直接發行成本)入賬。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial instruments (continued)

Financial guarantee contracts

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

Derecognition

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

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

3. 主要會計政策 (續)

(j) 金融工具 (續)

財務擔保合約

財務擔保合約乃要求發行人根據一項債務工具之原有或經修訂條款，因一特定債務人未能於到期日償還款項而需支付特定款項以補償合約持有人所招致損失之一項合約。由本集團發出而原意並非透過收益表以公平值釐定之財務擔保合約，以其公平值減因發行財務擔保合約而直接引致之交易成本初步確認。於初步確認後，本集團以下列較高者計量財務擔保合約：(i) 根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之金額；及(ii) 初步確認之金額減(如適用)根據香港會計準則第18號「收益」而確認之累計攤銷。

取消確認

當應收資產現金流量之權利屆滿，或金融資產被轉讓而本集團已轉讓金融資產擁有權之絕大部分風險及回報時，該等金融資產會取消確認。於取消確認金融資產時，該項資產賬面值與已收代價及於權益直接確認之累計盈虧數兩者之差額會於收益表確認。

當有關合約所訂明之責任獲解除、註銷或屆滿時，金融負債會被取消確認。獲取消確認之金融負債之賬面值與已付或應付代價兩者之差額於收益表確認。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

(l) Impairment losses (other than goodwill and intangible assets (see the accounting policies in respect of goodwill and intangible assets above))

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

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

3. 主要會計政策 (續)

(k) 存貨

存貨乃按成本及可變現淨值之較低者列賬。成本按照加權平均法計算。

(l) 減值虧損 (不包括商譽及無形資產 (見上文有關商譽及無形資產之會計政策))

於各結算日，本集團會檢討其資產之賬面值，以確定該等資產有否出現減值虧損之任何跡象。倘估計資產之可收回數額低於其賬面值，則該資產之賬面值將減至其可收回數額之水平，並會即時將減值虧損確認為開支。

倘減值虧損其後沖銷，則有關資產之賬面值將增至重新估計之可收回數額，而所增加之賬面值不得超過假設該資產於過往年度並無確認減值虧損而釐定之賬面值。減值虧損之沖銷將即時確認為收入，惟倘有關資產根據另一項準則按重估值入賬，則有關減值虧損之沖銷將根據該另一項準則列作重估增值。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue recognition

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

Revenue from sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed.

Revenue from provision of electroplating services is recognised when the services are rendered.

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

Operating lease rental income is recognised on a straight-line basis over the period of the relevant lease terms.

3. 主要會計政策 (續)

(m) 收益確認

收入按日常業務過程中就提供貨品及服務已收或應收之代價，減去折扣及相關銷售稅項後之公平價值計量。

銷售貨物之收益於所有權之風險及報酬轉移時確認，一般與貨物交付客戶及所有權轉移之時間相同。

提供電鍍服務於有關服務之收益提供時予以確認。

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

經營租賃之租金收入以直線法於有關租賃年期期間予以確認。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Equity settled share-based payment transactions

Share options granted to directors and employees of the Company

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to share options reserve.

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

3. 主要會計政策 (續)

(n) 以股本結算股份付款之交易

授予本公司董事及僱員之購股權

已接獲服務之公平值參照於授出日期所授出購股權之公平值釐定，以直線法於歸屬期間支銷，並相應增加股本(購股權儲備)。

於每個結算日，該集團會修訂其對預期可予行使的認股權數目的估計，在收益表確認對原估算修訂(如有)的影響，並對權益作相應調整。

於行使購股權時，以往於購股權儲備確認之金額，將撥入股份溢價。當購股權失效或於屆滿日期時仍未獲行使，則先前於購股權儲備確認之金額將持續於購股權儲備持有。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Taxation

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

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

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

3. 主要會計政策 (續)

(o) 稅項

所得稅開支指現時應付稅項及遞延稅項總額。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括已撥往其他年度的應課稅或應扣減之收入及開支項目，亦不包括可作免稅或不可作稅項扣減之項目，故與收益表所列溢利淨值不同。本集團現行稅項責任乃按照結算日訂立或實際上訂立之稅率計算。

遞延稅項及確認從綜合財務報告賬面值與計算應課稅溢利所採用相應稅基之差額所應付或可收回之稅項，以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則於很可能可扣減暫時差額可對銷應課稅溢利時予以確認。如暫時差額由商譽或負商譽或由初次確認一項不影響稅項溢利或會計溢利之交易之其他資產及負債(業務合併除外)所產生，有關資產及負債不予確認。

Notes to Consolidated Financial Statements 綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

(p) Foreign currencies

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

3. 主要會計政策 (續)

(o) 稅項 (續)

遞延稅項負債於附屬公司及聯營公司投資所產生之應課稅暫時差異予以確認，惟本集團能夠控制暫時差異之撥回以及暫時差異不大可能於可見將來撥回則除外。

遞延稅項資產之賬面值乃於各個結算日進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供全部或部分遞延稅項資產可予應用為止。

遞延稅項按預期適用於負債清償或資產變現期間之稅率計算。遞延稅項從收益賬扣除或計入收益賬，除非遞延稅項關乎直接從權益扣除或直接計入權益之項目，在該情況下遞延稅項亦於權益中處理。

(p) 外幣

於編製各個別集團實體之財務報告時，以該實體之功能貨幣以外之貨幣（「外幣」）進行之交易乃按於交易日期之現行匯率換算為其功能貨幣（即該實體經營所在之主要經濟環境之貨幣）。於各結算日，以外幣定值之貨幣項目乃按結算日之現行匯率重新換算。按公平值列賬並以外幣定值之非貨幣項目乃按其公平值釐定當日之現行匯率重新換算。按外幣歷史成本計量之非貨幣項目毋須重新換算。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are recognised in profit or loss in the period in which they arise except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

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

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the exchange translation reserve.

3. 主要會計政策 (續)

(p) 外幣 (續)

於結算及重新換算貨幣項目時產生之匯兌差額，乃於其產生之期間於收益表確認，惟倘匯兌差額乃因換算構成本集團於海外業務之淨投資額一部份之貨幣項目而產生者則除外，在此情況下有關匯兌差額於綜合財務報告之股權中確認。重新換算以公平值列賬之非貨幣項目所產生匯兌差額，會計入產生期間之收益表，惟重新換算非貨幣項目所產生差額之盈虧於股權中直接確認，在此情況下，匯兌差額亦於股權直接確認。

就綜合財務報告之呈列而言，本集團海外業務之資產及負債乃按結算日之現行匯率換算為本集團之列賬貨幣(即港元)，而其收入及支出乃按該年度之平均匯率換算，惟倘匯率於該期間內出現大幅波動則除外，而在此情況下採用交易日之現行匯率換算。所產生之匯兌差額(如有)乃確認為股權之獨立部分(匯兌儲備)。該等匯兌差額乃於海外業務售出之期間內於收益表確認。

二零零五年一月一日或之後因收購海外業務之可辨識資產而產生之商譽與公平值調整，視為該海外業務之資產及負債，並以結算日之現行匯率換算，而匯兌差價則於匯兌儲備確認。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Leasing

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

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

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

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

3. 主要會計政策 (續)

(q) 租賃

當租約條款將所涉及擁有權之絕大部分風險及回報轉讓予承租人時，租約乃分類為融資租約。所有其他租約均分類為經營租約。

本集團作為出租人

經營租約之租金收入乃按相關租約年期以直線法於綜合收益表確認。於協商及安排時引致之初步直接成本乃增加至租約資產之賬面值，並按租約年期以直線法確認為一項支出。

本集團作為承租人

按融資租約持有之資產乃按租約開始時之公平值或(倘為較低者)按最低租約付款之現值確認為本集團資產。出租人之相應負債於資產負債表列作融資租約承擔。租約付款按比例於融資費用及減少租約承擔之間作出分配，從而使該等負債之應付餘額之息率固定。融資費用直接於收益表中扣除。

根據經營租約之應付租金乃按相關租約年期以直線法於收益表中扣除。因訂立一項經營租約作為獎勵之已收及應收福利乃以直線法按租約年期確認為租金支出減少。

Notes to Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Borrowing costs

All borrowing costs are charged to the consolidated income statement in the year in which they are incurred.

(s) Retirement benefit costs

Payments to state-managed retirement benefits scheme and the defined contribution schemes are charged as an expense when the employees have rendered service entitling them to the contributions.

(t) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value when the effect is material.

3. 主要會計政策 (續)

(r) 借貸成本

所有其他借貸成本均於其產生年度記入綜合收益表。

(s) 退休福利成本

為合資格員工供款予國家管理之退休福利計劃及指定之供款計劃確認為一項支出。

(t) 撥備

本集團為可能因過往事件而產生現有責任結算清償作撥備。於結算日，董事會最可能估計有關責任之金額，若影響重大，亦會作折讓處理。

Notes to Consolidated Financial Statements

綜合財務報告附註

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, management makes various estimates and judgements (other than those involving estimates) based on past experience, expectations of the future and other information. The key source of estimation uncertainty and the critical judgement that can significantly affect the amounts recognised in the financial statements are disclosed below:

Depreciation of property, plant and equipment and investment properties

Property, plant and equipment and investment properties are depreciated on a straight-line basis over their estimated useful lives, after taking into account of their estimated residual value. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual value and the useful lives of the property, plant and equipment and investment properties and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

Amortisation of intangible assets

Patents and on-line games intellectual property rights are amortised on a straight-line basis over their estimated useful lives. The determination of the useful lives involve management's estimation. The Group re-assesses the useful lives of the patents and on-line game intellectual property rights annually and if the expectation differs from the original estimate, such a difference may impact the amortisation in the year and the estimate will be changed in the future period.

4. 關鍵會計判斷及估計不明朗因素之主要來源

於應用本集團之會計政策時，管理層根據過往之經驗、對前景之預測及其他資料作出多項預計及判斷(涉及估計之判斷除外)。可對財務資料之已確認款額構成重大影響之估計不明朗因素及關鍵判斷之主要來源披露如下：

物業、廠房及設備以及投資物業之折舊

物業、廠房及設備以及投資物業均按其估計可使用年期並經計及其估計剩餘價值，採用直線法進行折舊。釐定可使用年期及剩餘價值涉及管理層之估計。本集團每年將物業、廠房及設備及投資物業之剩餘價值及可使用年期進行估計，倘預期與原先估計有分別，則該差異可能對本年度之折舊造成影響，而估計亦將會於未來期間改變。

無形資產攤銷

專利權及網上遊戲知識產權按其估計可使用年期以直線法攤銷。釐定可使用年期涉及管理層之估計。本集團每年對專利權及網上遊戲知識產權之可使用年期進行重估，倘預期與原先估計有分別，則該差異可能對本年度之攤銷造成影響，而估計亦將會於未來期間改變。

Notes to Consolidated Financial Statements

綜合財務報告附註

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

Allowance for bad and doubtful debts

The Group performs ongoing credit evaluations of its customers and adjust credit limits based on payment history and the customer's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience and any specific customer collection issues that it has been identified. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses.

Write down for inventories

The management of the Group reviews an aging analysis at each balance sheet date, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production or sales. The management estimates the net realisable value for such raw materials and finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes allowance for obsolete items.

Impairment of investment properties

The impairment loss for investment properties are recognised for the amounts by which the carrying amounts exceeds its recoverable amount, in accordance with the Group's accounting policy. The recoverable amounts have been determined based on fair values less costs to sell, which is based on the best information available to reflect the amount that obtainable at each of the balance sheet date, from the disposal of the asset in an arm's length transaction between knowledgeable and willing parties, after deducting the costs to disposal.

4. 關鍵會計判斷及估計不明朗因素之主要來源 (續)

呆壞賬撥備

本集團對其客戶進行持續信貸評估，並根據客戶之過往付款紀錄及經審閱客戶目前信貸資料而釐定之現行信譽作出信貸調整。本集團持續監察其客戶之收款及付款，並根據其過往經驗，以及任何已識別特定客戶收款事宜，就估計信貸虧損作出撥備。信貸虧損一直在本集團預期之中，而本集團將會繼續對客戶之收款作出監控及保持合理水平之估計信貸虧損。

存貨撇減

本集團管理層於每個結算日進行賬齡分析，並撇減確認為不再適合生產或銷售之過時或滯銷庫貨品同時作出準備。管理層主要根據最近期發票價格及當時之市況而估計該等原料及製成品之可變現淨值。本集團於各結算日對每種產品進行盤點，並為過時產品作出撥備。

投資物業之減值

投資物業之減值虧損乃根據本集團之會計政策就賬面值超出其可收回金額之數額確認。可收回金額乃按照公平值減銷售成本而釐定，並基於所擁有資料以反映知情及自願之各方按公平磋商原則進行交易以出售資產並經扣減出售成本後於各結算日可取得之金額。

Notes to Consolidated Financial Statements

綜合財務報告附註

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

Impairment of property, plant and equipment

The impairment loss for property, plant and equipment are recognised for the amounts by which the carrying amounts exceeds its recoverable amount, in accordance with the Group's accounting policy. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of estimates such as the future revenue and discount rates. No impairment was provided during the year.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and bills receivables, amounts due from related companies, deposits and other receivables, trade payables, other payables, obligations under finance leases and bank and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Certain trade receivables and bank borrowings of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

4. 關鍵會計判斷及估計不明朗因素之主要來源 (續)

物業、廠房及設備之減值

物業、廠房及設備之減值根據本集團之會計政策，當賬面值超過其可收回數額時獲確認，有關數額按出售當日之價值釐定，此計算方法需要考慮未來收益及貼現率等因素，本年度未作減值撥備。

5. 財務風險管理目標及政策

本集團之主要金融工具包括應收貨款、應收票據、應收關連公司款項、按金及其他應收款項、應付貨款、其他應付款項、融資租賃承擔以及銀行及其他借貸。該等金融工具詳情於各相關附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當措施。

貨幣風險

本集團若干應收貨款及銀行借貸均以外幣計值。本集團現時尚無外幣對沖政策。然而，管理層監控外匯風險，並將會考慮於必要時對沖重大外幣風險。

Notes to Consolidated Financial Statements

綜合財務報告附註

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Cash flow interest rate risk

The Group's cash flow interest rate risk relates primarily to floating-rate borrowings and obligations under finance leases. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 March 2007 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group regularly reviews the recoverable amount of each individual trade receivables at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Group's exposure to liquidity risk is minimal.

5. 財務風險管理目標及政策 (續)

現金流量利率風險

本集團之現金流量利率風險主要與浮動利率之借貸及金融租約之責任有關，集團之政策是要盡量令其浮動利率保持穩定，以減低公平值利率之風險。

信貸風險

倘交易對手於二零零七年三月三十一日仍未能履行彼等之承擔，則本集團就每類已確認金融資產而須承受之最大信貸風險為已於綜合資產負債表呈列之資產之賬面款額反映。為降低信貸風險，本集團管理層已委派一組人員負責釐定信貸限額、信貸審批及其他監控程序，確保採取跟進措施以收回逾期未付之債項。此外，於各結算日，本集團定期評估每項個別應收貨款之可收回款額，以確保就不可收回款額所作出足夠之減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

本集團並無重大集中之信貸風險，而有關風險乃分散至多個其他方及客戶。

流動性風險

本集團之目標為透過利用銀行借貸，維持資金持續供應及靈活性之平衡。本集團承擔之流動性風險有限。

Notes to Consolidated Financial Statements

綜合財務報告附註

6. TURNOVER

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances and provision of electroplating services. An analysis of the Group's turnover for the year, for both continuing and discontinued operations is as follows:

6. 營業額

營業額指銷售貨品之發票值減去折扣及退貨後之銷售；以及提供電鍍服務之收入。年內本集團於持續經營業務及終止經營業務方面之權益如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Continuing operations	持續經營業務		
Sales of goods		162,168	205,920
Discontinued operation (Note 10)	終止經營業務(附註10)		
Provision of electroplating services	提供電鍍服務	11,237	15,215
		173,405	221,135

Notes to Consolidated Financial Statements

綜合財務報告附註

7. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provided. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the clocks and other office related products segment engages in the manufacture and marketing of clocks and other office related accessories;
- (b) the lighting products segment engages in the marketing of energy saving lighting products;
- (c) the trading segment engages in the trading of metal; and
- (d) the electroplating services segment engages in the provision of electroplating services.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

During the year, the Group disposed of its electroplating services business (see note 10).

7. 分類資料

本集團之經營業務按照其不同的操作模式、提供之產品及服務，以不同的架構及管理模式運作。本集團旗下之每個業務分類代表不同的策略性業務單位，其個別提供之產品及服務均受獨立之收益及風險所管制，個別業務亦與其他單位完全不同。業務分類之要詳細如下：

- (a) 時鐘及其他辦公室相關產品業務－製造及銷售時鐘及其他辦公室相關產品；
- (b) 照明產品業務－製造及銷售節能燈產品；
- (c) 貿易業務－金屬貿易；及
- (d) 電鍍服務業務－提供電鍍服務。

在釐定本集團之地域分類時，其收益及業績乃根據客戶的所在地而計算，而其資產乃根據該資產的所在地區而計算。

年內本集團出售電鍍服務業務（詳見附註10）。

Notes to Consolidated Financial Statements

綜合財務報告附註

7. SEGMENT INFORMATION (continued)

(a) Business segments

The following tables present turnover, results and certain asset, liabilities and expenditure information for the Group's business segments.

2007
二零零七年

		Continuing operations 持續經營業務			Discontinued operation 終止經營業務		
		Clocks and other office related products 時鐘及其他 辦公室相關產品 HK\$'000 千港元	Lighting products 照明產品 HK\$'000 千港元	Trading 貿易 HK\$'000 千港元	Electroplating Total services 總額 電鍍服務 HK\$'000 千港元	Total 總額 HK\$'000 千港元	
SEGMENT TURNOVER:	分類營業額：						
Sales to external customers	銷售予對外客戶	134,612	8,519	19,037	162,168	11,237	173,405
SEGMENT RESULTS	分類業績	(17,283)	(1,166)	292	(18,157)	142	(18,015)
Interest income	利息收入				69	3	72
Net unallocated expenses	未能攤分支出淨值				(7,921)	—	(7,921)
Finance costs	融資成本				(2,820)	—	(2,820)
Allowance for bad and doubtful debts	呆壞賬撥備	(497)	—	(30,386)	(30,883)	(305)	(31,188)
Write down for inventories	存貨撇銷				(27,648)	—	(27,648)
Gain on disposal of subsidiaries	出售附屬公司之收益				9,885	—	9,885
Impairment loss recognised in respect of goodwill	商譽所確認之減值虧損				(3,963)	—	(3,963)
Impairment loss recognised in respect of intangible asset	無形資產確認之 減值虧損				(46,440)	—	(46,440)
Loss before tax	除稅前虧損				(127,878)	(160)	(128,038)
Income tax credit	所得稅抵免				3,176	67	3,243
Loss for the year	年內虧損				(124,702)	(93)	(124,795)

7. 分類資料 (續)

(a) 業務分類

下表詳列了本集團按業務分類之營業額、業績以及若干資產、負債及開支資料。

Notes to Consolidated Financial Statements

綜合財務報告附註

7. SEGMENT INFORMATION (continued)

7. 分類資料 (續)

(a) Business segments (continued)

(a) 業務分類 (續)

2006
二零零六年

		Continuing operations 持續經營業務			Discontinued operation 終止經營業務		Total
		Clocks and other office related products 時鐘及其他辦公室相關產品	Lighting products 照明產品	Trading 貿易	Electroplating services 電鍍服務	Total 總額	
		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
SEGMENT TURNOVER:	分類營業額：						
Sales to external customers	銷售予對外客戶	155,853	20,488	29,579	205,920	15,215	221,135
SEGMENT RESULTS	分類業績	(18,404)	(2,360)	363	(20,401)	3,560	(16,841)
Interest income	利息收入				98	—	98
Net unallocated expenses	未能攤分支出淨值				(8,391)	—	(8,391)
Finance costs	融資成本				(2,893)	—	(2,893)
Allowance for bad and doubtful debts	呆壞賬撥備	(1,668)	(31)	—	(1,699)	(97)	(1,796)
Impairment loss recognised in respect of interests in associates	聯營公司權益所確認之減值虧損				(23,768)	—	(23,768)
Impairment loss recognised in respect of goodwill	商譽所確認之減值虧損				(17,004)	—	(17,004)
(Loss) profit before tax	除稅前(虧損)溢利				(74,058)	3,463	(70,595)
Income tax expenses	所得稅開支				(63)	(1,453)	(1,516)
(Loss) profit for the year	年內(虧損)溢利				(74,121)	2,010	(72,111)

Notes to Consolidated Financial Statements 綜合財務報告附註

7. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

2007
二零零七年

		Clocks and other office related products 時鐘及其他 辦公室相關產品 HK\$'000 千港元	Lighting products 照明產品 HK\$'000 千港元	Trading 貿易 HK\$'000 千港元	Total 總額 HK\$'000 千港元
ASSETS	資產				
Segment assets	分類資產	74,347	7,429	2,936	84,712
Unallocated assets	未能攤分資產				1,823
Total assets	資產總額				86,535
LIABILITIES	負債				
Segment liabilities	分類負債	30,180	1,481	8	31,669
Unallocated liabilities	未能攤分負債				3,239
Total liabilities	負債總額				34,908

7. 分類資料 (續)

(a) 業務分類 (續)

Notes to Consolidated Financial Statements

綜合財務報告附註

7. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

2007
二零零七年

7. 分類資料 (續)

(a) 業務分類 (續)

		Continuing operations 持續經營業務			Discontinued operation 終止經營業務	
		Clocks and other office related products 時鐘及其他辦公室相關產品	Lighting products 照明產品	Trading 貿易	Electroplating services 電鍍服務	Total 總額
		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
OTHER SEGMENT INFORMATION:	其他分類資料					
Capital expenditure	資本性開支	1,393	244	—	96	1,733
Unallocated capital expenditure	未能攤分資本性開支				—	—
Depreciation and amortisation	折舊及攤銷	5,838	430	1	973	7,242
Unallocated depreciation and amortisation	未能攤分折舊及攤銷				78	78
Unallocated impairment losses recognised in respect of intangible asset and goodwill	未能攤分無形資產及商譽所確認之減值虧損				50,403	50,403
Allowance for bad and doubtful debts	呆壞賬撥備	497	—	30,386	305	31,188
Write down for inventories	存貨撇銷	28,245	—	—	—	28,245
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	426	42	—	—	468
Unallocated loss on disposal of property, plant and equipment	未能攤分出售物業、廠房及設備虧損				29	29

Notes to Consolidated Financial Statements

綜合財務報告附註

7. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

2006
二零零六年

		Continuing operations 持續經營業務			Discontinued operation 終止經營業務		Total 總額 HK\$'000 千港元
		Clocks and other office related products 時鐘及其他辦公室相關產品 HK\$'000 千港元	Lighting products 照明產品 HK\$'000 千港元	Trading 貿易 HK\$'000 千港元	Total 總額 HK\$'000 千港元	Electroplating services 電鍍服務 HK\$'000 千港元	
ASSETS	資產						
Segment assets	分類資產	144,396	12,426	33,024	189,846	14,881	204,727
Interests in associates	於聯營公司之權益				6,000	—	6,000
Unallocated assets	未能攤分資產				18,902	—	18,902
Total assets	資產總額				214,748	14,881	229,629
LIABILITIES	負債						
Segment liabilities	分類負債	54,726	11,899	7	66,632	2,021	68,653
Unallocated liabilities	未能攤分負債				21,135	—	21,135
Total liabilities	負債總額				87,767	2,021	89,788
OTHER SEGMENT INFORMATION:	其他分類資料						
Capital expenditure	資本性開支	2,138	144	—	2,282	251	2,533
Unallocated capital expenditure	未能攤分資本性開支				400	—	400
Depreciation and amortisation	折舊及攤銷	5,189	538	—	5,727	935	6,662
Unallocated depreciation and amortisation	未能攤分折舊及攤銷				948	—	948
Unallocated impairment losses recognised in the consolidated income statement	未能攤分於綜合收益表中已確認之減值虧損				41,343	—	41,343
Allowance for bad and doubtful debts	呆壞賬撥備				1,699	97	1,796
Write down for inventories	存貨撇銷	8,327	(145)	—	8,182	217	8,399
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)虧損	(20)	20	—	—	—	—
Unallocated gain on disposal of property, plant and equipment	未能攤分出售物業、廠房及設備收益				(19)	—	(19)

7. 分類資料 (續)

(a) 業務分類 (續)

Notes to Consolidated Financial Statements

綜合財務報告附註

7. SEGMENT INFORMATION (continued)

7. 分類資料 (續)

(b) Geographical segments

(b) 地區分類

The following table presents turnover and certain assets and expenditure information for the Group's geographical segments.

下表載列了本集團按地區分類之營業額、若干資產及開支資料。

	North America 北美洲		Europe 歐洲		Hong Kong 香港		PRC 中國		Others 其他		Total 總額	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Segment turnover: 分類營業額:												
Sales to external customers 銷售予對外客戶	75,022	84,124	54,101	73,651	2,922	11,476	33,234	47,874	8,126	4,010	173,405	221,135
Other segment information: 其他分類資料:												
Segment assets 分類資產	440	506	14,634	10,740	52,552	81,091	6,332	127,535	12,577	9,757	86,535	229,629
Capital expenditure 資本性開支	—	—	103	60	23	17	1,511	2,456	96	400	1,733	2,933

Revenue from the Group's discontinued operation was derived mainly from the PRC.

本集團終止經營業務之收益主要來自中國。

Notes to Consolidated Financial Statements

綜合財務報告附註

8. FINANCE COSTS

8. 融資成本

	Continuing operations		Discontinued operation		Total	
	持續經營業務		終止經營業務		總額	
	2007	2006	2007	2006	2007	2006
	二零零七	二零零六	二零零七	二零零六	二零零七	二零零六
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Interest expenses on:						
— bank and other borrowings wholly repayable within five years	2,797	2,845	—	—	2,797	2,845
— obligations under finance leases	23	48	—	—	23	48
	2,820	2,893	—	—	2,820	2,893

9. INCOME TAX (CREDIT) EXPENSES

9. 所得稅(抵免)開支

	Continuing operations		Discontinued operation		Total	
	持續經營業務		終止經營業務		總額	
	2007	2006	2007	2006	2007	2006
	二零零七	二零零六	二零零七	二零零六	二零零七	二零零六
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
The (credit) charge comprises:						
Hong Kong Profits Tax						
— current year	23	30	1	245	24	275
— under (over) provision in prior years	21	(4)	(165)	1,000	(144)	996
Tax in other jurisdictions						
— current year	—	37	96	208	96	245
	44	63	(68)	1,453	(24)	1,516
Deferred taxation (Note 29)	(3,220)	—	1	—	(3,219)	—
	(3,176)	63	(67)	1,453	(3,243)	1,516

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the year.

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

香港利得稅乃根據年內估計應課稅溢利按稅率17.5%(二零零六年: 17.5%)計算。

其他司法權區之稅項則按有關司法權區之適用稅率計算。

Notes to Consolidated Financial Statements

綜合財務報告附註

9. INCOME TAX (CREDIT) EXPENSES (continued)

Pursuant to the laws and regulations in the PRC, certain Group's PRC subsidiaries are exempted from PRC income tax for two years commencing from their first profit-making year of operation and thereafter, these PRC subsidiaries will be entitled to a 50% relief from PRC income tax for the following three years.

During the year ended 31 March 2006, Hong Kong Inland Revenue Department (the "IRD") issued the protective profits tax assessments (the "Protective Assessments") of approximately HK\$1,000,000 relating to the years of assessments from 2000/01 to 2003/04, that is, for the four financial years ended 31 March 2004, against the former subsidiary of the Company, which was being disposed of by the Company during the year ended 31 March 2007. The Group lodged objection with the IRD against the Protective Assessments on 30 June 2006. The amounts of HK\$1,000,000 had been provided for in the consolidated financial statements.

9. 所得稅(抵免)開支(續)

根據中國法律及規定，本集團若干中國附屬公司自其首個獲利經營年度起計兩年可獲豁免繳付中國所得稅，其後三年之所得稅則減半。

截至二零零六年三月三十一日止年度，香港稅務局(「稅務局」)就二零零零/零一至二零零三/零四課稅年度(即截至二零零四年三月三十一日止四個財政年度)，向本公司一間前附屬公司(本公司已於二零零七年三月三十一日年度內出售該附屬公司)發出保障性利得稅評稅約1,000,000港元(「保障性評稅」)。本集團已於二零零六年六月三十日就保障性評稅向稅務局提出反對。1,000,000港元之款項已於綜合財務報表中撥備。

Notes to Consolidated Financial Statements

綜合財務報告附註

9. INCOME TAX (CREDIT) EXPENSES (continued)

9. 所得稅(抵免)開支(續)

The tax (credit) charges for the year can be reconciled to the loss per the consolidated income statement as follows:

本年度稅項支出可與綜合收益表中除稅前虧損對賬如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Loss before tax:	除稅前虧損		
— Continuing operations	— 持續經營業務	(127,878)	(74,058)
— Discontinued operation	— 終止經營業務	(160)	3,463
		(128,038)	(70,595)
Tax at domestic income tax rate of 17.5% (2006: 17.5%)	按本地所得稅稅率17.5%計算之稅項(二零零六年: 17.5%)	(22,406)	(12,354)
Tax effect of expenses not deductible for tax purposes	不可用作扣稅用途開支之稅務影響	16,130	14,271
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(1,927)	(540)
Utilisation of tax losses previously not recognised	動用過往並未確認稅項虧損	(140)	(421)
Tax effect of tax losses not recognised (Over) underprovision in prior years	未確認稅項虧損之稅務影響 過往年度(超額撥備)撥備不足	6,192 (144)	537 996
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之 附屬公司之不同稅率之影響	(595)	(973)
Effect on tax exemption granted to PRC subsidiaries	中國附屬公司獲免稅之影響	(353)	—
Tax (credit) charges for the year	本年度稅項(抵免)開支	(3,243)	1,516

Notes to Consolidated Financial Statements

綜合財務報告附註

10. DISCONTINUED OPERATIONS

In January 2007, the Group entered into an agreement to dispose of a subsidiary, Ultra Good Electroplating Limited (“Ultra Good”) and its subsidiaries (the “Ultra Good Group”), which carried out all the Group’s electroplating services operations (“Electroplating Services Segment”). The disposal was effected in order to generate cash flow for the expansion of the Group’s other businesses. The disposal was completed on 30 March 2007, on which date control of Ultra Good Group passed to the acquirer. This is regarded as a discontinued operation and accordingly, the consolidated income statement was represented.

The (loss) profit for the period/year from the discontinued operation is analysed as follows:

10. 終止經營業務

於二零零七年一月，本集團訂立一項協議，出售一間附屬公司(特佳電鍍有限公司(「特佳」)及其附屬公司(「特佳集團」))，從事本集團所有電鍍服務業務(「電鍍服務業務」)。出售事項為本集團提供現金流拓展其他業務。出售事項於二零零七年三月三十日完成，並於該日將特佳電鍍有限公司之操控權轉讓予買方。此視作為終止經營業務，綜合收益表亦已因此而重列。

終止經營業務之(虧損)溢利分析所載如下：

		1.4.2006 to 30.3.2007 二零零六年 四月一日至 二零零七年 三月三十日 HK\$'000 千港元	1.4.2005 to 31.3.2006 二零零五年 四月一日至 二零零六年 三月三十一日 HK\$'000 千港元
(Loss) profit of Electroplating Services Segment	電鍍服務業務之(虧損)溢利	(93)	2,010
Attributable to:	下列人士應佔：		
Equity holders of the Company	本公司權益持有人	(74)	1,603
Minority interests	少數股東	(19)	407
		(93)	2,010

Notes to Consolidated Financial Statements

綜合財務報告附註

10. DISCONTINUED OPERATIONS (continued)

The results of the electroplating services operations for the period from 1 April 2006 to 30 March 2007, which have been included in the consolidated income statement, were as follows:

		1.4.2006 to 30.3.2007	1.4.2005 to 31.3.2006
		二零零六年 四月一日至 二零零七年 三月三十日	二零零五年 四月一日至 二零零六年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額	11,237	15,215
Cost of sales and services provided	銷售及提供服務之成本	(7,604)	(8,772)
Other operating income	其他業務收入	147	310
Administration expenses	行政開支	(3,940)	(3,290)
		(160)	3,463
Income tax credit (expense)	所得稅抵免(開支)	67	(1,453)
(Loss) profit for the period/year	期內/年內(虧損)溢利	(93)	2,010

During the year ended 31 March 2007, Ultra Good Group contributed approximately HK\$5,462,000 (2006: contributed HK\$380,000) to the Group's net operating cash flows, paid approximately HK\$93,000 (2006: HK\$251,000) in respect of investing activities and paid HK\$5,468,000 in respect of financing activities (2006: Nil).

No tax charge or credit arose on loss on disposal of Electroplating Services Segment.

The carrying amounts of the assets and liabilities of the Ultra Good Group at the date of disposal are disclosed in note 32(b).

10. 終止經營業務 (續)

電鍍服務業務已計入收益表中之於二零零六年四月一日至二零零七年三月三十一日期間之業績所載如下：

	1.4.2006 to 30.3.2007	1.4.2005 to 31.3.2006
	二零零六年 四月一日至 二零零七年 三月三十日	二零零五年 四月一日至 二零零六年 三月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
營業額	11,237	15,215
銷售及提供服務之成本	(7,604)	(8,772)
其他業務收入	147	310
行政開支	(3,940)	(3,290)
	(160)	3,463
所得稅抵免(開支)	67	(1,453)
期內/年內(虧損)溢利	(93)	2,010

於二零零七年三月三十一日，特佳集團本集團之經營現金流貢獻約5,462,000港元(二零零六年：貢獻約380,000港元)，就投資業務支付約93,000港元(二零零六年：251,000港元)，及就金融業務支付約5,468,000港元(二零零六年：無)。

出售電鍍服務業務並無產生稅項費用或抵免虧損。

特佳集團於出售日之資產及負債之賬面值已披露於附註32(b)內。

Notes to Consolidated Financial Statements

綜合財務報告附註

11. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

11. 年內虧損

年內虧損已扣除(計入)下列各項：

	Continuing operations 持續經營業務		Discontinued operation 終止經營業務		Total 總額	
	2007 二零零七 HK\$'000 千港元	2006 二零零六 HK\$'000 千港元	2007 二零零七 HK\$'000 千港元	2006 二零零六 HK\$'000 千港元	2007 二零零七 HK\$'000 千港元	2006 二零零六 HK\$'000 千港元
Cost of inventories sold and services provided	147,586	183,537	7,604	8,772	155,190	192,309
Staff costs (excluding directors' remuneration (note 14)):						
Basic salaries and allowances	13,113	40,148	2,087	1,669	15,200	41,817
Retirement benefits scheme contributions	1,731	1,711	—	45	1,731	1,756
	14,844	41,859	2,087	1,714	16,931	43,573
Depreciation of property, plant and equipment	5,839	6,202	926	889	6,765	7,091
Depreciation of investment properties	327	272	—	—	327	272
Allowance for bad and doubtful debts	30,883	1,699	305	97	31,188	1,796
Amortisation of intangible assets (included in administrative expenses)	—	27	—	—	—	27
Amortisation of prepaid lease payments on land use rights (included in administrative expenses)	181	174	47	46	228	220
Auditors' remuneration	486	350	45	30	531	380
Research and development expenditure	127	267	—	—	127	267
Operating leases charges on rented premises	1,821	2,094	16	23	1,837	2,117
Loss (gain) on disposal of property, plant and equipment	497	(19)	—	—	497	(19)

Notes to Consolidated Financial Statements

綜合財務報告附註

11. LOSS FOR THE YEAR (continued)

11. 年內虧損 (續)

	Continuing operations		Discontinued operation		Total	
	持續經營業務		終止經營業務		總額	
	2007	2006	2007	2006	2007	2006
	二零零七	二零零六	二零零七	二零零六	二零零七	二零零六
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Loss on disposal of investment properties	1,330	—	—	—	1,330	—
Net exchange (gain) loss	(3,479)	996	35	17	(3,444)	1,013
Impairment loss recognised in respect of investment properties	—	571	—	—	—	571
Write down for inventories	27,648	—	—	—	27,648	—
Write down for inventories (included in cost of sales)	597	8,182	—	217	597	8,399
Gain arising from changes in fair value of financial assets at fair value through profit or loss	—	(32)	—	—	—	(32)
Gain on disposal of financial assets at fair value through profit or loss	(8)	—	—	—	(8)	—
Gross rental income from investment properties	(540)	(353)	—	—	(540)	(353)
Less: direct operating expenses that generated rental income	190	166	—	—	190	166
Net rental income from investment properties	(350)	(187)	—	—	(350)	(187)
Interest income	(69)	(98)	(3)	—	(72)	(98)
Write back of allowance for bad and doubtful debts	(15)	(201)	(95)	—	(110)	(201)

Notes to Consolidated Financial Statements

綜合財務報告附註

12. DIVIDEND

No dividend was paid or proposed during the two years ended 31 March 2007 and 2006 since the balance sheet date.

13. (LOSS) EARNINGS PER SHARE - BASIC

From continuing and discontinued operations

The calculation of the basic loss per share attributable to the equity holders of the Company for the year is based on the following data:

12. 股息

自結算日起，概無派付或擬派截至二零零七年及二零零六年三月三十一日止兩個年度之股息。

13. 每股(虧損)盈利 — 基本

自持續經營之業務及終止經營業務

本公司股權持有人應佔本集團每股基本虧損乃根據下列數據計算：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Loss	虧損		
Loss for the year attributable to the equity holders of the Company	本公司股權持有人應佔年度虧損	124,577	72,149
		2007 二零零七年	2006 二零零六年
Number of shares	股份數目		
Number of ordinary shares for the purpose of basic loss per share	用以計算每股基本虧損之普通股數目	304,133,379	262,478,584

Notes to Consolidated Financial Statements

綜合財務報告附註

13. (LOSS) EARNINGS PER SHARE - BASIC (continued)

From continuing operations

The calculation of the basic loss per share from continuing operations attributable to equity holders of the Company for the year is based on the following data:

Loss for the year attributable to equity holders of the Company	本公司股權持有人應佔年度虧損
Less: Loss (profit) for the year from discontinued operation attributable to equity holders of the Company (note 10)	減：本公司股權持有人應佔來自終止經營業務之年度虧損(溢利)(附註10)
Loss for the year for the purpose of basic loss per share from continuing operations	用以計算來自持續經營業務之每股基本虧損之年度虧損

The number of ordinary shares for the purposes of calculation of basic loss per share from continuing operations used as denominators is same as those detailed above.

From discontinued operation

Basic loss per share for discontinued operation is HK0.02 cents per share (2006: earnings of HK0.61 cents per share), based on the loss for the year from the discontinued operation attributable to the equity holders of the Company of approximately HK\$74,000 (2006: profit attributable to equity holders of the Company of approximately HK\$1,603,000) and the denominators detailed above for basic loss per share.

There was no dilution effect on the basic loss per share for the two years ended 31 March 2007 and 2006 as there were no dilutive shares outstanding during the two years ended 31 March 2007 and 2006.

13. 每股(虧損)盈利 — 基本(續)

自持續經營業務

本公司股權持有人應佔本集團自持續經營業務每股基本盈利乃根據下列數據計算：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Loss for the year attributable to equity holders of the Company	124,577	72,149
Less: Loss (profit) for the year from discontinued operation attributable to equity holders of the Company (note 10)	74	(1,603)
Loss for the year for the purpose of basic loss per share from continuing operations	124,503	73,752

計算持續經營業務每股基本虧損之普通股數目所用之分母與上文詳述者相同。

終止經營業務

終止經營業務之每股基本虧損為0.02港仙(二零零六年：每股盈利0.61港仙)，乃根據本公司股權持有人應佔終止經營業務年度虧損74,000港元(二零零六年：本公司股權持有人應佔盈利約1,603,000港元)及上文詳述每股基本盈利之分母計算。

截至二零零七年和二零零六年三月三十一日止兩個年度，均沒有可能造成攤薄影響的普通股，故此並沒有對每股盈利造成攤薄影響。

Notes to Consolidated Financial Statements

綜合財務報告附註

14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the 13 (2006: 10) directors were as follows:

For the year ended 31 March 2007

14. 董事及高級管理人員酬金

(a) 董事酬金

已付或應付13名(二零零六年：10名)董事之酬金如下：

截至二零零七年三月三十一日止年度

	Fees 袍金 HK\$'000 千港元	Other emoluments 其他酬金		Total 總額 HK\$'000 千港元
		Salaries, allowances and other benefits 薪金、津貼及其他福利 HK\$'000 千港元	Retirement benefits contributions 退休福利計劃供款 HK\$'000 千港元	
Executive directors:				
執行董事：				
Liang Jin You ¹	—	1,320	12	1,332
Li KwoYuk ¹	—	360	12	372
Leung Kin Yau ¹	—	240	12	252
Ou Jian Sheng ¹	—	573	2	575
Deng Ju Neng ¹	—	516	—	516
Chen Vee Yong, Frederick ²	—	—	—	—
Lee Sang Yoon ³	—	—	—	—
Leung Heung Ying, Alvin ⁴	—	—	—	—
Chung Oi Ling, Stella ⁴	—	—	—	—
Independent non-executive directors:				
獨立非執行董事：				
Lo Ming Chi, Charles	50	—	—	50
Lo Wah Wai	50	—	—	50
Orr Joseph Wai Shing	50	—	—	50
Wong Ngao San, Marcus ⁴	—	—	—	—
	150	3,009	38	3,197

¹ Resigned on 4 July 2007
² Resigned on 11 July 2007
³ Appointed on 27 June 2006 and resigned on 11 July 2007
⁴ Appointed on 14 June 2007

¹ 於二零零七年七月四日辭任
² 於二零零七年七月十一日辭任
³ 於二零零六年六月二十七日獲委任及於二零零七年七月十一日辭任
⁴ 於二零零七年六月十四日獲委任

Notes to Consolidated Financial Statements

綜合財務報告附註

14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

For the year ended 31 March 2006

	Fees 袍金 HK\$'000 千港元	Other emoluments 其他酬金		Total 總額 HK\$'000 千港元	
		Salaries, allowances and other benefits 薪金、津貼及其他福利 HK\$'000 千港元	Retirement benefits contributions 退休福利計劃供款 HK\$'000 千港元		
Executive directors:					
	執行董事：				
Liang Jin You	梁金友	—	1,320	12	1,332
Li Kwo Yuk	李戈玉	—	360	12	372
Leung Kin Yau	梁健友	—	240	12	252
Ou Jian Sheng	歐健生	—	568	2	570
Deng Ju Neng	鄧巨能	—	120	—	120
Lin Dong Hong ¹	林東宏 ¹	—	180	—	180
Chen Vee Yong, Frederick ²	陳維雄 ²	—	—	—	—
Independent non-executive directors:	獨立非執行董事：				
Lo Ming Chi, Charles	勞明智	50	—	—	50
Lo Wah Wai	盧華威	50	—	—	50
Orr Joseph Wai Shing	柯偉聲	50	—	—	50
		150	2,788	38	2,976

¹ Resigned on 15 March 2006

² Appointed on 15 March 2006

No director waived any emoluments in any of the years ended 31 March 2007 and 2006.

The remuneration of directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

14. 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

截至二零零六年三月三十一日止年度

	Fees 袍金 HK\$'000 千港元	Other emoluments 其他酬金		Total 總額 HK\$'000 千港元	
		Salaries, allowances and other benefits 薪金、津貼及其他福利 HK\$'000 千港元	Retirement benefits contributions 退休福利計劃供款 HK\$'000 千港元		
Executive directors:					
	執行董事：				
Liang Jin You	梁金友	—	1,320	12	1,332
Li Kwo Yuk	李戈玉	—	360	12	372
Leung Kin Yau	梁健友	—	240	12	252
Ou Jian Sheng	歐健生	—	568	2	570
Deng Ju Neng	鄧巨能	—	120	—	120
Lin Dong Hong ¹	林東宏 ¹	—	180	—	180
Chen Vee Yong, Frederick ²	陳維雄 ²	—	—	—	—
Independent non-executive directors:	獨立非執行董事：				
Lo Ming Chi, Charles	勞明智	50	—	—	50
Lo Wah Wai	盧華威	50	—	—	50
Orr Joseph Wai Shing	柯偉聲	50	—	—	50
		150	2,788	38	2,976

¹ 於二零零六年三月十五日辭任

² 於二零零六年三月十五日獲委任

於截至二零零七年及二零零六年三月三十一日止年度，概無董事放棄任何酬金。

薪酬委員會乃就董事個人表現及市場趨勢而釐定董事薪酬。

Notes to Consolidated Financial Statements

綜合財務報告附註

14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(b) Senior management's emoluments

Of the five individuals with the highest emoluments in the Group, three (2006: two) were executive directors of the Company whose emoluments are set out above. The emoluments of the remaining two (2006: three) highest paid individuals were as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	1,259	1,845
Retirement benefits scheme contributions	退休福利計劃供款	79	180
		1,338	2,025

The emoluments of the two (2006: three) highest paid employees fall in the following bands:

		Number of individuals 人數	
		2007 二零零七年	2006 二零零六年
Emoluments bands	酬金範圍		
Nil — HK\$1,000,000	無至1,000,000港元	2	2
HK\$1,000,000 to HK\$1,500,000	1,000,000港元至1,500,000港元	—	1
		2	3

14. 董事及高級管理人員薪酬金 (續)

(b) 高級管理人員酬金

於本集團五名最高酬金僱員中，三名(二零零六年：兩名)為本公司執行董事，彼等之酬金載於上文。餘下之兩名(二零零六年：三名)最高薪人士之酬金如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	1,259	1,845
Retirement benefits scheme contributions	退休福利計劃供款	79	180
		1,338	2,025

兩名(二零零六年：三名)最高酬金而屬下列酬金範圍之僱員載列如下：

		Number of individuals 人數	
		2007 二零零七年	2006 二零零六年
Emoluments bands	酬金範圍		
Nil — HK\$1,000,000	無至1,000,000港元	2	2
HK\$1,000,000 to HK\$1,500,000	1,000,000港元至1,500,000港元	—	1
		2	3

Notes to Consolidated Financial Statements

綜合財務報告附註

14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

- (c) During the year, no emoluments have been paid by the Group to any directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

14. 董事及高級管理人員酬金 (續)

- (c) 於本年度，本集團沒有向任何董事或五名最高酬金之人士支付任何酬金以吸引他們加入或將加入本集團，或其因失去職位而作出賠償。

15. INVESTMENT PROPERTIES

(a)

15. 投資物業

		HK\$'000 千港元
COST		
At 1 April 2005	成本 於二零零五年四月一日	—
Transfer from property, plant and equipment (Note 16)	轉撥自物業、廠房及設備(附註16)	7,269
At 31 March 2006	於二零零六年三月三十一日	7,269
Transfer from property, plant and equipment (Note 16)	轉撥自物業、廠房及設備(附註16)	2,868
Disposal	出售	(5,306)
At 31 March 2007	於二零零七年三月三十一日	4,831
DEPRECIATION AND IMPAIRMENT		
At 1 April 2005	折舊及減值 於二零零五年四月一日	—
Provided for the year	本年度撥備	272
Impairment loss recognised in profit or loss	於收益表確認之 減值虧損	571
At 31 March 2006	於二零零六年三月三十一日	843
Provided for the year	本年度撥備	327
Eliminated on disposals	出售時對銷	(559)
At 31 March 2007	於二零零七年三月三十一日	611
CARRYING VALUES		
At 31 March 2007	賬面值 於二零零七年三月三十一日	4,220
At 31 March 2006	於二零零六年三月三十一日	6,426

Notes to Consolidated Financial Statements

綜合財務報告附註

15. INVESTMENT PROPERTIES (continued)

- (b) In the opinion of the directors of the Company, the fair values of the Group's investment properties at 31 March 2007 are approximately HK\$4,220,000 (2006: HK\$6,426,000). The fair values were determined by reference to recent market prices for similar properties.
- (c) The above investment properties are depreciated on a straight-line basis over the shorter of the term of the leases or 20 years.
- (d) The carrying values of investment properties shown above comprises medium-term leasehold land and buildings situated in:

15. 投資物業 (續)

- (b) 本公司董事認為，本集團投資物業於二零零七年三月三十一日之公平值約為4,220,000港元(二零零六年：6,426,000港元)。公平值乃參照類似物業之近期市價釐定。
- (c) 上述投資物業乃按租期或20年兩者之較短者根據直線法折舊。
- (d) 上列投資物業之賬面值包括位於下列地區之中期租賃土地及樓宇：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Hong Kong	香港	4,220	4,206
Outside Hong Kong	香港以外地區	—	2,220
		4,220	6,426

Notes to Consolidated Financial Statements

綜合財務報告附註

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租約物業 之裝修 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, equipment and motor vehicles 傢俬、設備 及汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST OR VALUATION	成本或估值						
At 1 April 2005	於二零零五年四月一日	81,818	2,520	10	50,742	50,167	185,257
Exchange realignment	匯兌調整	1,236	16	—	460	363	2,075
Additions	添置	—	—	649	935	1,349	2,933
Transfer	轉撥	—	—	(282)	—	282	—
Transfer to investment properties (Note 15)	轉撥至投資物業(附註15)	(9,255)	—	—	—	—	(9,255)
Disposals	出售	—	—	—	(345)	(683)	(1,028)
At 31 March 2006	於二零零六年三月三十一日	73,799	2,536	377	51,792	51,478	179,982
Exchange realignment	匯兌調整	1,792	22	13	844	734	3,405
Additions	添置	—	371	341	446	575	1,733
Transfer	轉撥	—	—	(312)	—	312	—
Transfer to investment properties (Note 15)	轉撥至投資物業(附註15)	(4,198)	—	—	—	—	(4,198)
Disposals	出售	(467)	(87)	—	(787)	(759)	(2,100)
Disposal of subsidiaries	出售附屬公司	(52,673)	(1,085)	(419)	(27,905)	(19,536)	(101,618)
At 31 March 2007	於二零零七年三月三十一日	18,253	1,757	—	24,390	32,804	77,204
Comprising:	包括:						
At cost	按成本	—	1,757	—	24,390	32,804	58,951
At valuation — 1995	按估值—一九九五年	18,253	—	—	—	—	18,253
		18,253	1,757	—	24,390	32,804	77,204

Notes to Consolidated Financial Statements

綜合財務報告附註

16. PROPERTY, PLANT AND EQUIPMENT (continued)

16. 物業、廠房及設備 (續)

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租約物業 之裝修 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, equipment and motor vehicles 傢俬、設備 及汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
ACCUMULATED DEPRECIATION AND AMORISATION	累積折舊及攤銷						
At 1 April 2005	於二零零五年四月一日	26,643	984	—	46,380	44,256	118,263
Exchange realignment	匯兌調整	428	—	—	432	254	1,114
Charge for the year	本年度支出	2,794	273	—	1,413	2,611	7,091
Transfer to investment properties (Note 15)	轉撥至投資物業(附註15)	(1,986)	—	—	—	—	(1,986)
Eliminated on disposals	出售時對銷	—	—	—	(336)	(663)	(999)
At 31 March 2006	於二零零六年 三月三十一日	27,879	1,257	—	47,889	46,458	123,483
Exchange realignment	匯兌調整	711	3	—	755	550	2,019
Charge for the year	本年度支出	3,269	284	—	1,053	2,159	6,765
Transfer to investment properties (Note 15)	轉撥至投資物業(附註15)	(1,330)	—	—	—	—	(1,330)
Eliminated on disposals	出售時對銷	(105)	(58)	—	(756)	(639)	(1,558)
Eliminated on disposal of subsidiaries	出售附屬公司時對銷	(24,386)	(74)	—	(25,276)	(16,856)	(66,592)
At 31 March 2007	於二零零七年 三月三十一日	6,038	1,412	—	23,665	31,672	62,787
CARRYING VALUES	賬面值						
At 31 March 2007	於二零零七年 三月三十一日	12,215	345	—	725	1,132	14,417
At 31 March 2006	於二零零六年 三月三十一日	45,920	1,279	377	3,903	5,020	56,499

Notes to Consolidated Financial Statements

綜合財務報告附註

16. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Leasehold land and buildings	Over the shorter of the term of the leases or 5%
Leasehold improvements	Over the shorter of the term of the leases or 15%
Plant and machinery	20%
Furniture, equipment and motor vehicles	15% to 25%

Notes:

An analysis of the cost or valuation of the leasehold land and buildings of the Group at the balance sheet date is as follows:

16. 物業、廠房及設備 (續)

上述物業、廠房及設備項目乃以直線法按下列年率計提折舊：

租賃土地及樓宇	按租約年期或5%之間較短者
租賃物業裝修	按租約年期或15%之間較短者
廠房及機器	20%
傢俬、設備及汽車	15%至25%

附註：

於結算日，本集團之租賃土地及樓宇成本或估值分析如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Long-term leasehold land and buildings in:	長期租賃土地及樓宇：		
Outside Hong Kong	香港以外	—	12,564
Medium-term leasehold land and buildings in:	中期租賃土地及樓宇：		
Hong Kong	香港	12,215	15,621
Outside Hong Kong	香港以外	—	15,090
		12,215	30,711
Short-term leasehold land and buildings in:	短期租賃土地及樓宇：		
Outside Hong Kong	香港以外	—	2,645

The valuation of the leasehold land and buildings was carried out by Knight, Frank & Kan, an independent firm of professionally property valuers, on an open market, existing use basis as at 31 January 1995. No further valuation will be carried out on these land and buildings. Had the revalued assets been valued at their cost less accumulated depreciation and impairment losses, the total carrying amount of land and buildings as at 31 March 2007 would be restated at approximately HK\$4,812,000 (2006: HK\$6,653,000).

租賃土地及樓宇之估值由獨立專業估值師行簡福飴測量行根據公開市值及現用基準於一九九五年一月三十一日評估，而將不會就該等土地及樓宇再進行估值。當按成本減累積折舊及減值虧損重估資產，於二零零七年三月三十一日之土地及樓宇之賬面總值重列約為4,812,000港元(二零零六年：6,653,000港元)。

Notes to Consolidated Financial Statements

綜合財務報告附註

16. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying value of assets held under finance leases included in the total amount of plant and machinery and motor vehicles of the Group as at 31 March 2007 amounted to approximately HK\$412,000 (2006: HK\$901,000).

16. 物業、廠房及設備 (續)

於二零零七年三月三十一日根據融資租賃持有之資產賬面值(包括於本集團廠房及機器及汽車總額)為412,000港元(二零零六年: 901,000港元)。

17. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS

17. 土地使用權預付租賃款項

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
The Group's prepaid lease payments on land use rights comprise:	本集團之土地使用權預付租賃款項包括：		
Leasehold land in the PRC:	位於中國之租賃土地：		
Short-term lease	短期租賃	—	1,339
Medium-term lease	中期租賃	—	2,649
Long lease	長期租賃	—	5,240
		—	9,228
Analysed for reporting purposes as:	為呈報目的所作分析：		
Non-current asset	非流動資產	—	9,008
Current asset	流動資產	—	220
		—	9,228

Notes to Consolidated Financial Statements

綜合財務報告附註

18. INTANGIBLE ASSETS

18. 無形資產

		On-line game intellectual property rights 網上遊戲 知識產權 HK\$'000 千港元	Patents and trademarks 專利權及商標 HK\$'000 千港元	Total 總額 HK\$'000 千港元
COST	成本			
At 1 April 2005	於二零零五年四月一日	—	1,771	1,771
Exchange realignment	匯兌調整	—	(37)	(37)
At 31 March 2006	於二零零六年三月三十一日	—	1,734	1,734
Exchange realignment	匯兌調整	—	48	48
Acquired on acquisition of a subsidiary	收購附屬公司所收購	46,440	—	46,440
At 31 March 2007	於二零零七年三月三十一日	46,440	1,782	48,222
ACCUMULATED AMORTISATION AND IMPAIRMENT	累積攤銷及減值			
At 1 April 2005	於二零零五年四月一日	—	1,732	1,732
Exchange realignment	匯兌調整	—	(25)	(25)
Charge for the year	本年度攤銷	—	27	27
At 31 March 2006	於二零零六年三月三十一日	—	1,734	1,734
Exchange realignment	匯兌調整	—	48	48
Impairment loss recognised for the year	本年度已確認之減值虧損	46,440	—	46,440
At 31 March 2007	於二零零七年三月三十一日	46,440	1,782	48,222
CARRYING VALUES	賬面值			
At 31 March 2007	於二零零七年三月三十一日	—	—	—
At 31 March 2006	於二零零六年三月三十一日	—	—	—

Patents and trademarks and on-line game intellectual property rights have definite useful lives and are amortised on a straight-line basis over five years.

The directors of the Company are of the opinion that the timing for launching the on-line game intellectual property rights to the market was not determinable after reviewing the development progress, impairment loss of HK\$46,440,000 was recognised for the year ended 31 March 2007.

專利權及商標及網上遊戲知識產權之可用年期有限，且按直線法於五年內攤銷。

本公司董事認為，經審閱發展進度後，未能確定在市場推出網上遊戲知識產權的時間，故已於截至二零零七年三月三十一日止年度確認減值虧損46,440,000港元。

Notes to Consolidated Financial Statements

綜合財務報告附註

19. GOODWILL

19. 商譽

		HK\$'000 千港元
(A) COST	(A) 成本	
At 1 April 2005	二零零五年四月一日	19,993
Elimination of accumulated amortisation upon the application of HKFRS 3	應用香港財務報告準則第3號後 撤銷累積攤銷	<u>(2,989)</u>
At 31 March 2006	於二零零六年三月三十一日	17,004
Acquired on acquisition of a subsidiary	收購附屬公司所收購	<u>3,963</u>
At 31 March 2007	於二零零七年三月三十一日	<u>20,967</u>
ACCUMULATED AMORTISATION	累積攤銷	
At 1 April 2005	於二零零五年四月一日	2,989
Elimination of accumulated amortisation upon the application of HKFRS 3	採納香港財務報告準則 第3號後撤銷累積攤銷	<u>(2,989)</u>
At 31 March 2006 and 31 March 2007	於二零零六年三月三十一日 及二零零七年三月三十一日	<u>—</u>
IMPAIRMENT	減值	
At 1 April 2005	於二零零五年四月一日	—
Impairment loss recognised for the year	本年度所確認之減值虧損	<u>17,004</u>
At 31 March 2006	於二零零六年三月三十一日	17,004
Impairment loss recognised for the year	本年度所確認之減值虧損	<u>3,963</u>
At 31 March 2007	於二零零七年三月三十一日	<u>20,967</u>
CARRYING VALUES	賬面值	
At 31 March 2007	於二零零七年三月三十一日	<u>—</u>
At 31 March 2006	於二零零六年三月三十一日	<u>—</u>

Notes to Consolidated Financial Statements

綜合財務報告附註

19. GOODWILL (continued)

(A) COST (continued)

During the year ended 31 March 2006, the Group fully impaired the goodwill arising from acquisition of Lens Trading Inc., as the directors of the Company were of the opinion that business prospect of this subsidiary was unfavourable and the recoverable amount of the cash generating unit cannot support the amount of goodwill.

During the year ended 31 March 2007, goodwill of HK\$3,963,000 was generated from the acquisition of a subsidiary, Matrix Software Inc. ("Matrix"). The sole asset of Matrix was the on-line game intellectual property rights. As directors of the Company are of the opinion that the timing for launching the on-line game intellectual property rights to the market was not determinable after reviewing the development progress, impairment loss of HK\$3,963,000 was recognised.

19. 商譽 (續)

(A) 成本 (續)

截至二零零六年三月三十一日止年度，由於本公司董事認為此附屬公司之業務前景欠佳，而現金產生單位之可收回金額不能支持商譽金額，故本集團將源自收購Lens Trading Inc.之商譽全面減值。

截至二零零七年三月三十一日止年度，由收購一間附屬公司Matrix Software Inc. (「Matrix」)所產生之商譽為3,963,000港元。Matrix之唯一資產為網上遊戲知識產權。本公司董事認為經審閱發展進度後，未能確定在市場推出網上遊戲知識產權的時間，故本集團確認減值虧損3,963,000港元。

20. INTERESTS IN ASSOCIATES

20. 於附屬公司權益

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cost of investment in unlisted associates 於未上市聯營公司之投資成本	—	29,605
Share of post-acquisition profits and exchange realignment (Note a) 應佔收購後溢利及匯兌調整(附註a)	—	163
Impairment loss recognised (Note c) 所確認之減值虧損(附註c)	—	(23,768)
	—	6,000

Notes to Consolidated Financial Statements

綜合財務報告附註

20. INTERESTS IN ASSOCIATES (continued)

As at 31 March 2006, the Group had interests in the following associates:

20. 於附屬公司權益 (續)

於二零零六年三月三十一日，本集團於下列聯營公司持有權益：

Name of associate 聯營公司名稱	Form of business structure 業務架構形式	Class of shares held 所持股份類別	Place of incorporation/ registration and operations 成立/註冊及經營之地點	Nominal value of issued share/ registered capital 已發行/已註冊資本面值	Percentage of equity attributable to the Group 本集團應佔股權之百分比	Principal activities 主要業務
Success Start Holdings Limited ("Success Start") 成發控股有限公司 (「成發控股」)	Incorporated 法團公司	Ordinary 普通股	British Virgin Islands ("BVI") 英屬處女群島	HK\$390,000 390,000港元	49%	Investment holding 投資控股
Anxi Medicine-Make Co., Limited, Fujian ("Anxi Medicine") 福建省安溪制藥有限公司(「安溪制藥」)	Incorporated 法團公司	Contributed capital 投入資本	PRC 中國	RMB30,000,000 人民幣30,000,000元	39%	Manufacture of medical products 製造醫藥產品
Beijing Xipu Biotechnology Limited ("Beijing Xipu") 北京蠶圃環球生物醫藥技術有限公司 (「北京蠶圃」)	Incorporated 法團公司	Contributed capital 投入資本	PRC 中國	RMB10,000,000 人民幣10,000,000元	43%	Research and development, production and sales of bio-technological medical products 研究及開發、生產及銷售生物技術醫藥產品

Notes to Consolidated Financial Statements

綜合財務報告附註

20. INTERESTS IN ASSOCIATES (continued)

Notes:

- (a) The summarised unaudited financial information in respect of the Group's associates is set out below:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Total assets	資產總值	—	40,930
Total liabilities	負債總額	—	(11,634)
Net assets	資產淨值	—	29,296
Group's share of net assets of associates (Note)	本集團分佔聯營公司資產淨值(附註)	—	29,768
Revenue	收益	—	9,465
Loss for the year	年內虧損	—	(31,455)
Group's share of results of associates for the year (Note)	本集團分佔聯營公司年內業績(附註)	—	—

Note: Pursuant to the sales and purchase agreement dated 15 March 2004 in respect of the acquisition of Success Start and its subsidiaries, Anxi Medicine and Beijing Xipu, stipulates that in the case of any loss incurred by Success Start within five years following the date of the acquisition, the loss will be borne by the vendors in proportion to the original shareholdings in Success Start.

(b) During the year ended 31 March 2007, the Group disposed of its 49% equity interest in Success Start and its subsidiaries, Anxi Medicine and Beijing Xipu at a consideration of HK\$6,000,000 and no gain or loss is resulted.

(c) During the year ended 31 March 2006, the directors of the Company reviewed the carrying value of its interest in associates with reference to a sale and purchase agreement entered into by a wholly-owned subsidiary of the Company, Easy Link Assets Limited ("Easy Link") with independent third parties for the disposal of Success Start. An impairment loss of HK\$23,768,000 was recognised in the consolidated income statement.

20. 於附屬公司權益 (續)

附註：

- (a) 有關本集團聯營公司之未經審核財務資料概要載列如下：

附註：根據於二零零四年三月十五日就收購成發及其附屬公司而訂立之買賣協議，當中訂明倘成發於收購日期後五年內出現任何虧損，則虧損將由賣方按成發原持股量之比例承擔。

(b) 於截至二零零七年三月三十一日止年度內，本集團以代價6,000,000港元出售成發及其附屬公司(安溪制藥及北京聖圃)之49%股權，並無錄得盈虧。

(c) 於截至二零零六年三月三十一日止年度內，本公司董事參照本公司全資附屬公司 Easy Link Assets Limited (「EasyLink」) 就出售成發與獨立第三方訂立之買賣協議審視於聯營公司之權益之賬面值。綜合收益表中已確認23,768,000港元之減值虧損。

Notes to Consolidated Financial Statements

綜合財務報告附註

21. INVENTORIES

21. 存貨

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Raw materials	原材料	72	32,478
Work in progress	在製品	77	35,032
Finished goods	製成品	11,875	11,608
		12,024	79,118

At 31 March 2007, all the inventories were carried at cost.

於二零零七年三月三十一日，所有存貨已按成本列賬。

22. TRADE AND BILLS RECEIVABLES

22. 應收貨款及應收票據

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Trade and bills receivables (Note)	應收貨款及應收票據(附註)	47,331	60,089
Less: Allowance for bad and doubtful debts	減：呆壞賬撥備	(29,227)	(4,452)
		18,104	55,637

Note:

The Group's sales are on open account terms. Trading terms with customers are largely on credit, except for new customers where payment in advance is normally required. Invoices are normally payable within 30 days of issuance, except for certain well-established customers, where the terms are extended to 180 days.

附註：

本集團之銷售以記賬形式進行。除新客戶需預先付款外，大部份客戶均給予信貸期。除若干關係良好之客戶給予最長180天之信貸期外，大部份貨款於30天內償還。

Notes to Consolidated Financial Statements

綜合財務報告附註

22. TRADE AND BILLS RECEIVABLES (continued)

At the balance sheet date, the aging analysis of the trade and bills receivables, net of allowance for bad and doubtful debts was as follows:

Within 90 days	90天內
91 — 365 days	91天至365天內
Over 1 year	超過1年

The fair values of the Group's trade and bills receivables at the balance sheet date approximated to their corresponding carrying amounts because of their short-term of maturities.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The fair values of the Group's deposits and other receivables at the balance sheet date approximated to their corresponding carrying amounts because of their short-term of maturities.

22. 應收貨款及應收票據 (續)

於結算日，應收貨款及應收票據之賬齡分析(扣除呆壞賬撥備後)如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within 90 days	14,274	24,214
91 — 365 days	3,361	29,166
Over 1 year	469	2,257
	18,104	55,637

本集團於結算日之應收貨款及應收票據於短期內到期，因此其公平值與其相應賬面值相若。

23. 預付款項、按金及其他應收款項

本集團於結算日之按金及其他應收款項於短期內到期，因此其公平值與其相應賬面值相若。

Notes to Consolidated Financial Statements

綜合財務報告附註

24. AMOUNTS DUE FROM RELATED COMPANIES

24. 應收關連公司款項

Name 名稱		Balance	Balance	Maximum amount outstanding during the year 年內未償還 最高數額
		as at 31 March 2007 於二零零七年 三月三十一日結餘 HK\$'000 千港元	as at 31 March 2006 於二零零六年 三月三十一日結餘 HK\$'000 千港元	
Merry Crest Management Limited ("Merry Crest")	Merry Crest Management Limited ("Merry Crest")	14,111	—	14,111
Asia Peace Development Limited ("Asia Peace")	偉和發展有限公司 ("偉和")	19,002	—	19,002
		33,113	—	

The amounts represent the consideration receivables in respect of the disposal of subsidiaries (Note 32a & b), of which are unsecured, non-interest bearing, repayable on demand and are fully settled in May 2007.

Mr. Liang Jin You, an executive director and chairman of the Company and a controlling shareholder of the Company ("Mr. Liang") has beneficial interests in these two related companies.

The fair values of the Group's amounts due from related companies at the balance sheet date approximated to their corresponding carrying amounts due to their short-term of maturities.

有關出售附屬公司(附註32a及b)之應收代價金額為無抵押、免息、須按要求償還及已於二零零七年五月全數清償。

梁金友先生(「梁先生」)為本公司執行董事及主席，亦為持有該兩間關連公司實際權益之公司之控股股東。

本集團於結算日之應收關連公司款項於短期內到期，因此其公平值與其相應賬面值相若。

Notes to Consolidated Financial Statements

綜合財務報告附註

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include:

Unlisted investments in guaranteed funds, at fair value

保證基金之非上市投資，按公平值

2007
二零零七年
HK\$'000
千港元

2006
二零零六年
HK\$'000
千港元

—

2,343

26. TRADE PAYABLES / OTHER PAYABLES AND ACCRUALS

At the balance sheet date, the aging analysis of the trade payables were as follows:

Within 90 days
91 — 365 days
Over 1 year

90天內
91天至365天內
超過1年

2007
二零零七年
HK\$'000
千港元

2006
二零零六年
HK\$'000
千港元

8,375

19,941

1,026

7,220

416

1,392

9,817

28,553

The fair values of the Group's trade and other payables at the balance sheet date approximated to their corresponding carrying amounts due to their short-term of maturities.

25. 按公平值列賬並在收益表內處理之金融資產

按公平值列賬並在收益表內處理之金融資產包括：

26. 應付貨款／其他應付款項及應計負債

於結算日，應付貨款之賬齡分析如下：

本集團於結算日之應付貨款及其他應付款項於短期內到期，因此其公平值與其相應賬面值相若。

Notes to Consolidated Financial Statements

綜合財務報告附註

27. OBLIGATIONS UNDER FINANCE LEASES

The lease term is ranging from 3 to 5 years. For the year ended 31 March 2007, the average effective borrowing rate was 5.7% (2006: 5.7%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

27. 融資租賃承擔

租期介乎3至5年不等。截至二零零七年三月三十一日止年度，平均實際借貸率為5.7厘（二零零六年：5.7厘）。利率乃於訂約當日釐定。所有租賃均以固定還款為基準，而本集團並無或然租金付款訂立任何安排。

		Minimum lease payments 最低租金		Present value of minimum lease payments 最低租金現值	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Amounts payable under finance leases	根據融資租賃應付之款項				
Within one year	一年內	367	648	346	598
More than one year but not more than two years	超過一年但不超過兩年	102	433	99	405
More than two years but not more than three years	超過兩年但不超過三年	7	168	7	160
More than three years but not more than four years	超過三年但不超過四年	—	23	—	21
		476	1,272	452	1,184
Less: Future finance charges	減：日後融資費用	(24)	(88)	N/A	N/A
Present value of lease obligations	租賃承擔之現值	452	1,184	452	1,184
Less: Amount due within one year shown under current liabilities	減：列作流動負債於一年內到期之款項			(346)	(598)
Amount due after one year	於一年後到期之款項			106	586

Notes to Consolidated Financial Statements

綜合財務報告附註

27. OBLIGATIONS UNDER FINANCE LEASES (continued)

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

Finance leases obligations are denominated in Hong Kong dollars.

The directors of the Company consider that the carrying amounts of the obligations under finance leases at the balance sheet date approximated to their fair values.

27. 融資租賃承擔 (續)

本集團融資租賃承擔乃以承租人有關租賃資產之押記作抵押。

融資租賃承擔以港元計值。

本公司董事認為，於結算日之融資租賃承擔之賬面值與其公平值相若。

28. BANK AND OTHER BORROWINGS

28. 銀行及其他借貸

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Bank loans	銀行貸款	3,570	17,642
Trust receipt loans	信託收據貸款	1,488	2,766
Other loans	其他貸款	—	567
Bank overdrafts	銀行透支	5,324	11,416
		10,382	32,391
Analysed as:	分析：		
Secured	有抵押	5,346	24,314
Unsecured	無抵押	5,036	8,077
		10,382	32,391

The above amounts bear interest at prevailing market rates and are repayable on demand or within one year.

上述金額乃按現行市場利率計息，並須按要求或於一年內償還。

Notes to Consolidated Financial Statements

綜合財務報告附註

28. BANK AND OTHER BORROWINGS (continued)

In respect of bank loans with an aggregate carrying amount of approximately HK\$5,707,000 as at 31 March 2007, the Group breached certain of the terms of the bank loans, which are primarily related to the consolidated tangible net worth of the Group. On discovery of the breach, the directors of the Company informed the relevant bankers and commenced a re-negotiation of the loans.

At 31 March 2007, all bank borrowings are floating rate borrowings. The bank borrowings carry interest at London Inter-Bank Offered Rate ("LIBOR") plus 2.5%, Prime Lending Rate plus 0.25% and Best Lending Rate ("BLR") plus 0.25% to 0.5%.

At 31 March 2006, bank borrowings of HK\$15,587,000 and HK\$16,237,000 were fixed rate borrowings and floating rate borrowings, respectively. The fixed rate bank borrowings carried interest ranging from 4.75% to 7.71% per annum and the floating rate borrowings carried interest at Hong Kong Interbank Offered Rate plus 0.25%, LIBOR plus 2.5% and BLR plus 0.25% to 1.5%.

At 31 March 2006, the other borrowings were unsecured, carried interest at 4.75% to 9.75% per annum and were fully repaid in 2007.

28. 銀行及其他借貸 (續)

於二零零七年三月三十一日，本集團違反了總賬面值為5,707,000港元之若干銀行貸款之若干條款，違反原因主要與本集團之綜合有形資產淨值有關。發現有關違反時，本公司董事已通知有關銀行，並展開重新商討該等貸款。

於二零零七年三月三十一日，所有銀行借貸均為浮息借貸。貸款之息率按倫敦銀行同業拆息(「倫敦銀行同業拆息」)另加2.5厘計算，最優惠貸款利率另加0.25厘及最優惠借貸利率(「最優惠借貸利率」)另加0.25厘至0.5厘計息。

於二零零六年三月三十一日，為數15,587,000港元及16,237,000港元之銀行借貸分別為定息借貸及浮息借貸。定息借貸按介乎4.75厘至7.71厘之年利率計息，而浮息借貸則按香港銀行同業拆息另加0.25厘、倫敦銀行同業拆息另加2.5厘及最優惠借貸利率另加0.25厘至1.5厘計息。

於二零零六年三月三十一日，其他借貸為無抵押，貨款之年息率為4.75厘至9.75厘並已於二零零七年全數償還。

Notes to Consolidated Financial Statements

綜合財務報告附註

28. BANK AND OTHER BORROWINGS (continued)

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

As at 31 March 2007	於二零零七年三月三十一日
As at 31 March 2006	於二零零六年三月三十一日

During the year, the Group obtained new bank borrowings in the amount of approximately HK\$26,469,000. The loans drawn during the year bear interest at prevailing market rates and will be repayable within one year.

The directors of the Company consider that the carrying amounts of bank borrowings at the balance sheet date approximated to their fair values.

28. 銀行及其他借貸 (續)

本集團以有關集團實體功能貨幣以外貨幣計值之借貸載列如下：

	Renminbi 人民幣 '000 人民幣千元	United States Dollars 美元 '000 千美元	Great Britain Pound 英鎊 '000 千英鎊
As at 31 March 2007	—	135	164
As at 31 March 2006	15,729	328	265

年內，本集團取得約26,469,000港元之新增銀行借貸。年內提取之貸款乃按現行市場利率計息，並將於一年內償還。

本公司董事認為，於結算日之銀行借貸之賬面值與其公平值相若。

Notes to Consolidated Financial Statements

綜合財務報告附註

29. DEFERRED TAX

The following are the major deferred tax liabilities (assets) recognised and movement thereon during the current and prior reporting periods.

	Accelerated tax depreciation 加速 稅項折舊 HK\$'000 千港元	Revaluation of properties 重估物業 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Unrealised losses on inventories 未實現之 存貨虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元	
At 1 April 2005 and 31 March 2006	於二零零五年四月一日及 二零零六年三月三十一日	(766)	1,864	(87)	3,360	4,371
(Credit) charge to income for the year	於本年度之收入內 (計入)扣除	54	—	87	(3,360)	(3,219)
Released upon transfer of leasehold land and buildings to investment properties	當租賃土地及物業 在轉撥為投資物業 時解除	260	(260)	—	—	—
Released on disposal of subsidiaries	於出售附屬公司時 解除	(21)	—	—	—	(21)
		(473)	1,604	—	—	1,131

For the purposes of balance sheet presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

以下為已確認之主要遞延稅項負債及(資產)，以及其於本期及過往期間內之變動。

29. 遞延稅項

就資產負債表之呈報而言，若干遞延稅項資產及負債已對銷。以下為就財務呈報目的而編製之遞延稅項結存分析：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	1,131	4,506
Deferred tax assets	遞延稅項資產	—	(135)
		1,131	4,371

Notes to Consolidated Financial Statements

綜合財務報告附註

29. DEFERRED TAX (continued)

At 31 March 2007, the Group has unused tax losses of HK\$46,070,000 (2006: HK\$13,679,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profits streams. Included in unrecognised tax losses of approximately HK\$2,178,000 (2006: HK\$2,783,000) that will expire in 2011. Other losses may be carried forward indefinitely.

29. 遞延稅項 (續)

於二零零七年三月三十一日，本集團之未動用稅項虧損為46,070,000港元（二零零六年：13,679,000港元）可用作與未來溢利對銷。因未來溢利流入不可預測，因此未有確認遞延稅項資產。未確認稅項虧損約2,178,000港元（二零零六年：2,783,000港元）將於二零一一年屆滿。其他虧損可無限承前結轉。

30. SHARE CAPITAL AND SHARE OPTIONS

Share capital

30. 股本及購股權

股本

		Number of ordinary shares of HK\$0.10 each 每股面值0.10港元 普通股數目		Amount 金額	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Authorised:	法定股本：				
Balance at beginning of year and at 31 March	於年初及三月 三十一日之結餘	900,000,000	900,000,000	90,000	90,000
Issued and fully paid:	已發行及已繳足股本：				
Balance at beginning of year	於年初結餘	262,478,584	262,478,584	26,248	26,248
Issue of shares for settlement of consideration in respect of acquisition of a subsidiary (Note)	因支付收購附屬公司 股份之代價而 發行股份（附註）	42,000,000	—	4,200	—
Balance at end of year	於年終結餘	304,478,584	262,478,584	30,448	26,248

Note:

The Company allotted and issued 42,000,000 ordinary shares of HK\$0.1 each at the base price of HK\$1.2 per share as consideration for the acquisition of Matrix. All the shares issued during the year ended 31 March 2007 rank pari passu with the then existing shares in all respects. The base price represents the fair value of the ordinary shares of the Company, being the average of the closing prices as quoted on the Stock Exchange for the last ten consecutive days prior to the date of the agreement.

附註：

本公司以每股面值0.1港元分配及發行42,000,000股普通股以每股最低價1.2港元作為收購Matrix之代價。所有於截至二零零七年三月三十一日止年度內發行之股份在所有方面均與當時已有之股份有相同等級。最低價為本公司普通股之公平值，即協議日之最後十個連續交易日在聯交所所報之平均收市價。

Notes to Consolidated Financial Statements 綜合財務報告附註

30. SHARE CAPITAL AND SHARE OPTIONS (continued)

Share options

The Company adopted a share option scheme on 21 March 1995 (the “Old Scheme”) for the purpose of providing incentives and rewards to directors and eligible employees and expired on 20 March 2005.

As a result of the amendments of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) on 1 September 2001, certain terms of the Old Scheme are no longer in compliance with the Listing Rules and the Company can no longer grant any further options under the Old Scheme without being in breach of the Listing Rules. Accordingly, the Company terminated the Old Scheme and adopted a new share option scheme (the “New Scheme”), which was approved in the Company’s annual general meeting on 28 August 2003, for the purpose of providing incentives to directors and eligible participants.

Except that no further options may be granted under the Old Scheme subsequent to its termination, all the other provisions of the Old Scheme will remain in force so as to give effect to the exercise of all outstanding options granted under the Old Scheme prior to 1 September 2001 and all such options will remain valid and exercisable in accordance with the provisions of the Old Scheme.

According to the New Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company or any of its subsidiaries and any suppliers, customers, any technical, financial, and legal professional advisors who have contributed to the Group, to subscriber for shares in the Company for a consideration of HK\$1 for each lot of share options granted.

30. 股本及購股權 (續)

購股權

本公司於一九九五年三月二十一日採納一項購股權計劃(「舊計劃」)，目的為向董事及合資格僱員提供鼓勵及獎勵，及已於二零零五年三月二十日屆滿。

由於香港聯合交易所有限公司證券上市規則(「上市規則」)第17章於二零零一年九月一日作出修訂，令舊計劃之若干條款不再符合上市規則，故若本公司根據舊計劃再授出任何購股權，將會違反上市規則。因此，本公司終止舊計劃並採納一項新購股權計劃(「新計劃」)，主要目的為獎勵董事及合資格參與者，其後此計劃已於本公司在二零零三年八月二十八日舉行之股東週年大會上獲批准。

除於終止舊計劃後不可再據此授出購股權外，舊計劃之所有其他條文均仍舊有效，因此於二零零一年九月一日前根據舊計劃已授出但尚未行使其所有購股權均可予行使，而所有該等購股權均可按照舊計劃之條文繼續有效及可予行使。

根據新計劃，本公司董事可向合資格僱員，包括本公司或其任何附屬公司之董事，以及任何曾對本集團作出貢獻之供應商、客戶、任何技術、財務及法律上提供專業意見之人士授予購股權以供認購本公司股份，每批所授出購股權代價為每批1港元。

Notes to Consolidated Financial Statements 綜合財務報告附註

30. SHARE CAPITAL AND SHARE OPTIONS (continued)

Share options (continued)

Options granted should be accepted within 28 days from the date of grant. The total number of shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares of the Company in issue at the date adoption of the New Scheme.

The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to director, chief executive or substantial shareholder of the Company or any of their associates in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to exercised under the New Scheme and any other option schemes of the Company must not in aggregate exceed 30% of the issued share capital of the Company from time to time.

The directors may at their absolute discretion determine the period during which an option may be exercised, such period to expire not later than 10 years from the date of grant of the option. The exercise price is determined by the directors and shall not be less than the highest of (i) the closing price of the Company's share on the date of grant, (ii) the average closing price of the Company's shares for the five business days immediately preceding the date of grant, and (iii) the nominal value of the share.

No options were granted to directors and employees of the Company under the New Scheme since its adoption.

30. 股本及購股權 (續)

購股權 (續)

授出之購股權須於授出之日起計28日內獲接納。所有根據新計劃及本公司任何其他購股權計劃將予授出之購股權涉及之股份總數不得超過本公司於新計劃採納日已發行股份之10%。

在未經本公司股東事先批准下，任何人士在一年之內獲授之購股權涉及之股份數目在任何時候均不得超過本公司已發行股份之1%。向本公司董事、主要行政人員或主要股東或其任何聯繫人士授出之購股權如涉及本公司股本超過0.1%或總值超過5,000,000港元，必須事先獲本公司股東批准。

根據新計劃及本公司任何其他購股權計劃授出之尚未行使之購股權若獲悉數行使，因此而可予發行之最高股份數目，合共不得超過本公司不時已發行股本30%。

董事可全權酌情決定購股權可予行使之期間，惟該期間不得超過授出購股權日期當日起計十年。行使價由董事釐定，並不會低於(i)本公司股份於授出日期之收市價；(ii)本公司股份於緊接授出日期前五個營業日之平均收市價；及(iii)股份面值三者中之最高者。

自採納新計劃起，並無據此向本公司董事及僱員授出任何購股權。

Notes to Consolidated Financial Statements

綜合財務報告附註

31. ACQUISITION OF A SUBSIDIARY

On 4 April 2006, the Group acquired 100% of the issued share capital of Matrix for a consideration of HK\$50,400,000. The amount of goodwill arising as a result of the acquisition was HK\$3,963,000. The acquisition of Matrix has been accounted for using the purchase method.

The net assets acquired in the transaction and the goodwill arising are as follows:

		Acquiree's carrying Amounts 被收購方之賬面值
		HK\$'000 千港元
Net assets acquired:	所收購之資產淨值：	
Intellectual property	知識產權	46,440
Accruals	應計負債	(3)
		<hr/> 46,437
Goodwill arising on the acquisition	因收購而產生之商譽	3,963
		<hr/> 50,400
Satisfied by:	付款方式：	
Shares of the Company issued (Note)	已發行本公司股份(附註)	50,400

Note: 42,000,000 ordinary shares of the Company with a par value of HK\$0.1 each were issued at the base price of HK\$1.2 per share as the consideration for the acquisition of Matrix. The fair value of the ordinary shares of the Company, being the average of the closing prices as quoted on the Stock Exchange for the last ten consecutive days prior to the date of the agreement amounted to HK\$50,400,000.

As at 31 March 2007, the financial position of Matrix remains unchanged since the date of acquisition.

31. 收購附屬公司

於二零零六年四月四日，本集團以代價50,400,000港元收購Matrix 100%之已發行股本。因收購事項所產生之商譽計值為3,963,000港元。有關Matrix之收購事項已按收購會計法列賬。

於該項交易收購之資產淨值及所產生之商譽如下：

附註：本公司以每股面值0.1港元發行42,000,000股每股最低價為1.2港元之普通股作為收購Matrix之代價。本公司普通股之公平值(即協議日之最後十個連續交易日在聯交所所報之平均收市價)為50,400,000港元。

於二零零七年三月三十一日，Matrix自收購日期以來之財務狀況並無變動。

Notes to Consolidated Financial Statements

綜合財務報告附註

31. ACQUISITION OF A SUBSIDIARY (continued)

The subsidiary acquired during the year ended 31 March 2007 had no significant contribution to the Group's turnover and loss before tax for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on 1 April 2006, there would have been no significant impact on the Group's turnover and loss for the year. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2006, nor is it intended to be a projection of future results.

31. 收購附屬公司 (續)

於截至二零零七年三月三十一日止年度內收購之附屬公司對本集團於收購日至結算日期間之營業額及除稅後虧損並無重大貢獻。

倘收購於二零零六年四月一日進行，收購對本集團之營業額及年內虧損並無重大影響。備考資料乃僅供參考，而未必能顯示倘收購事項於二零零六年四月一日已完成，本集團將已達到之收入及經營業績，亦並非預測未來業績。

Notes to Consolidated Financial Statements

綜合財務報告附註

32. DISPOSAL OF SUBSIDIARIES

- (a) On 30 March 2007, the Group disposed of its 100% interest in Royal Success Enterprises Limited and its subsidiary ("Royal Success Group") and 100% interests in Artfield Industries (Shenzhen) Limited to Merry Crest and Asia Peace respectively, at an aggregate considerations of approximately HK\$30,292,000. The net assets of these subsidiaries at the date of disposal were as follows:

32. 出售附屬公司

- (a) 於二零零七年三月三十日，本集團分別向Merry Crest及偉和以總代價約30,292,000港元出售其於豐成企業有限公司及其附屬公司(「豐成集團」)之全部權益及於雅域實業(深圳)有限公司之全部權益。該等附屬公司於出售當日之資產淨值如下：

		30 March 2007 二零零七年三月三十日 HK\$'000 千港元
Net assets disposed of:	出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	27,860
Prepaid lease payments on land use right	土地使用權預付租賃款項	7,920
Inventories	存貨	27,507
Prepayments, deposits and other receivables	預付款項，按金及其他應收款項	1,834
Amounts due from related companies	應收關連公司款項	11,929
Tax recoverable	可收回稅款項	32
Bank balances and cash	銀行結存及現金	2,761
Trade payables	應付貨款	(7,958)
Other payables and accruals	其他應付款項及應計負債	(5,029)
Amounts due to related companies	應付關連公司款項	(10,275)
Obligation under a finance lease	融資租賃承擔	(134)
Bank and other borrowings	銀行及其他借貸	(22,900)
Deferred tax liabilities	遞延稅項負債	(20)
		33,527
Exchange reserve realised on disposal of subsidiaries	出售附屬公司時撥回之匯兌儲備	(7,207)
Gain on disposal	出售之盈利	3,972
Total consideration	總代價	30,292
Satisfied by:	付款方式：	
Cash	現金	3,250
Amounts due from related companies	應收關連公司款項	11,929
Amounts due to related companies	應付關連公司款項	(10,275)
Deferred consideration (Note)	遞延代價(附註)	25,388
		30,292
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	3,250
Bank balances and cash disposed of	出售之銀行結存及現金	(2,761)
		489

Notes to Consolidated Financial Statements

綜合財務報告附註

32. DISPOSAL OF SUBSIDIARIES (continued)

- (a) Note:
The deferred consideration is included in amounts due from related companies as at 31 March 2007 and is fully settled subsequent to the balance sheet date.
The subsidiaries disposed of during the year had contributed approximately HK\$70,146,000 to the Group's turnover and contributed approximately HK\$49,903,000 to the Group's loss for the year.
- (b) On 30 March 2007, the Group disposed of its 79.75% entire interests in Ultra Good Group to Merry Crest, at a consideration of approximately HK\$4,954,000. The net assets of Ultra Good Group at the date of disposal were as follows:

32. 出售附屬公司 (續)

- (a) 附註：
遞延代價已包括於二零零七年三月三十一日之應收關連公司款項並於結算日後全數清償。
年內出售附屬公司對集團之營業額並無貢獻約70,146,000港元，對年內虧損之貢獻約49,903,000港元。
- (b) 於二零零七年三月三十日，本集團以代價約4,954,000港元向Merry Crest出售其於特佳集團之79.75%股權。特佳集團於出售當日之資產淨值如下：

30 March 2007
二零零七年三月三十日
HK\$'000
千港元

Net assets disposed of:	出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	7,024
Prepaid lease payments on land use right	土地使用權預付租賃款項	1,703
Inventories	存貨	1,620
Trade receivables	應收貨款	1,599
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	218
Bank balances and cash	銀行結存及現金	897
Trade payables	應付貨款	(954)
Other payables and accruals	其他應付款項及應計負債	(570)
Amounts due to related companies	應付關連公司款項	(3,321)
Amount due to a director	應付董事款項	(390)
Tax payable	應付稅項	(199)
Deferred tax liabilities	遞延稅項負債	(1)
		7,626
Exchange reserve realised on disposal of subsidiaries	出售附屬公司時撥回之匯兌儲備	(383)
Minority interests	少數股東權益	(1,544)
Loss on disposal	出售虧損	(745)
		4,954
Total consideration	總代價：	
Satisfied by:	付款方式：	
Cash	現金	550
Amounts due to related companies	應付關連公司款項	(3,321)
Deferred consideration (Note)	遞延代價(附註)	7,725
		4,954
Net cash outflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	550
Bank balances and cash disposed of	出售之銀行結存及現金	(897)
		(347)

Notes to Consolidated Financial Statements

綜合財務報告附註

32. DISPOSAL OF SUBSIDIARIES (continued)

Note:

The deferred consideration is included in amounts due from related companies as at 31 March 2007 and is fully settled subsequent to the balance sheet date.

The impact of Ultra Good Group on the Group's results and cash flows in the current and prior periods is disclosed in note 10.

- (c) On 23 June 2006, the Group disposed of its entire interest in City Bright International Limited and its wholly owned subsidiary, City Bright Lighting (Shenzhen) Co. Ltd. to independent third parties for a consideration of approximately HK\$3,874,000.

32. 出售附屬公司 (續)

附註：

遞延代價已包括於二零零七年三月三十一日之應收關聯公司款項並於結算日後全數清償。

特佳集團於本集團於本期間及前期間之業績及現金流之影響已披露於附註10內。

- (c) 於二零零六年六月二十三日，本集團以代價約3,874,000港元向一獨立第三方出售其於邦暉國際有限公司及其全資附屬公司邦暉燈具(深圳)有限公司之全部權益。

		HK\$'000 千港元
Net assets disposed of:	出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	142
Inventories	存貨	4,495
Trade receivables	應收貨款	1
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	2,414
Bank balances and cash	銀行結存及現金	407
Trade payables	應付貨款	(9,000)
Other payable and accruals	其他應付款項及應計負債	(265)
		(1,806)
Exchange reserves realised on disposal of subsidiary	出售附屬公司而變現之匯兌儲備	(978)
Gain on disposal	出售之盈利	6,658
		3,874
Total consideration	總代價	3,874
Satisfied by:	付款方式：	
Cash	現金	1,528
Other receivables	其他應收款項	2,346
		3,874
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	1,528
Bank balances and cash disposed of	出售之銀行結存及現金	(407)
		1,121

The subsidiary disposed of during the year ended 31 March 2007 had no significant impact on the turnover and results of the Group.

於截至二零零七年三月三十一日止年度內出售之附屬公司對本集團之營業額及業績概無重大影響。

Notes to Consolidated Financial Statements

綜合財務報告附註

33. MAJOR NON-CASH TRANSACTIONS

- (i) During the year ended 31 March 2007, the Group allotted 42,000,000 ordinary shares at par value of HK\$0.1 each at the base price of HK\$1.2 per share as consideration for the acquisition of Matrix.
- (ii) During the year ended 31 March 2006, the Group entered into finance leases arrangements in respect of property, plant and equipment with a total capital value at the inception of the leases of approximately HK\$1,265,000 (2007: Nil).

34. RELATED PARTY TRANSACTIONS

- (i) During the year, the Group entered into the following transactions with related parties:

German Time Limited ("German Time") (Note)	德國時計有限公司 ([「德國時計」]) (附註)
Rental expense paid	已付租金開支

Note:

Ms. Li Kwo Yuk, a director of the Company, has beneficial interest in this company.

33. 主要非現金交易

- (i) 於截至二零零七年三月三十一日止年度之期間，本集團配發42,000,000股每股面值0.1港元之普通股以每股作價1.2港元作為收購Matrix之代價。
- (ii) 截至二零零六年三月三十一日止年度，本集團就物業、廠房及設備訂立融資租賃安排，於租賃開始時之總資本值約為1,265,000港元(二零零七年：無)。

34. 關連人士交易

- (i) 於本年度內本集團與關連人士達成下列交易：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	840	840

附註：

本公司董事李戈玉女士於該公司擁有實益權益。

Notes to Consolidated Financial Statements

綜合財務報告附註

34. RELATED PARTY TRANSACTIONS (continued)

(ii) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Short-term benefits	短期福利	5,656	4,610
Post-employment benefits	離職後福利	140	86
		5,796	4,696

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(iii) On 29 January 2007, the Group entered into an agreement with Merry Crest to dispose of its entire interest in Royal Success Group and Ultra Good Group at consideration of approximately HK\$1 and HK\$4,954,000 respectively.

On the same date, the Group entered into another agreement with Asia Peace to dispose of its entire issued share capital of Artfield Industries (Shenzhen) Limited at a consideration of approximately HK\$30,292,000. All of the above transactions were completed on 30 March 2007.

34. 關連人士交易 (續)

(ii) 主要管理人員補償

於本年內，董事及其他主要管理層成員之酬金如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Short-term benefits	5,656	4,610
Post-employment benefits	140	86
	5,796	4,696

董事及主要行政人員之酬金乃薪酬委員會參照彼等之個人表現及市場趨勢釐定。

(iii) 於二零零七年一月二十九日，本集團與Merry Crest訂立一項協議分別以代價約1港元及4,954,000港元出售其於豐成集團及特佳集團之權益。

於當日，本集團與偉和訂立另一項協議以代價30,292,000港元出售其於雅域實業(深圳)有限公司之已發行股本。以上之交易已於二零零七年三月三十日完成。

Notes to Consolidated Financial Statements

綜合財務報告附註

35. OPERATING LEASE COMMITMENTS

(a) The Group as lessee

The Group leases certain of its offices and staff quarters under operating lease arrangements. Lease for properties are negotiated for a term ranging from one to four years.

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

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	1,148	781
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	510	1,690
		1,658	2,471

(b) The Group as lessor

At the balance sheet date, the Group had commitments for future minimum lease receivables under non-cancellable operating leases in respect of premises which would fall due as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	423	470
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	452	124
		875	594

35. 經營租賃承擔

(a) 本集團作為租戶

根據經營租賃安排，本集團租賃旗下若干辦公室及員工宿舍，租約期由一年至四年不等。

於結算日，本集團於以下期間屆滿之不可取消經營租賃在未來之最低租金承擔如下：

(b) 本集團作為出租者

於結算日，本集團就物業於以下期間屆滿之不可取消經營租賃在未來之應收最低租金承擔如下：

Notes to Consolidated Financial Statements

綜合財務報告附註

35. OPERATING LEASE COMMITMENTS (continued)

(b) The Group as lessor (continued)

As at 31 March 2007, all of the properties held have committed tenants for the next one to three years. The properties are expected to generate rental yields of 8.3% (2006: 8.1%) on an ongoing basis.

36. PLEDGE OF ASSETS

At the balance sheet date, certain assets of the Group were pledged to secure banking facilities granted to the Group and as follows:

35. 經營租賃承擔 (續)

(b) 本集團作為出租者 (續)

於二零零七年三月三十一日，所持之所有物業於未來一至三年均有承諾租賃之租客。預期該等物業將按持續基準產生達8.3厘(二零零六年：8.1厘)之租金利潤。

36. 資產抵押

於結算日，本集團已作抵押作為本集團獲授銀行信貸之若干資產如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Investment properties	投資物業	4,116	6,426
Land and buildings	土地及樓宇	9,609	36,811
Prepaid lease payments on land use rights	土地使用權預付租賃款項	—	5,241
Financial assets at fair value through profit or loss	按公平值並在收益表內處理之金融資產	—	2,343
		13,725	50,821

Notes to Consolidated Financial Statements

綜合財務報告附註

37. RETIREMENT BENEFIT SCHEME

The Group operates a defined contribution Mandatory Provident Fund Scheme (“MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employee’s basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Company’s subsidiaries established in Mainland China are members of the state-managed retirement benefits scheme operated by the PRC. The retirement scheme contributions, which are based on a certain percentage of the salaries of the PRC subsidiaries’ employees, are charged to the consolidated income statement in the year to which they are related and represented the amount of contributions payable by these subsidiaries to this scheme.

The total cost charged to the consolidated income statement of approximately HK\$1,769,000 (2006: HK\$1,794,000) represents contributions payable to the schemes by the Group in respect of the current financial year.

37. 退休福利計劃

本集團根據強制性公積金計劃條例為合資格參與計劃之僱員設立一項定額供款強積金退休福利計劃(「強積金計劃」)。供款乃根據僱員之基本薪金之百分比計算，並根據該強積金計劃之規則於應付時在綜合收益表內扣除。該強積金計劃之資產由一個獨立管理基金持有，與本集團之資產分開處理。本集團之僱主供款於向強積金計劃供款時全數歸僱員所有。

本公司在中國大陸成立之附屬公司乃中國政府成立之定額供款退休福利計劃之成員。退休福利供款額乃根據中國附屬公司僱員之薪金若干百分比計算，並在供款有關年度自綜合收益表中扣除，數額為此等附屬公司應付予彼等此計劃之供款金額。

於綜合收益表扣除之總成本約1,769,000港元(二零零六年：1,794,000港元)指本集團就本財政年度向該等計劃應付之供款。

Notes to Consolidated Financial Statements

綜合財務報告附註

38. POST BALANCE SHEET EVENTS

- (a) On 2 May 2007, Marigold Worldwide Group Limited (“Marigold”), Golden Glory Group Limited (“Golden Glory”) and Mr. Liang, being the 100% beneficial owner of Golden Glory, entered into the sale and purchase agreement pursuant to which Marigold agreed to purchase and Golden Glory agreed to sell 119,184,300 shares, representing approximately 39.14% of the entire issued share capital of the Company for a total consideration of approximately HK\$65,200,000 (equivalent to approximately HK\$0.5471 per share). The transaction was completed on 4 July 2007.
- (b) On 1 June 2007, the Group entered into a sale and purchase agreement with an independent third party in relation to the disposal of the entire issued share capital of Everbright Lighting for a consideration of approximately HK\$3,600,000. The transaction was completed on 25 June 2007.

38. 結算日後事項

- (a) 於二零零七年五月二日，Marigold Worldwide Group Limited (「Marigold」)，Golden Glory Group Limited (「Golden Glory」) 及梁先生 (Golden Glory 之 100% 最終實益持有人) 訂立一項買賣協議，根據該協議 Marigold 及 Golden Glory 分別同意以代價約 65,200,000 港元購買及出售 119,184,300 股股份 (相當於每股約 0.5471 港元)，即本公司 39.14% 之已發行股本。該項交易已於二零零七年七月四日完成。
- (b) 於二零零七年六月一日，本集團與一獨立第三方訂立一項買賣協議以代價約 3,600,000 港元出售其於永光燈具之已發行股本。該項交易已於二零零七年六月二十五日完成。

Notes to Consolidated Financial Statements

綜合財務報告附註

39. BALANCE SHEET OF THE COMPANY

39. 本公司之資產負債表

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Non-current asset	非流動資產			
Interest in a subsidiary	於附屬公司之權益		—	35,230
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	(a)	46,093	98,679
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		110	149
Tax recoverable	可收回稅項		5	25
Bank balances and cash	銀行結存及現金		146	69
			46,354	98,922
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計負債		724	1,132
Amount due to a subsidiary	應付附屬公司款項	(a)	—	181
			724	1,313
Net current assets	流動資產淨值		45,630	97,609
Total assets less current liabilities	總資產減流動負債		45,630	132,839
Capital and reserves	股本及儲備			
Share capital	股本		30,448	26,248
Reserves	儲備	(b)	15,182	106,591
			45,630	132,839

Notes to Consolidated Financial Statements

綜合財務報告附註

39. BALANCE SHEET OF THE COMPANY (continued)

(a) Amounts due from (to) subsidiaries

The amounts are unsecured, interest-free and repayable on demand. The fair values of the amounts at the balance sheet date approximated to their corresponding carrying amounts.

(b) Reserves

39. 本公司之資產負債表 (續)

(a) 應收(應付)附屬公司款項

該等金額為無抵押、免息及須按要求償還。於結算日金額之公平值與其賬面值相若。

(b) 儲備

		Share premium 股份溢價 HK\$'000 千港元	Contributed Surplus 繳入盈餘 HK\$'000 千港元	Retained deficit 保留虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2005	於二零零五年四月一日	40,481	128,013	(18,660)	149,834
Loss for the year	年內虧損	—	—	(43,243)	(43,243)
At 31 March 2006	於二零零六年三月三十一日	40,481	128,013	(61,903)	106,591
Shares allotted and issued for settlement of consideration in respect of acquisition of a subsidiary	就支付收購附屬公司 代價配發之股份	46,200	—	—	46,200
Loss for the year	年內虧損	—	—	(137,609)	(137,609)
At 31 March 2007	於二零零七年三月三十一日	86,681	128,013	(199,512)	15,182

The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued in exchange for the issued shares of the companies being acquired and the value of net assets of the underlying companies acquired at the time of the Group's reorganisation in preparation for its listing in 1995. Under the Companies Act 1981 of Bermuda, the Company may make distributions to its members out of the contributed surplus in certain circumstances.

本公司之繳入盈餘指本公司為交換所收購公司已發行股份而發行之本公司股份之面值，與所收購相關公司於本集團一九九五年為籌備上市而重組之時之資產淨值之差額。根據百慕達一九八一年公司法，本公司可在若干情況下自繳入盈餘向其股東作出分派。

Notes to Consolidated Financial Statements

綜合財務報告附註

40. PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries held by the Company as at 31 March 2007 are as follows:

40. 主要附屬公司

本集團於二零零七年三月三十一日持有之主要附屬公司詳情如下：

Name	Class of shares held	Place of incorporation/ registration and operations	Nominal value of issued share/ registered capital	Percentage of equity attributable to the Group	Principal activities
名稱	所持股份之類別	註冊成立/註冊及經營之地點	已發行/已註冊資本面值	本集團應佔股權之百分比	主要業務
Directly held:					
直接持有：					
Artfield Company Limited	Ordinary 普通股	BVI 英屬處女群島	US\$50,010 美金50,010元	100	Investment holding 投資控股
Indirectly held:					
非直接持有：					
Artfield Manufacturing Company Limited 雅域實業有限公司	Ordinary 普通股 Non-voting deferred shares 無投票權遞延股	Hong Kong 香港	HK\$1,000 1,000港元 HK\$2,000,000 [#] 2,000,000港元 [#]	100	Marketing of clocks 銷售時鐘
Dixon Design Limited	Ordinary 普通股	BVI 英屬處女群島	US\$10,000 美金10,000元	100	Ownership of patents and trademarks 持有專利權及商標
Wehrle Uhrenfabrik GmbH	Ordinary 普通股	Germany 德國	EUR255,646 歐元255,646	100	Marketing of clocks 銷售時鐘
Precision Group Limited	Ordinary 普通股	BVI 英屬處女群島	US\$437,000 美金437,000元	100	Investment holding 投資控股
Everbright Lighting Limited 永光燈具有限公司	Ordinary 普通股	Hong Kong 香港	HK\$1,000,000 1,000,000港元	100	Property holding 持有物業
Everbright Lighting (Hong Kong) Limited 永光燈具(香港)有限公司	Ordinary 普通股	Hong Kong 香港	HK\$2 2港元	100	Inactive 暫無營業
高明豐雅鐘錶有限公司 (「高明豐雅」)	Contributed capital 投入資本	PRC 中國	HK\$2,500,000 2,500,000港元	100	Manufacture and marketing of clocks 製造及銷售時鐘

Notes to Consolidated Financial Statements

綜合財務報告附註

40. PRINCIPAL SUBSIDIARIES (continued) 40. 主要附屬公司 (續)

Name 名稱	Class of shares held 所持股份之類別	Place of incorporation/ registration and operations 註冊成立/註冊及經營之地點	Nominal value of issued share/ registered capital 已發行/已註冊資本面值	Percentage of equity attributable to the Group 本集團應佔股權之百分比	Principal activities 主要業務
Indirectly held: (continued) 非直接持有：(續)					
East Champion International Limited 東澤國際有限公司	Ordinary 普通股	Hong Kong 香港	HK\$1,200 1,200港元	100	Property holding 持有物業
Right Time Group, Inc.	Ordinary 普通股	United States of America 美利堅合眾國	US\$10,000 美金10,000元	100	Marketing of clocks 銷售時鐘
Ferdinand International (Marketing) Limited	Ordinary 普通股	United Kingdom 英國	GBP100,000 英鎊100,000	100	Marketing of clocks and lightening products 銷售時鐘及照明產品
Lens Trading Inc. ("Lens")	Ordinary 普通股	BVI 英屬處女群島	US\$1 美金1元	100	Trading of metals 金屬貿易
Artfield Trading (Hong Kong) Limited 雅域貿易(香港)有限公司	Ordinary 普通股	Hong Kong 香港	HK\$10,000 10,000港元	100	Trading of metals 金屬貿易
德力時鐘(深圳)有限公司(「德力」)	Contributed capital 投入資本	PRC 中國	HK\$3,000,000 3,000,000港元	100	Manufacture of clocks 製造時鐘
Matrix	Ordinary 普通股	BVI 英屬處女群島	US\$200 美金200元	100	Marketing and development of online computer games 銷售及發展網上電腦遊戲

The non-voting deferred shares are entitled to a fixed non-cumulative dividend at the rate of 5% per annum and a return of the paid-up capital after the distribution of HK\$100,000,000, but carry no rights to receive notice of or to attend or vote at any general meeting of the company, or to participate in the profits or assets of the company.

無投票權遞延股擁有權利取得一個每年5%計算之特定非累積股息及在分派100,000,000港元後的已付資本回報，但沒有權力接收任何本公司股東大會通告或出席或投票於本公司之股東大會或參與本公司之溢利及資產。

Notes to Consolidated Financial Statements

綜合財務報告附註

40. PRINCIPAL SUBSIDIARIES (continued)

高明豐雅及德力乃屬成立於中國之外資全資企業。

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

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year.

40. 主要附屬公司 (續)

高明豐雅及德力乃屬成立於中國之外資全資企業。

上表列示本公司董事認為主要影響本集團業績或資產之本集團附屬公司。董事認為倘詳列其他附屬公司會導致篇幅過於冗長。

於年終或年內任何時間，概無附屬公司擁有任何已發行之債務證券。

Five Year Financial Summary 五年財務摘要

A summary of the published results, assets and liabilities, and minority interests of the Group for the last five financial years is set out below.

本集團過去五個財政年度之已公布業績、資產及負債以及少數股東權益摘要如下：

RESULTS

業績

		Year ended 31 March 截至三月三十一日止年度				
		2007 二零零七年	2006 二零零六年	2005 二零零五年	2004 二零零四年	2003 二零零三年
TURNOVER	營業額	173,405	221,135	238,300	229,925	268,853
PROFIT (LOSS) FROM OPERATIONS	經營溢利(虧損)	(84,700)	(26,930)	409	(12,721)	4,912
Gain on disposal of subsidiaries	出售附屬公司之收益	9,885	—	1,693	—	—
Finance costs	融資成本	(2,820)	(2,893)	(3,185)	(3,527)	(2,341)
Share of results of associates	應佔聯營公司業績	—	—	765	—	—
Impairment loss recognised in respect of intangible asset	無形資產所確認之減值虧損	(46,440)	—	—	—	—
Impairment loss recognised in respect of goodwill	商譽所確認之減值虧損	(3,963)	(17,004)	—	—	—
Impairment loss recognised in respect of interests in associates	聯營公司權益所確認之減值虧損	—	(23,768)	—	—	—
Share of loss of a jointly controlled entity	應佔共同控制實體虧損	—	—	—	—	(48)
(Loss) profit before tax	除稅前(虧損)溢利	(128,038)	(70,595)	(318)	(16,248)	2,523
Income tax credit (expenses)	所得稅抵免(開支)	3,243	(1,516)	(1,755)	182	(364)
(Loss) profit for the year	年度(虧損)溢利	(124,795)	(72,111)	(2,073)	(16,066)	2,159
Attributable to:	應佔：					
Equity holders of the Company	本公司股權持有人	(124,577)	(72,149)	(2,414)	(16,538)	1,577
Minority interests	少數股東權益	(218)	38	341	472	582
		(124,795)	(72,111)	(2,073)	(16,066)	2,159

Five Year Financial Summary 五年財務摘要

Assets and Liabilities and Minority Interests

資產及負債以及少數股東權益

		At 31 March 於三月三十一日				
		2007 二零零七年	2006 二零零六年	2005 二零零五年	2004 二零零四年	2003 二零零三年
Total assets	總資產	86,535	229,629	281,670	305,998	294,647
Total liabilities	總負債	(34,908)	(89,788)	(86,120)	(118,238)	(91,291)
Minority interests	少數股東權益	211	(7,002)	(6,964)	(6,623)	(6,556)
Net assets	淨資產	51,838	132,839	188,586	181,137	196,800



Artfield Group Limited
雅域集團有限公司