



權智(國際)有限公司 Group Sense (International) Limited

(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with limited liability)
(股份代號 Stock Code: 601)



Electronic Dictionary



2006 週年報告 Annual Report

Original Design
Manufacturing



Smartphone



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公司資料 Corporate Information

董事

執行董事：

譚偉豪 太平紳士 (主席)
譚偉棠 (董事總經理)
譚梅嘉慧
大谷和廣
李冠雄
霍定洋

非執行董事：

羅志聰*

獨立非執行董事：

容永祺 榮譽勳章*
何國成*
王幹文*

* 審核委員會成員

公司秘書

楊詩雅

合資格會計師

鄭耀光

核數師

德勤 • 關黃陳方會計師行

律師

萬盛國際律師事務所

DIRECTORS

Executive Directors:

TAM Wai Ho, Samson JP (Chairman)
TAM Wai Tong, Thomas (Managing Director)
TAM Mui Ka Wai, Vivian
Kazuhiro OTANI
LEE Koon Hung
FOK Ting Yeung, James

Non-executive Director:

LO Chi Chung, William*

Independent Non-executive Directors:

YUNG Wing Ki, Samuel MH*
HO Kwok Shing, Harris*
WONG Kon Man, Jason*

* Member of Audit Committee

COMPANY SECRETARY

YEUNG Sze Nga

QUALIFIED ACCOUNTANT

CHENG Yiu Kong

AUDITORS

Deloitte Touche Tohmatsu

SOLICITORS

Mallesons Stephen Jaques

公司資料(續)

Corporate Information (Cont'd)

主要往來銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司

註冊辦事處

Clarendon House
Church Street
Hamilton HM11
Bermuda

主要辦事處

香港新界沙田
香港科學園
科技大道西五號
九座6樓

百慕達主要股份過戶登記處及
轉讓登記處

The Bank of Bermuda Limited
Bank of Bermuda Building
6 Front Street
Hamilton HM11
Bermuda

香港股份過戶登記分處及
轉讓登記處

秘書商業服務有限公司
香港
皇后大道東28號
金鐘匯中心26樓

網址

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

股份代號

601

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS

6th Floor, Building 9
No. 5 Science Park West Avenue
Hong Kong Science Park
Shatin, New Territories, Hong Kong

PRINCIPAL SHARE REGISTRAR AND
TRANSFER OFFICE IN BERMUDA

The Bank of Bermuda Limited
Bank of Bermuda Building
6 Front Street
Hamilton HM11
Bermuda

BRANCH SHARE REGISTRAR AND
TRANSFER OFFICE IN HONG KONG

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

WEBSITE

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

STOCK CODE

601

智慧

Congregation of
Wisdom

匯聚

智慧

Wisdom

om

智慧

智慧

智慧

Wisdom

kebijaksanaan

sahid

sagezza

sapientia

sapientia

建立

環球科技夥伴

Building up
Worldwide **Technology Alliance**

主席報告書 Chairman's Statement



緒言

在本財政年度，集團總收入為約1,491,000,000港元，較去年同期約1,310,000,000港元，上升約14%。收入的持續增長是由於集團主要業務錄得穩定增長所致。年度內集團錄得約76,000,000港元稅前溢利，較去年約63,000,000港元，上升21%。

隨著全球經濟持續增長，消費性電子產品的需求亦有平穩的增幅。然而競爭環境仍然激烈，憑藉各SBU(策略性業務單位)努力拓展業務，加強營運效率，令集團收入較去年有所增加。稅前溢利增長，主要有賴於集團持續控制成本開支，加上採取合適的市場策略，努力建立了穩固的業務基礎。

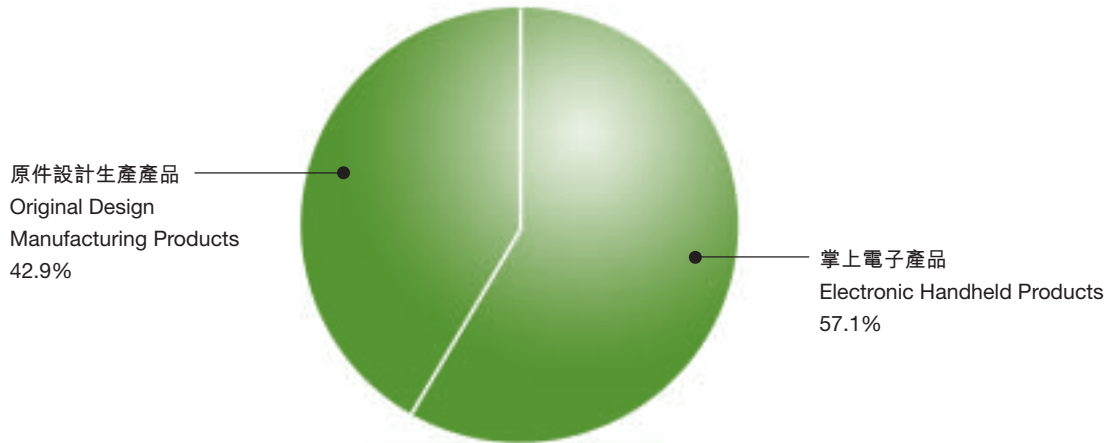
INTRODUCTION

The Group recorded total revenues of approximately HK\$1,491 million in this financial year, representing an increase of approximately 14% as compared with the corresponding period last year of approximately HK\$1,310 million. The continual growth in revenue has been the result of steady growth in the Group's main businesses. The Group earned a profit before tax of approximately HK\$76 million in this financial year, which, when compared with approximately HK\$63 million of last year, represents an increase of 21%.

As global economies have continued their growth trajectories, the market demands for consumer electronic products have been growing steadily. Competition is still intense. With all SBUs (strategic business units) striving to expand businesses and enhancing operating efficiency, the Group managed to increase its revenue last year. Continuous cost control and the Group's appropriate market strategy in developing a solid business foundation contribute to the increase in profit before tax.

主席報告書（續） Chairman's Statement (Cont'd)

按主要業務分類之收入分析 Analysis of Revenue by Principal Activity



電子辭典

本SBU業務在本財政年度錄得一定增長，這是因為集團過往投放資源於開發中、高檔次產品上，令產品更具競爭力，增加市場佔有率，尤其具全句翻譯功能之電子辭典產品銷售成績不俗，而高檔的彩色顯示屏，及豐富而獨特的內容，亦為產品帶來相當的競爭優勢，增加了市場的份額。整體而言，本SBU為集團提供穩定的溢利收益。

ELECTRONIC DICTIONARY

The SBU's business has recorded certain growth in this fiscal year. In the past years, the Group has been investing resources in developing medium and high end products, rendering the products competitive in the market. This led to a gain in market share. The sales of electronic dictionary products with function of full-sentence translation have been satisfactory. High end coloured display screen and rich and unique teaching contents also help enhance the products' competitiveness and thus boost up their market shares. As a whole, the SBU provides steady profit for the Group.

原件設計生產

在現有主要日本客戶的業務增長放緩下，本SBU本年度的表現大致平穩。本SBU過往在無線通訊領域方面投下不少研發資源，亦建立了一批具潛質之客戶，預期新客戶將可以為本SBU帶來新的增長動力。

ORIGINAL DESIGN MANUFACTURING

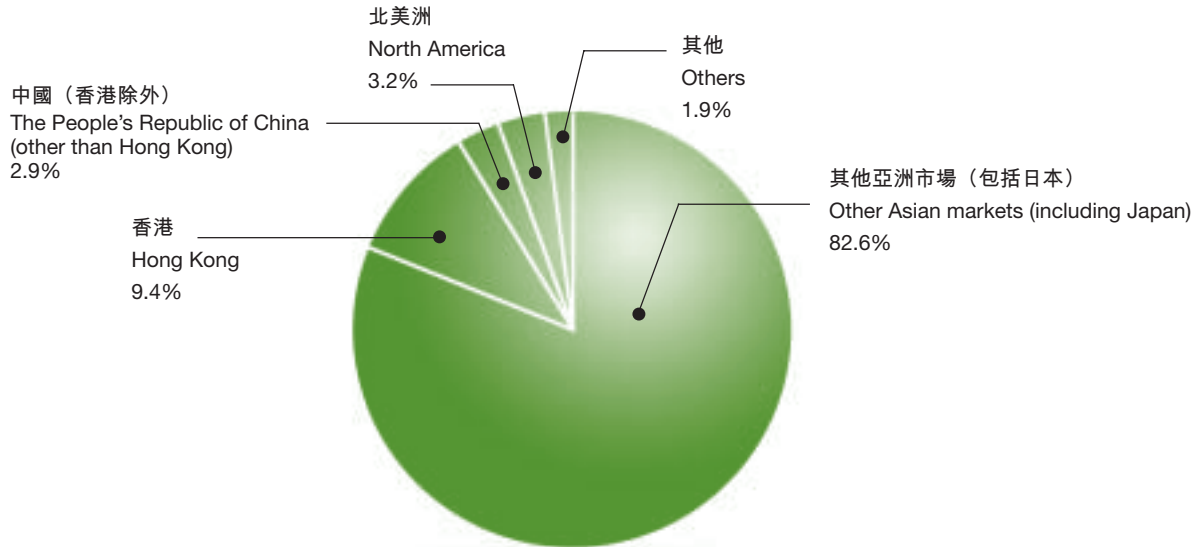
As the growth in the existing key Japanese customers' businesses slowed down, the SBU has been performing steadily this year. In the past, the SBU has invested lots of research and development resources in wireless communication field, and built up relationship with a number of potential clients. It is expected that these new customers would bring to the SBU new growth driving force.

主席報告書（續）

Chairman's Statement (Cont'd)

按市場地區分類之收入分析

Analysis of Revenue by Geographical Market



智能手機

本SBU仍然面對不少的市場競爭壓力，特別是零部件的價格下滑速度快，產品的周期縮短，令SBU的營運面對一定壓力。整體而言，管理層對本SBU的營運持審慎態度，不會過於冒進，故此預計整體的銷售額仍會維持在較低水平，而集團亦會積極探索一些新的發展策略，藉著以往之研發技術及產品開發技能，發展新的通訊產品系列，例如具備GPS和WiFi技術之產品等，會是來年的發展方向。

總結

集團預期亞洲仍會是其主要市場，集團會投放更多資源在亞洲建立更完善的銷售渠道，及建立集團品牌之地位；在產品研發方面，集團會專注投放資源於高增值產品上，亦會積極尋找具潛質之策略性夥伴。期望可以為集團帶來更佳之增長動力。

SMARTPHONE

The SBU has still been under significant market competition pressure. In particular, prices of components have dropped quickly, and product cycles have thus shortened. This created certain pressure on the SBU's operation. Overall, the management has adopted a cautious development strategy, and refrained from being aggressive. As such, it is expected that the SBU's overall sale would keep hovering at a relatively low level. The Group will actively explore new development strategies. With the research and development technical know-how and product development capabilities acquired in the past, the SBU is poised to develop new series of communication products. Products with GPS or WiFi technology will be the SBU's future focus in the coming years.

CONCLUSION

The Group expects that Asia would still be its major market. The Group will invest more resources in Asia to better its distribution network and build up its brand name's position. Regarding to research and development investment, the Group will focus on investing resources on high value added products, and actively seek alliance with potential strategic partners. This would help drive the Group's business growth in the future.

主席報告書(續) Chairman's Statement (Cont'd)

末期股息

董事會（「董事會」）建議派發截至二零零六年三月三十一日止年度之末期股息每股3.0港仙（二零零五年：3.0港仙），是項末期股息約於二零零六年十月十七日（星期二）派發予名列於二零零六年九月二十九日（星期五）之股東名冊上之股東。

鳴謝

本人謹代表董事會，向各股東、客戶、供應商及銀行致謝，多謝他們多年來對集團的支持，亦感謝各員工過去之辛勤工作及為集團所作之貢獻。

承董事會命
主席
譚偉豪博士 太平紳士

香港，二零零六年七月十七日

FINAL DIVIDEND

The Board of Directors (the "Board") proposes a final dividend of HK3.0 cents per share in respect of the year ended 31st March, 2006 (2005: HK3.0 cents), payable on or about Tuesday, 17th October, 2006 to shareholders whose names appear on the Register of Members on Friday, 29th September, 2006.

APPRECIATION

On behalf of the Board, I wish to thank all our shareholders, customers, suppliers and bankers for their continual support. I would also like to extend my appreciation to all the staff for their dedicated work and their contribution throughout the year.

By order of the Board
Dr. Tam Wai Ho, Samson JP
Chairman

Hong Kong, 17th July, 2006

管理層討論及分析 Management Discussion and Analysis



營商環境

內地的製造成本在漸漸上升，加上人民幣升值，集團會一如過往般繼續努力控制成本，提升效率。另一方面，集團一向重視人才資本，故將持續增強內地的科研隊伍，以期提升集團的科研和產品開發技能，而隨著集團總部遷往香港科學園，將可以連結更多的科技合作夥伴。

財務檢討

集團全年收入錄得約1,491,000,000港元，相對去年同期約1,310,000,000港元增加了14%。於本年內掌上電子產品及原件設計生產業務的收入分別為約851,000,000港元及約640,000,000港元。

BUSINESS ENVIRONMENT

The production cost on the mainland has been escalating. Moreover, Reminbi has been appreciating. The Group will keep up its usual work in containing the production cost and improving the operating efficiency. On the other hand, the Group always treasures talents. It will continue strengthening its research and development workforce on the mainland so as enhance the Group's research and product development capabilities. With its headquarters moved to Hong Kong Science Park, it is expected that more alliance with strategic technological partners may be forged.

FINANCIAL REVIEW

Revenue of the financial year is approximately HK\$1,491 million, which is 14% higher than approximately HK\$1,310 million of the previous year. During the year under review, electronic handheld products business and original design manufacturing business recorded revenues of approximately HK\$851 million and approximately HK\$640 million respectively.

管理層討論及分析(續)

Management Discussion and Analysis (Cont'd)

財務檢討(續)

集團全年經營溢利合共約72,000,000港元，較去年增加約3,000,000港元，或4%。扣除融資成本約1,100,000港元及非經常性收益項目合共約5,000,000港元(二零零五年：融資成本約1,500,000港元及一非經常性虧損項目約5,000,000港元)後，稅前溢利為約76,000,000港元(二零零五年：約63,000,000港元)，較去年增加約13,000,000港元，或21%。計算所得稅支出後，本年度溢利較去年減少約9,000,000港元，至約54,000,000港元。

資產負債表方面，存貨減少約8,000,000港元至約181,000,000港元。應收貿易賬款增加約97,000,000港元至約183,000,000港元。應收貿易賬款之改變乃於資產負債表日並沒有有追索權之貼現票據(二零零五年：約95,000,000港元)所致。

於資產負債表日，銀行結餘及現金(包括銀行存款)為約248,000,000港元，淨現金結餘(即銀行存款餘額扣除銀行借貸)為約247,000,000港元，較去年約246,000,000港元增加1%。

總銀行借貸為約1,000,000港元。所有銀行借貸均為短期借貸，將於一年內到期。所有銀行借貸利息均按浮動利率計算。管理層將繼續致力與往來銀行維持密切關係，以確保其對集團的長期支持。

與去年比較，集團的資產負債表較去年更為穩健，為集團的長遠業務發展奠定強而穩固的基礎。

FINANCIAL REVIEW (Continued)

Operating profit for the year is approximately HK\$72 million, representing an increase of approximately HK\$3 million or 4%. After charging finance costs of approximately HK\$1.1 million and exceptional gain items of approximately HK\$5 million in total (2005: finance costs of approximately HK\$1.5 million and an exceptional loss item of approximately HK\$5 million), profit before tax is approximately HK\$76 million (2005: approximately HK\$63 million), representing an increase of approximately HK\$13 million or 21%. After taking into account the taxation expenses, profit for the year is approximately HK\$54 million, representing a decrease of approximately HK\$9 million.

On the balance sheet side, inventories have decreased by approximately HK\$8 million to become approximately HK\$181 million and trade receivables increased by approximately HK\$97 million to approximately HK\$183 million. The change in trade receivables is due to that no undertaking on bills discounted with recourse (2005: approximately HK\$95 million) has been done at the balance sheet date.

Bank balances and cash (including bank deposits) at the end of balance sheet date amounted to approximately HK\$248 million. Net cash (i.e. after deducting bank borrowings from balances of bank deposits) was approximately HK\$247 million, which was 1% higher than approximately HK\$246 million of the previous year.

Total bank borrowings amounted to approximately HK\$1 million. All the bank borrowings were short term borrowings which were to be due within a year. All bank borrowings were on floating rate basis. The management continues to maintain a very close working relationship with the Group's bankers to secure their continual support.

It is noteworthy that the balance sheet of the Group is getting healthier as compared with previous year and sets a strong and solid foundation for future business growth.

管理層討論及分析(續)

Management Discussion and Analysis (Cont'd)

流動資金及財務資源

集團於二零零六年三月三十一日的銀行結餘及現金(包括銀行存款)總額為約248,000,000港元, 相比十二個月前減少了約34,000,000港元, 亦即12%。同期的總銀行借貸則由約37,000,000港元下跌至約1,000,000港元。

集團所有的銀行借貸是屬於一年內到期的短期借貸。

於二零零六年三月三十一日, 集團的負債比率, 即總銀行借貸除以股東權益總數, 由十二個月前的6%減少至0%, 相應地, 期內的利息支出亦由十二個月前的約1,500,000港元減少至約1,100,000港元。

出售物業及資產抵押

集團於是年度內出售位於香港灣仔皇后大道東213號胡忠大廈27樓之物業。出售之理由包括集團擬搬遷其總部、物色具更高回報之投資機會及增加營運資金。出售之所得款項淨額為約106,000,000港元。

或然負債

於二零零六年三月三十一日, 集團並沒有有追索權貼現票據(二零零五年: 約95,000,000港元)。

外匯及財務政策

集團的大部份商業交易、資產及負債, 皆以港元、美元或人民幣計值, 只有一少部份原材料採購交易以日元計值。集團一向採納謹慎的財務政策, 小心控制外匯風險, 亦沒有進行任何利率或外匯的投機活動。

LIQUIDITY AND FINANCIAL RESOURCES

On 31st March, 2006, the bank balances and cash (including bank deposits) were approximately HK\$248 million in total, which was approximately HK\$34 million or 12% lower than that at 31st March, 2005. Total bank borrowings have decreased from approximately HK\$37 million to approximately HK\$1 million in the twelve months' period.

All bank borrowings are short term in nature which would be due within one year.

As at 31st March, 2006, the gearing ratio, defined as total bank borrowings divided by shareholders' equities, has decreased from 6% to 0% in the twelve months' period. As a result, the interest expenses in the twelve months' period have reduced from approximately HK\$1.5 million to approximately HK\$1.1 million.

DISPOSAL OF PROPERTIES AND CHARGES ON ASSETS

During the year, the Group has disposed the property located at 27th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong. The reasons for the disposal were that the Group was to relocate its headquarters office, to seek better investment opportunities with higher returns, and to increase its working capital. The net proceeds from the disposal were approximately HK\$106 million.

CONTINGENT LIABILITIES

As at 31st March, 2006, there was no trade bills discounted with recourse (2005: approximately HK\$95 million).

FOREIGN CURRENCIES AND TREASURY POLICY

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollars, United States dollars or Renminbi. A small portion of the Group's raw material purchase is denominated in Japanese Yen. The usual treasury policy of the Group is to manage significant currency exposure and minimize currency risk whenever it may have material impact to the Group. The Group does not engage in any interest rate or currencies speculations.

管理層討論及分析（續）

Management Discussion and Analysis (Cont'd)



電子辭典

業務回顧

相比去年同期，本SBU於二零零五／二零零六年財政年度內之銷售收入，錄得可觀增幅，香港及海外主要市場銷售收入的顯著增長，反映了本SBU以往的發展策略正確，是集中投放發展資源及科研投資於中、高檔次產品的直接成果。

在過去一年，香港及海外主要市場的銷售成績在穩定增長中，本SBU的新產品具備豐富的學習內容，並兼具多樣娛樂功能，被市場廣為接受，而中英、英中雙向全句翻譯電子辭典，為本SBU增添了市場佔有率。

銷售渠道的多元化，亦為過往一年之銷售收入增長帶來貢獻，除了在零售商店銷售外，在一些海外市場，本SBU亦投放更多資源於網上購物及電視直銷方面促銷產品。

去年中國內地市場的銷售收入仍沒有多大改善，激烈的減價促銷競爭手法，在內地市場依然盛行，致令銷售收入不前，而平均之毛利率仍舊處於較低之水平。

ELECTRONIC DICTIONARY Review

In the financial year 2005-2006, the SBU has recorded considerable increase in sales revenue comparing with the last fiscal year. The significant revenue growth in Hong Kong and major overseas markets is the direct result of the SBU's appropriate strategy of focusing its development efforts and technological investment in medium and high end product.

The sales in Hong Kong and major overseas markets have been growing steadily in the past year. The SBU's new products, which are equipped with rich learning contents as well as wide-ranged entertainment functions, have been well received by the markets. English-Chinese and Chinese-English bi-directional full-sentence translation dictionary has contributed to the SBU's increasing market share.

Diversification on sales channel has also contributed to the sales revenue growth last year. Besides selling the SBU's products through retail stores, the SBU has invested more resources on promoting its products via online shopping and TV direct sales in some overseas markets.

There has been little improvement on sales revenue as generated in the Mainland China market last year. Fierce price competition has been prevailing on the mainland. This led to little growth momentum in sales and the average gross profit margin kept hovering at a low level.

管理層討論及分析(續)

Management Discussion and Analysis (Cont'd)

電子辭典(續)

展望

儘管電子辭典市場競爭日趨激烈，但憑藉集團廣為人知之優良品牌，及在中國、香港和亞洲市場之完善銷售渠道，本SBU相信依然可以取得良好之業務表現的。

物料價格及勞工成本有顯著的上升壓力，然而，憑藉與零件供應商建立強健的策略夥伴關係，及持續致力於成本控制，本SBU對維持來年的經營毛利率抱有樂觀態度。

本SBU將繼續專注發展中、高檔次產品，並賦以更創新設計、更佳功能、更豐富之學習內容，及更先進之翻譯科技。而互動學習概念將會是本SBU新產品的主要設計元素之一，相信新產品將可在二零零六／二零零七年財政年度為本SBU帶來良好之銷售收入，及合理之利潤。

與此同時，集團會投放更多資源於科研上，以開拓更多新業務，並致力與外間科技團體及零部件供應商建立強健的策略性夥伴關係，以獨特科技為集團開發更多優質產品。

面對內地市場眾多不明朗因素，及日趨激烈而不穩定的經營環境，本SBU會緊密的審視內地市場變化，並制定較為謹慎的投資及市場推廣計劃，同時，亦會致力簡化內部運作，以增加營運效率，控制分銷及銷售成本。本SBU會專注發展高增值產品，以維持集團在市場上的領先地位。

ELECTRONIC DICTIONARY (Continued)

Outlook

Despite that the competition in the electronic dictionary market is getting more intense, the SBU believes that with the Group's well-established brand name and distribution networks in China, Hong Kong and Asian markets, the SBU could still manage to command a good business prospect in the future.

There has been significant upward pressure on the material and labor costs. Nevertheless, through strong strategic partnership with the components vendors and continuous efforts in containing the costs, the SBU is optimistic that its gross profit margin can be sustained in the financial year 2006-2007.

The SBU continues to focus on developing medium and high end products with more innovative designs, better functional features, richer learning contents and leading translation technology. The interactive learning concept will be one of the key elements in designing the SBU's new products. It is believed that these new products will bring in favorable sales revenue and reasonable profit margin in the financial year 2006-2007.

Meanwhile, the Group will invest more resources in research and development in exploring new business lines, and strive for strong partnership with external technology parties and components suppliers, with an aim to developing unique technology for new products.

Faced with various uncertainties and increasingly competitive and unstable business environment on the mainland market, the SBU will scrutinize the market closely and adopt a conservative strategy in its investment and promotion plans. At the same time, the SBU will strive to simplify the operations so as to enhance the operational efficiency and better control the distribution and sales costs. The SBU will also focus on developing high value-added products to maintain the Group's leading position in the market.

管理層討論及分析（續）

Management Discussion and Analysis (Cont'd)



原件設計生產

業務回顧

主要日本客戶業務於過去數年的穩定增長一向是本SBU快速增長的最大推動力，然而在過去一年，該等日本客戶業務的增長漸趨放緩，致令本SBU的銷售收入無可避免的受到影響。幸而在本SBU上下的不懈努力下，在最短時日內推出各種新產品，並成功控制成本開支，遂能在這激烈的競爭環境下，仍保持良好的競爭優勢，並與主要客戶維持穩定的業務及良好之關係。

本SBU在過往一年為發展新業務建立穩健基礎，設計新產品、投入科研、及與新客戶建立策略性夥伴關係，均為開拓新的具潛力業務做好準備。

於去年，本SBU的銷售收入表現平穩，另一方面，本SBU的科研隊伍人數增加了30%，尤其增強了軟件程式編寫之人手，以致力開發新系列的產品，管理層相信這是個長期投資，對推展未來新的特定產品系列，及發展新的原件設計生產業務，尤為重要。

ORIGINAL DESIGN MANUFACTURING Review

The business growth of the SBU's key Japanese customers had been the driving force for the SBU's rapid growth in the past years. As these customers' business growth has slowed down last year, the SBU's growth in sales revenue has invariably been affected. However, due to the SBU's ceaseless efforts in developing new products within the shortest market lead time, and in containing costs, the SBU has managed to keep its competitive position in such a highly competitive market and maintained a stable business and good relationship with its major customers.

The SBU has spent more than a year in building up the foundation for new business. Planning for new products, engaging in research and development, and fostering business partnership with new customers have been paving way for potential new business.

The sales revenue has remained stable last year. On the other hand, the SBU has enlarged its engineering team by over 30% for developing series of new products, in particular, strengthening the capability and capacity of the software development team. This is a long term investment which the management believes will set the stage for growth in the newly selected product categories, and the new ODM business under development.

管理層討論及分析（續）

Management Discussion and Analysis (Cont'd)

原件設計生產（續）

展望

本SBU繼續致力推動業務增長，以擴大服務範圍，為客戶提供產品設計及軟件開發等服務，維持現有原件設計生產業務的穩定增長，與此同時，積極尋找新的發展商機。

在研發中之新產品類別，主要是針對全球市場而具備無線通訊及播放數碼內容功能之新產品，日本市場方面，則是主力推出新的原件設計生產產品。新的業務預計在二零零六／二零零七年財政年度帶來成果，並期望會進一步發展而成為本SBU的另一主要業務，在未來數年更可為本SBU帶來可觀的收益增長。

隨著我們的科研隊伍在過去數年不斷擴張，本SBU的銷售及產品拓展能力，將繼續增強，配合預計在二零零六／二零零七年財政年度內組成的海外部門，將可推動新的業務發展。

ORIGINAL DESIGN MANUFACTURING
(Continued)

Outlook

The SBU continues its utmost efforts in sustaining stable growth in the existing ODM business through enlarging its service scope and covering areas such as product planning or software development, while at the same time, eyeing on new business development opportunities.

New product categories under development are those featured with wireless communication and electronic content players targeting the global market, and also new ODM products for the Japanese market. The impact of this new business is expected to be felt in the second half of the financial year 2006-2007, and the new business is expected to grow and form another major business of the SBU. It has the potential in boosting the SBU's sales in the coming years.

With the continual expansion of the SBU's engineering team in the past years, the SBU is well equipped with strong marketing and product development capability. Its overseas branch which is expected to be formed within this fiscal year will lend strong support to the new business development.

管理層討論及分析（續）

Management Discussion and Analysis (Cont'd)



智能手機

業務回顧

於上一財政年度，本SBU的經營收入主要來自智能手機業務，然而因為Palmsource, Inc停止Palm OS 6.1版本的開發，令以Palm OS 6.1版本開發的新產品被迫終止，但以Palm OS 5.4版本操作的智能手機仍繼續在市場銷售，因而影響了全年收入。與此同時，本SBU亦使用另一新的操作系統，開發以JAVA應用程式為主的手機，新產品已到了最後測試階段，將在二零零六／二零零七年財政年度內推出。

除智能手機外，本SBU亦積極開發其它手提通訊產品。其中GPS產品已於二零零六年三月份投產，在二零零六／二零零七年財政年度第一季開始付運。此外，本SBU也開發利用WiFi網絡作為語音及數據通訊的手提產品，期望令未來的產品更趨多元化。

SMARTPHONE

Review

In the past financial year, the SBU's operating income derived mainly from the smartphone business. However, as Palmsource, Inc stopped developing Palm OS version 6.1, the SBU was forced to stop launching new products which operated on Palm OS version 6.1 though the smartphone products operating on Palm OS version 5.4 are still available for sale in the market. This has negative impact on the yearly revenue. The SBU has also used another new operating system, and adopted Java application for its future smartphone products. The new smartphone products have reached the final stage of testing and will be launched within the financial year 2006-2007.

Besides smartphone, the SBU also aggressively develops other handheld communication products. One of these is the GPS product which has already been under production in March 2006, and been shipped to customers in first quarter of the financial year 2006-2007. Also, to diversify the product range, the SBU develops other handheld products which use WiFi network for data and voice communication.



管理層討論及分析（續）

Management Discussion and Analysis (Cont'd)

智能手機（續）

展望

GPS產品將會是本SBU來年的一項主要業務。新產品在二零零六／二零零七年財政年度第一季開始付運，主要市場為歐美等國家，本SBU亦會繼續開發其他新的產品及市場。GPS技術除了被廣泛應用於汽車導航之上，還可以發展為其它與定位技術有關的產品，具很大的發展潛力。

至於智能手機業務方面，今年會主力推出JAVA智能手機。利用JAVA語言編寫程式的最大好處，是具跨平台和普及性。現時世界上已有很多JAVA應用程式及第三方開發商，故此大大增加了本SBU設計智能手機的靈活性，可以因應不同用戶的需求而設計新的產品。

隨著WiFi網絡的普及，及數碼廣播的來臨，預計將有更多手提產品利用不同的通訊網絡，為用戶帶來即時的資訊及娛樂。本SBU亦會開發相關的手提通訊產品，相信可以為未來業務帶來增長。

SMARTPHONE (Continued)

Outlook

In the coming year, GPS products will be one of the SBU's mainstream businesses. New products have been shipped out in first quarter of the financial year 2006-2007, targeting mainly the European and United States markets. The SBU will continue its efforts in developing new products and exploring new markets. Besides widely used as car's navigation function, GPS technology has also been applied on many other positioning products, and thus has a large room for future development.

As to the smartphone business, the SBU will focus on launching JAVA smartphone this year. The biggest advantage of writing software programmes using JAVA language is that it is used in many operating platforms and thus more universally adopted. Nowadays, there are many JAVA application software programmes and third parties software developers. This highly increases the SBU's flexibility in designing new smartphone products, and enables the SBU to cater for different customer needs accordingly.

As WiFi network is getting more popularized, and with the advent of digital broadcasting, it is expected that more and more handheld products will emerge which, through different communication networks, could bring to end-users instant information and entertainment. The SBU continues to explore and develop these kinds of handheld communication products and believes that this will become a growth spot of the SBU's business.

管理層討論及分析（續）

Management Discussion and Analysis (Cont'd)

員工關係

於二零零六年三月三十一日，集團於香港聘有 258 名僱員（二零零五年：266 名），於中國大陸聘有 4,269 名僱員（二零零五年：4,118 名），相比去年同期數字，兩地區分別減少約 3% 及增長約 3.7%。除薪酬及一般員工福利例如有薪年假、醫療保險及公積金外，集團亦為執行董事及高級職員提供股份獎勵計劃。

在每年的財政年度開始及年度中間，集團管理層均會舉行策劃大會，讓高級管理人員及管理層共同檢討集團往績，並討論來年之計劃、政策及發展路向；在集團業績公佈後亦會舉行員工交流大會，讓全體員工更了解集團的狀況，促進管理層與員工之間的雙向溝通。利用內聯網站之「權智短訊」、權智報及電郵等溝通途徑，管理層可以向各階層員工發放公司之資訊，而員工之間亦可以相互分享資料訊息及工作經驗。集團鼓勵員工踴躍表達意見及觀感，並提出各方面建議。集團亦會定期推行員工意見調查，以協助管理層了解員工所關注之事宜，以便採取適當行動予以改進。集團會定期選出多位經理級員工與集團主席共晉午膳，讓員工能有機會直接與公司高層對話，增加彼此的互信及了解。集團有良好的晉升制度，可以發掘具潛質之員工，並幫助員工的事業發展。

EMPLOYEES RELATIONS

As at 31st March, 2006, the Group has on its payroll 258 (2005: 266) employees in Hong Kong and 4,269 (2005: 4,118) employees in the Mainland China, representing a decrease of about 3% and an increase of about 3.7% respectively as compared with prior year. In addition to salary remuneration and usual fringe benefits such as annual leave, medical insurance and provident fund, the Group also provides Share Incentive Plans for executive directors and senior staff.

At the beginning and in the interim of every financial year, the Group's management holds Planning Meetings with its senior staff to review together the Group's past performance, as well as to discuss with them the Group's future strategic plans, policies and developments. After publication of the Group's results announcement, staff communication sessions are held to keep employees abreast of the Group's developments and also to facilitate two-way dialogue between the management and all level of employees. The management actively communicates with employees by means of "GSL SMS" through intranet, staff newsletters and emails to ensure free flow of information across different staff levels and to promote information and experience sharing. All staff are encouraged to express their views and feelings and to propose suggestions on different aspects. Employee satisfaction surveys are conducted regularly to help the senior management gauge various concerns of the staff and formulate appropriate solutions accordingly. A team of managerial staff is elected regularly to have a lunch gathering with the Group's chairman. This provides the staff an opportunity to engage in direct dialogue with the senior management and strengthens mutual trust and understanding. A good promotion system is in place to identify the potential staff and help employees prepare for their career prospects.

管理層討論及分析 (續)

Management Discussion and Analysis (Cont'd)

員工關係 (續)

集團有聘請專業顧問，為中層管理人員提供培訓，提升他們的問題分析及處理技巧、溝通協調技巧及團隊精神的締造力。集團亦經常鼓勵員工報讀外間的進修課程，以增進知識及提升工作能力。此外，若集團認為有適合的課程，亦會安排員工參加，課程費用全部由集團負責。員工也可透過集團之「教育資助計劃」申請修讀由其他機構舉辦之培訓課程，獲取全部或部份費用之資助。

ISO9001及ISO14001

集團已於二零零零年成功合併ISO9001品質管理系統及ISO14001環境管理系統，以加強行政效率。獨立審核員定期進行現場審核，以確保集團符合規定標準，並有持續改善。集團亦組織內部審核員定期進行審核。集團已提升環境管理系統至符合新的ISO14001: 2004標準。

EMPLOYEES RELATIONS (Continued)

The Group has appointed a number of professional training consultants to run workshops for improving mid-level management executives' problem solving skills, communication skills and team spirit building technique. Moreover, employees are encouraged to take outside programmes to acquire additional knowledge and upgrade their skills. Staff may be nominated for attending selected training schemes with full sponsorship. Employees who are interested in other unselected courses may still apply for the full or partial subsidies through the Group's Education Subsidizing Scheme.

ISO9001 AND ISO14001

In order to enhance the administrative efficiency, the ISO9001 Quality Management System and ISO14001 Environmental Management System have been combined since 2000. On-site surveillance assessment is conducted regularly by independent assessors to ensure compliance and continual improvement. Internal audit teams have been organised to perform compliance audit on an on-going basis. The Group has upgraded the environmental management system to attain the new ISO14001: 2004 standard.

企業管治報告書 Corporate Governance Report

本公司致力達到高水平企業管治以確保本公司股東之權益。

企業管治常規

截至二零零六年三月三十一日止財政年度內，本公司一直遵守於二零零五年一月一日生效之香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「守則」）。只有守則之守則條文A.4.2存有差異，此差異已列於本公司二零零五／二零零六年之中期報告內。

根據守則之守則條文A.4.2，所有為填補臨時空缺而被委任的董事應在接受委任後的首次股東大會上接受股東選舉。每名董事（包括有指定任期的董事）應輪值退任，至少每三年一次。

根據二零零五年八月十八日前生效之本公司細則，在本公司每屆股東週年大會上，三分之一當時在任本公司之董事（「董事」）（或，倘其人數並非三之倍數，則最接近但不多於三分之一之數目）須輪值退任，惟本公司董事會（「董事會」）主席及董事總經理不須按此規定輪值退任。此外，任何為填補空缺而獲委任之董事或為董事會新增之成員僅可任職至下屆股東週年大會為止，屆時彼可膺選連任。此構成有異於守則中之守則條文A.4.2。

為了遵守這守則條文，本公司已於二零零五年八月十八日所舉行之股東週年大會上向各股東建議修訂其相關細則，而有關修訂已獲股東批准。

The Company is committed to achieving a high standard of corporate governance practices with a view to protecting the interests of all of its shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the “Code”) throughout the financial year ended 31st March, 2006 as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) which came into effect on 1st January, 2005, with deviation from the code provision A.4.2 of the Code as stated in the Company’s 2005/2006 interim report.

Under the code provision A.4.2 of the Code, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Pursuant to the then Bye-laws of the Company prior to 18th August, 2005, at each annual general meeting of the Company, one-third of the directors of the Company (the “Directors”) for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) should retire from office by rotation, provided that the Chairman of the Board of Directors (the “Board”) and the Managing Director of the Company were not subject to the retirement by rotation. Further, any Director appointed to fill a casual vacancy or as addition to the Board should hold office only until the next following annual general meeting and would then be eligible for re-election. This constituted a deviation from the code provision A.4.2 of the Code.

To comply with the code provision, relevant amendments to the Bye-laws of the Company were proposed and approved by the shareholders at the annual general meeting of the Company held on 18th August, 2005.

企業管治報告書 (續) Corporate Governance Report (Cont'd)

董事之證券交易

本公司已採納上市規則附錄10所載有關董事進行證券交易之標準守則（「標準守則」）作為其有關董事進行證券交易之行為守則。經向所有董事作出特定查詢後，於截至二零零六年三月三十一日止財政年度內所有董事已遵守標準守則之要求。

董事會

本公司董事會由十名董事組成，包括六名執行董事譚偉豪博士太平紳士（主席）、譚偉棠先生（董事總經理）、譚梅嘉慧女士、大谷和廣先生、李冠雄先生及霍定洋博士；一名非執行董事羅志聰先生；及三名獨立非執行董事容永祺先生榮譽勳章、何國成先生及王幹文先生。於截至二零零六年三月三十一日止財政年度內，董事會的組成並無任何變動。

董事會定期舉行會議，每年最少召開四次會議，大約每季一次。召開董事會定期會議通告均於會議前至少十四天發出予所有董事，以讓所有董事有機會騰空出席。會議的議程及相關文件至少在會議日期三天前送出以讓所有董事有機會將討論事項納入董事會定期會議議程。董事會會議記錄之初稿均於確定前之合理時段內發送全體董事，供董事表達意見。會議上董事所考慮事項及達致的決定已足夠詳細地記錄於會議記錄內。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors have complied with the required standard set out in the Model Code throughout the financial year ended 31st March, 2006.

THE BOARD

The Board of the Company comprises ten Directors, including six executive Directors, namely Dr. Tam Wai Ho, Samson JP (Chairman), Mr. Tam Wai Tong, Thomas (Managing Director), Mrs. Tam Mui Ka Wai, Vivian, Mr. Kazuhiro Otani, Mr. Lee Koon Hung and Dr. Fok Ting Yeung, James; one non-executive Director namely Mr. Lo Chi Chung, William; and three independent non-executive Directors, namely Mr. Yung Wing Ki, Samuel MH, Mr. Ho Kwok Shing, Harris and Mr. Wong Kon Man, Jason. During the financial year ended 31st March, 2006, there has been no change as to the composition of the Board.

The Board meets regularly and board meetings are held at least four times a year at approximately quarterly intervals. Notices of regular board meetings are served to all Directors at least fourteen days before the meetings to ensure that all Directors are given the opportunity to attend. Agenda and accompanying board papers are sent out to all Directors at least three days in advance to ensure that all Directors are given the opportunity to include matters in the agenda for regular board meetings. Draft minutes of board meetings are circulated to all Directors for comment within a reasonable time prior to confirmation. Minutes are recorded in sufficient detail the matters considered by the Board and decisions reached.

企業管治報告書（續）

Corporate Governance Report (Cont'd)

董事會（續）

於截至二零零六年三月三十一日止財政年度內，董事會已舉行四次會議，各董事個別之出席率如下：

THE BOARD (Continued)

During the financial year ended 31st March, 2006, four board meetings were held and the individual attendance of each Director is set out below:

		出席會議次數 Number of meetings attended
執行董事		
譚偉豪太平紳士（主席）	Tam Wai Ho, Samson JP (Chairman)	4/4
譚偉棠（董事總經理）	Tam Wai Tong, Thomas (Managing Director)	4/4
譚梅嘉慧	Tam Mui Ka Wai, Vivian	4/4
大谷和廣	Kazuhiro Otani	4/4
李冠雄	Lee Koon Hung	4/4
霍定洋	Fok Ting Yeung, James	4/4
非執行董事		
羅志聰	Lo Chi Chung, William	4/4
獨立非執行董事		
容永祺榮譽勳章	Yung Wing Ki, Samuel MH	4/4
何國成	Ho Kwok Shing, Harris	4/4
王幹文	Wong Kon Man, Jason	4/4

董事會負責制定本集團之整體策略及政策、檢討及監察本集團之財務表現，包括編製及批准財務報表及監管管理層之日常營運工作。管理層獲授權以處理日常業務運作及行政事宜。

The Board is responsible for formulating the overall strategies and policies of the Group, reviewing and monitoring its financial performance, including preparing and approving financial statements and overseeing operational matters of the management. Daily business operations and administration functions are delegated to the management.

按上市規則第3.10(1)及(2)條之規定，本公司已委任足夠數目的獨立非執行董事，以及其中一名具備適當會計或有關財務管理專長的獨立非執行董事。董事會已收到各獨立非執行董事根據上市規則第3.13條就其獨立性而作出的年度確認函。

Pursuant to Rules 3.10 (1) and (2) of the Listing Rules, sufficient number of independent non-executive Directors have been appointed with one of them has appropriate accounting or related financial management expertise. The Board has received annual confirmation of independence from the independent non-executive Directors as required under Rule 3.13 of the Listing Rules.

企業管治報告書（續） Corporate Governance Report (Cont'd)

董事會（續）

譚偉豪博士太平紳士與譚偉棠先生之關係為兄弟。譚偉豪博士太平紳士與譚梅嘉慧女士之關係為夫婦。除此披露外，董事會成員之間並無存在包括財務、業務、家屬或其他重大／相關的關係。

本公司已成立五個委員會，包括薪酬委員會、審核委員會、企業風險管理委員會、執行管理委員會及優先認股權委員會。董事會已轉授權力予各委員會以協助董事會履行其職務及監控本集團特定範疇之事務。請參閱下列各委員會的職責及功能之詳情。

主席及行政總裁

本公司之主席及董事總經理分別為譚偉豪博士太平紳士及譚偉棠先生。主席及董事總經理的角色已明確分開以及並非由同一名人士出任。主席主要負責管理董事會，董事總經理主要負責管理本公司之業務。另外，主席專責本集團之整體規劃及財務管理，董事總經理則專責本集團產品之整體市場推廣及營銷策略。

非執行董事

各非執行董事之委任為有指定任期，惟該任期須根據本公司之公司細則輪值退任及重選。

THE BOARD (Continued)

The relationship between Dr. Tam Wai Ho, Samson JP and Mr. Tam Wai Tong, Thomas is brothers. Mrs. Tam Mui Ka Wai, Vivian is the wife of Dr. Tam Wai Ho, Samson JP. Save for these relationships, there are no other financial, business, family or other material/relevant relationships among members of the Board.

Currently, the Company has set up five committees including Remuneration Committee, Audit Committee, Risk Management Committee, Executive Management Committee and Share Option Committee. Each committee is delegated with various responsibilities by the Board in assisting the Board in the discharge of its duties and to administer particular aspects of the Group's activities. Details of the role and function of each committee are summarized below.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Managing Director are Dr. Tam Wai Ho, Samson JP and Mr. Tam Wai Tong, Thomas respectively. The roles of the Chairman and the Managing Director are clearly segregated and are not exercised by the same individual. The Chairman's principal responsibility is to manage the Board and the Managing Director's principal responsibility is to manage the Company's business. In particular, the Chairman is responsible for the Group's corporate planning and financial management whereas the Managing Director is responsible for the overall marketing and sales strategies of the Group's products.

NON-EXECUTIVE DIRECTOR

The term of appointment of each of the non-executive Directors are fixed for a specific term, and shall be subject to retirement by rotation and re-election in accordance with the Company's Bye-laws.

企業管治報告書（續）

Corporate Governance Report (Cont'd)

薪酬委員會

薪酬委員會於一九九六年成立。本公司已根據守則之守則條文B.1.3採納薪酬委員會的職權範圍。薪酬委員會成員包括執行董事譚偉豪博士太平紳士（薪酬委員會主席）及兩名獨立非執行董事何國成先生及王幹文先生。

薪酬委員會專責向董事會提出關於本公司薪酬制度及釐定本公司董事及高級行政人員薪酬的建議。薪酬委員會每年最少舉行一次會議以檢討本公司執行董事及高級行政人員之薪酬及評估執行董事之表現。在釐定及批准本公司董事及高級行政人員之薪酬時，薪酬委員會將考慮各方面因素包括市場競爭力、個人表現及本公司與其業務單位之盈利能力等。

於截至二零零六年三月三十一日止財政年度內，薪酬委員會已舉行兩次會議，以調整本公司執行董事及高級行政人員之薪酬待遇、批准花紅發放及授出優先認股權事宜。各成員之出席率如下：

REMUNERATION COMMITTEE

The Remuneration Committee was established in 1996. The Company has adopted terms of reference in compliance with code provision B.1.3 of the Code. The Remuneration Committee comprises an executive Director, namely Dr. Tam Wai Ho, Samson JP (Chairman of the Remuneration Committee) and two independent non-executive Directors, namely Mr. Ho Kwok Shing, Harris and Mr. Wong Kon Man, Jason.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure in relation to remuneration of Directors and senior management of the Company. It schedules to meet at least once a year for reviewing the remuneration of the executive Directors and senior management of the Company and assessing performance of executive Directors. In determining and approving the remuneration of Directors and senior management of the Company, the Remuneration Committee shall consider factors such as market competitiveness, individual performance and achievement and company and divisional profitability.

The Remuneration Committee has held two meetings during the financial year ended 31st March 2006, for revising the remuneration package for executive Directors and senior management of the Company, and approving the payment of bonus for and grant of share options to executive Directors and senior management of the Company. The attendance of each member is set out below:

		出席會議次數 Number of meetings attended
譚偉豪 太平紳士	Tam Wai Ho, Samson JP	2/2
何國成	Ho Kwok Shing, Harris	2/2
王幹文	Wong Kon Man, Jason	2/2

企業管治報告書(續) Corporate Governance Report (Cont'd)

審核委員會

審核委員會於一九九九年成立。本公司已根據守則之守則條文C.3.3採納審核委員會的職權範圍。審核委員會成員包括三名獨立非執行董事容永祺先生榮譽勳章(審核委員會主席)、何國成先生及王幹文先生及非執行董事羅志聰先生。

審核委員會之主要職責包括提供獨立和專業的財務匯報意見並評估內部監控之有效性及外部與內部審核之足夠性。

於截至二零零六年三月三十一日止財政年度內，審核委員會已舉行四次會議，以審閱本集團所採納的會計原則及政策，檢討並評估內部監控系統、風險管理及財務匯報事宜，並盡力確保本集團遵守所有適用法例和規則。各成員之出席率如下：

		出席會議次數 Number of meetings attended
容永祺榮譽勳章	Yung Wing Ki, Samuel MH	4/4
何國成	Ho Kwok Shing, Harris	4/4
王幹文	Wong Kon Man, Jason	4/4
羅志聰	Lo Chi Chung, William	3/4

審核委員會主席於每次會議後，均會於董事會會議上向各董事匯報各項討論過的重要事項，並向董事會呈交報告。為協助審核委員會履行其職責，「改善工作流程及內部審計小組」於二零零二年成立，為前線部門提供改善工作流程的意見及進行內部審計，直接向審核委員會定期提交報告。

AUDIT COMMITTEE

The Audit Committee was established in 1999. The Company has adopted terms of reference in compliance with code provision C.3.3 of the Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. Yung Wing Ki, Samuel MH (Chairman of the Audit Committee), Mr. Ho Kwok Shing, Harris and Mr. Wong Kon Man, Jason and a non-executive Director, Mr. Lo Chi Chung, William.

The principal responsibilities of the Audit Committee include providing an independent and professional advice on financial reporting, and evaluating the effectiveness of internal control and the sufficiency of external and internal audits.

During the financial year ended 31st March, 2006, the Audit Committee has held four meetings to review the accounting principles and practices adopted, discuss and evaluate internal control procedures, risk management and financial reporting matters. It also ensures that the Group complies with all applicable laws and regulations. The attendance of each member is as follows:

After each Audit Committee meeting, the Chairman of the Audit Committee will present a report to the Board which highlights any significant issues discussed in the meeting for the Board's information and consideration. To assist the Audit Committee to carry out its duties, the Process Improvement and Internal Audit Sub-committee was formed in 2002 to provide support to frontline functions in improving business operations and performing internal audit. Internal audit reports will be directly sent to the Audit Committee periodically.

企業管治報告書(續)

Corporate Governance Report (Cont'd)

企業風險管理委員會

企業風險管理委員會於二零零一年成立，為協助董事核查及評估各種業務運作上的風險，並制定策略及實施風險管理制度以預防及管理市場及營運風險。

執行管理委員會

執行管理委員會於二零零五年成立，訂有書面職權範圍，由董事會授權以日常管理委員會形式運作。執行管理委員會成員包括六名執行董事譚偉豪博士太平紳士(執行管理委員會主席)、譚偉棠先生、譚梅嘉慧女士、大谷和廣先生、李冠雄先生及霍定洋博士。

優先認股權委員會

優先認股權委員會於一九九六年成立，訂有書面職權範圍，依據本公司優先認股權計劃處理關於授予優先認股權之事宜。本公司向其董事或彼之聯繫人士授予優先認股權時，需要得到本公司之獨立非執行董事的批准。優先認股權委員會成員包括兩名執行董事譚梅嘉慧女士(優先認股權委員會主席)及李冠雄先生。

核數師酬金

年內，本公司核數師提供核數服務所得之總酬金為1,522,664港元。

RISK MANAGEMENT COMMITTEE

The Risk Management Committee was established in 2001 to help Directors identify and assess business risks. Corresponding strategies are formulated and risk management system is implemented to prevent and manage market and operational risks.

EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee was established in 2005 with written terms of reference to operate as a general management committee under the authority of the Board. The Executive Management Committee comprises six executive Directors, namely Dr. Tam Wai Ho, Samson JP (Chairman of the Executive Management Committee), Mr. Tam Wai Tong, Thomas, Mrs. Tam Mui Ka Wai, Vivian, Mr. Kazuhiro Otani, Mr. Lee Koon Hung and Dr. Fok Ting Yeung, James.

SHARE OPTION COMMITTEE

The Share Option Committee was established in 1996 with written terms of reference to deal with issues regarding any grant of share options under the Company's share option scheme. In any case, the grant of the Company's share options to any Director or his associates requires the approval of the Company's independent non-executive Directors. The Share Option Committee comprises two executive Directors, Mrs. Tam Mui Ka Wai, Vivian (Chairman of the Share Option Committee) and Mr. Lee Koon Hung.

AUDITORS' REMUNERATION

For the year under review, the total remuneration in respect of audit services provided by the Company's auditors are HK\$1,522,664.

企業管治報告書（續） Corporate Governance Report (Cont'd)

董事就編製財務報表作出之責任

董事承認須負責編製真實與公平之財務報表。本公司核數師對財務報表之責任聲明載列於本週年報告第44頁之核數師報告書內。

內部監控

董事會已對本公司及其附屬公司的內部監控系統涵蓋檢討風險管理功能之有效性，本公司重大監控，包括財務、營運及合規監控。

投資者關係

本集團一向重視與投資者溝通，並致力增強與投資者之關係，利用定期會議、發佈會、集團網頁內刊載之新聞稿及公佈、參觀廠房及與投資者作電郵通訊等各種方法，以確保能全面並及時的披露相關的公司資料，增加本集團對投資界的透明度。

DIRECTORS' RESPONSIBILITIES FOR PREPARATION OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the Company's financial statements which give a true and fair view. The statement of the auditors of the Company about their reporting responsibilities on the financial statements is set out in "Report of the Auditors" on page 44 of the annual report.

INTERNAL CONTROLS

The Board has conducted review of the effectiveness of the system of internal control of the Company and its subsidiaries which cover the review of risk management functions, the Company's material controls including financial, operational and compliance controls.

INVESTOR RELATIONS

The Group always places emphasis on communicating with investors and is committed to enhancing investor relationship by increasing its transparency to the investor community. Measures to keep investors informed of the Group's latest developments comprehensively and timely include regular meetings, presentations, posting of press release and announcements on the Group's website, visits to the manufacturing plant and e-mail news updates.

董事及高級管理人員簡介

Directors and Senior Management Profiles

執行董事

譚偉豪博士 太平紳士，現年42歲，為本集團之主席兼創辦人之一。專責本集團之整體規劃及財務管理。自一九九六年十一月起出任本公司薪酬委員會。畢業於香港中文大學，獲理學士學位，後於香港理工大學進修，獲哲學博士學位。於一九九二年九月獲香港工業總會頒贈「香港青年工業家獎」，並於一九九七年十一月獲選為「香港十大傑出青年」。現時為香港科技協進會會長、香港生產力促進局副主席、策略發展委員會委員、香港工業總會珠三角工業協會副主席及香港／歐盟經濟合作委員會委員。彼為譚偉棠先生之弟。

譚偉棠先生，現年44歲，為本集團之董事總經理兼創辦人之一。彼專責本集團產品之整體市場推廣及營銷策略。彼持有香港理工大學電子工程文憑，在電子零部件及消費電子產品之市場推廣方面已積累逾二十一年經驗。彼於二零零一年八月獲頒贈「資本傑出科技及金融企業成就獎」之「尖端科技拓展成就獎」。彼為譚偉豪博士太平紳士之兄長。

EXECUTIVE DIRECTORS

Dr. Tam Wai Ho, Samson JP, aged 42, is the Chairman and one of the founders of the Group. He is responsible for the Group's corporate planning and financial management. He has been one of the members of the Remuneration Committee of the Company since November 1996. He graduated from the Chinese University of Hong Kong with a Bachelor's degree in Science and later was awarded the degree of Doctor of Philosophy from the Hong Kong Polytechnic University. He received "The Young Industrialist Award of Hong Kong" awarded by the Federation of Hong Kong Industries in September 1992 and was awarded as one of the "Ten Outstanding Young Persons" in November 1997. He is the President of the Hong Kong Association for the Advancement of Science and Technology, the Deputy Chairman of the Hong Kong Productivity Council, a member of the Commission on Strategic Development, the Vice Chairman of PRD Council of the Federation of Hong Kong Industries and a member of The Hong Kong – European Union Business Co-operation Committee. He is the younger brother of Mr. Tam Wai Tong, Thomas.

Mr. TAM Wai Tong, Thomas, aged 44, is the Managing Director and one of the founders of the Group. He is responsible for the overall marketing and sales strategies of the Group's products. He has a Diploma in Electronic Engineering from the Hong Kong Polytechnic University. He has over twenty-one years of experience in marketing electronic components and consumer electronic products. He received "Advanced Technology Development Award" of "Capital Magazine's Outstanding Information Technology and Financial Enterprise Awards" in August 2001. He is the elder brother of Dr. Tam Wai Ho, Samson JP.

董事及高級管理人員簡介 (續)

Directors and Senior Management Profiles (Cont'd)

執行董事 (續)

譚梅嘉慧女士，現年38歲，為譚偉豪博士太平紳士之太太。彼於一九九二年二月加入本集團，專責本集團人事管理、行政事務及電子出版。彼自一九九六年十一月起出任本公司優先認股權委員會。彼持有香港大學頒發之文學士學位及英國李斯特大學頒發之培訓及人力資源管理碩士學位，在管理及行政方面已積累逾十六年經驗。

大谷和廣先生，現年45歲，於一九九七年四月加入本集團為執行董事。彼在本集團之策略性產品業務專責原件設備生產、原件設計生產，以及業務企劃，並負責集團之採購策劃。彼持有日本的關西外國語大學頒發之外語學科文學士學位。於加入本集團前，彼在一日本電子公司工作達十四年。其中自一九八七年起，彼服務於該日本公司之香港辦事處，專責電子零部件市場推廣及營銷達十年之久。

李冠雄先生，現年43歲，於一九八八年加入本集團，並於一九九八年四月獲委任為本集團之執行董事，專責本集團之智能手機及個人數碼助理業務。彼自二零零三年四月起出任本公司優先認股權委員會。彼畢業於香港理工大學電子工程系，並持有亞洲國際公開大學電腦學士學位及英國華威大學工程商業管理理學碩士學位。彼在電子產品開發方面，具有二十二年之經驗。

EXECUTIVE DIRECTORS (Continued)

Mrs. TAM Mui Ka Wai, Vivian, aged 38, is the wife of Dr. Tam Wai Ho, Samson JP. She joined the Group in February 1992 and is responsible for human resources management, administrative matters and electronic publishing of the Group. She has been one of the members of the Share Option Committee of the Company since November 1996. She has a Bachelor's degree in Arts from the University of Hong Kong and a Master's degree in Training and Human Resource Management from the University of Leicester, United Kingdom, and has over sixteen years of experience in management and administration.

Mr. Kazuhiro OTANI, aged 45, joined the Group as Executive Director in April 1997. He is responsible for OEM/ODM business in the Strategic Product Division, corporate business planning and corporate sourcing strategy. He graduated from the Kansai University of Foreign Studies in Osaka, Japan with a Bachelor of Arts in Foreign Languages, and has been working for a Japanese electronics company for fourteen years before he joined the Group. He has spent the latter ten years in the Hong Kong office of this Japanese company since 1987, being responsible for sales and marketing of electronic components such as IC, LCD, etc.

Mr. LEE Koon Hung, aged 43, joined the Group in 1988 and was appointed as Executive Director of the Group in April 1998. He is responsible for the smartphone and PDA business of the Group. He has been one of the members of the Share Option Committee of the Company since April 2003. He graduated from the Hong Kong Polytechnic University with Higher Certificate in Electronic Engineering and obtained a Bachelor's degree in computer science from Asia International Open University and a Master of Science's degree in Engineering Business Management from the University of Warwick, United Kingdom. He has twenty-two years of experience in product development.

董事及高級管理人員簡介(續)

Directors and Senior Management Profiles (Cont'd)

執行董事(續)

霍定洋博士，現年57歲，於一九九九年四月加入本集團為執行董事，負責本集團之策略性營運管理。彼持有香港大學頒發之工程理學士學位及哲學碩士學位，並持有英國倫敦大學頒發之哲學博士學位。彼在學術研究、工業研究、生產管理、產品開發及策略性業務發展多方面積累三十六年經驗。在加入本集團前，彼在香港生產力促進局服務達十三年之久，曾任電子服務部經理、設計及自動化科副總裁及其後擔任高級副總裁。彼現為香港中文大學之電子工程系諮詢委員會委員。

非執行董事

羅志聰先生，現年46歲，為本集團之非執行董事。彼自二零零三年四月起出任本公司審核委員會。彼畢業於香港理工大學，為香港會計師公會及英國特許公認會計師公會之資深會員。彼亦持有英國華威大學頒發之工商管理碩士學位。彼於一九九三年七月加入本集團，之前曾任職於多間主要國際企業包括IBM及西門子。彼於一九九六年十一月獲委任為本集團之執行董事，其後於二零零三年四月辭去以上職務，但保留非執行董事一職。彼現為嘉華國際集團有限公司及銀河娛樂集團有限公司之執行董事。

EXECUTIVE DIRECTORS (Continued)

Dr. FOK Ting Yeung, James, aged 57, joined the Group as Executive Director in April 1999. He is responsible for the Group's strategic operations. He holds a Bachelor of Science in Engineering and a Master of Philosophy from the University of Hong Kong, and a Doctor of Philosophy Degree from the University of London. He has thirty-six years of experience in many areas, including academic research, industrial research, production management, product development, consulting and strategic business development. Before joining the Group, he served Hong Kong Productivity Council for thirteen years as Divisional Manager of Electronics Services Division, Branch Director of Design and Automation Branch and finally as Deputy Executive Director. He is a member of the Advisory Committee on Electronic Engineering of the Chinese University of Hong Kong.

NON-EXECUTIVE DIRECTOR

Mr. LO Chi Chung, William, aged 46, is a Non-executive Director of the Group. He has been one of the members of the Audit Committee of the Company since April 2003. He graduated from the Hong Kong Polytechnic University and is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He also holds a Master of Business Administration degree from the University of Warwick, United Kingdom. Prior to joining the Group in July 1993, Mr. Lo has worked for several major international corporations including IBM and Siemens. He was appointed as an Executive Director of the Group in November 1996 and resigned with effect from April 2003 but remains as a Non-executive Director in the Board. He is currently an executive director of K. Wah International Holdings Limited and Galaxy Entertainment Group Limited.

董事及高級管理人員簡介(續)

Directors and Senior Management Profiles (Cont'd)

獨立非執行董事

容永祺先生榮譽勳章，現年48歲，認可財務策劃師CFP^{CM}，認證財務顧問RFC，特許財務策劃師FChFP，為美國友邦保險(百慕達)有限公司資深區域總監。彼亦為國際認證財務顧問協會之港澳區主席。彼於一九九五年一月加入本集團為獨立非執行董事，並自一九九九年三月起出任審核委員會。在保險業方面積累逾二十四年經驗，於一九九四年十一月獲選為「香港十大傑出青年」。彼曾為傑出青年協會主席(二零零零至二零零二年度)、香港人壽保險從業員協會會長(一九九一年度)、香港人壽保險經理協會會長(一九九五至一九九六年度)、亞太區人壽保險從業員總會聯席主席(一九九六至一九九七年度)及國際人壽保險經理協會國際委員會主席(一九九七至一九九九年度)。彼現為葵青區議會議員及香港董事學會理事，並為多個慈善團體的籌款委員會及政府委員會主席或委員。

何國成先生，現年46歲，為易令實業有限公司之董事。彼於一九九五年一月加入本集團為獨立非執行董事。彼自一九九六年十一月及一九九九年三月起分別出任本公司薪酬委員會及審核委員會。彼持有樹仁學院傳播學系文憑及香港理工大學工商管理碩士學位。彼在推廣消費電子產品方面積累逾二十三年經驗。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. YUNG Wing Ki, Samuel MH, aged 48, Certified Financial Planner^{CM}, Registered Financial Consultant, Chartered Financial Practitioner, is a Senior District Director of American International Assurance Company (Bermuda) Limited. He is also the Hong Kong and Macau Chair of International Association of Registered Financial Consultants. He joined the Group as Independent Non-executive Director in January 1995 and has been one of the members of the Audit Committee since March 1999. He has over twenty-four years of experience in insurance and received "The Ten Outstanding Young Persons Award" in November 1994. He was the Chairman of The Outstanding Young Persons' Association (2000-2002), the President of The Life Underwriter Association Hong Kong (1991), the President of the General Agents and Managers Association of Hong Kong (1995-1996), the Co-Chairman of the Asia Pacific Life Insurance Council (1996-1997) and the International Committee Chairman of GAMA International (1997-1999). He is a Council Member of Kwai Tsing District Council and The Hong Kong Institute of Directors. He also sits in a number of fund raising committees as either chairman or committee member for several major charities and Government committees.

Mr. HO Kwok Shing, Harris, aged 46, is the director of E-Order Industries Limited. He joined the Group as an Independent Non-executive Director in January 1995. He has been the member of the Remuneration Committee and the Audit Committee of the Company since November 1996 and March 1999 respectively. He has a Diploma in Journalism from the Shue Yan College and a Master's degree in Business Administration from the Hong Kong Polytechnic University. He has over twenty-three years of experience in marketing consumer electronic products.

董事及高級管理人員簡介(續)

Directors and Senior Management Profiles (Cont'd)

獨立非執行董事(續)

王幹文先生，現年42歲，於二零零四年九月加入本集團為獨立非執行董事及審核委員會成員，彼自二零零五年一月起出任本公司薪酬委員會。彼畢業於美國夏威夷洲立大學，並獲得工商管理學士學位主修會計學。彼為香港會計師公會及美國會計師公會會員，擁有超過十一年會計及核數經驗。王先生現為富財資本集團有限公司董事總經理。

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr. WONG Kon Man, Jason, aged 42, joined the Group as an Independent Non-executive Director and a member of the Audit Committee in September 2004. He has been a member of the Remuneration Committee of the Company since January 2005. He graduated from The University of Hawaii with a Bachelor's degree in Business Administration majoring in Accounting. He is a member of the Hong Kong Institute of Certified Public Accountants and the American Institute of Certified Public Accountants and has over eleven years of experience in accounting and auditing. At present, Mr. Wong is the Managing Director of Fortune Capital Group Limited.

高級管理人員

辻正勝先生，現年68歲，彼為本集團之生產部副董事總經理。彼在電子產品生產行業已積累多方面的經驗，其中包括生產個人電腦及個人數碼助理等。彼於一九九九年七月加入本集團，在加入本集團前，彼在一著名日本電子公司擔任高級管理人員達三十八年之久，並有多年在海外地區包括美國，韓國以及其他東南亞國家工作之經驗。

SENIOR MANAGEMENT

Mr. Masakatsu TSUJI, aged 68, is the Deputy Managing Director – Manufacturing of the Group. He has extensive experience in manufacturing of electronic products such as personal computers and personal digital assistants. Prior to joining the Group in July 1999, he worked for a famous Japanese electronics company as a senior management staff for thirty-eight years and has considerable overseas working experience in United States, Korea and other Southeast Asian countries.

陸翠容女士，現年39歲，為本集團之電子辭典業務總經理。彼畢業於香港城市大學，獲商業管理高級文憑，在消費電子產品之市場推廣及銷售方面已積累十七年經驗。彼於一九八九年加入本集團，為李冠雄先生之太太。

Ms. LUK Chui Yung, Judith, aged 39, is the General Manager of the Electronic Dictionary Division of the Group. She graduated from the City University of Hong Kong with a Higher Diploma in Business Management. She has seventeen years of experience in marketing & sales of consumer electronic products. She joined the Group in 1989. She is the wife of Mr. Lee Koon Hung.

李志洪先生，現年48歲，為本集團一附屬公司一權智掌上電腦有限公司市場推廣及業務發展執行董事。彼持有東亞大學頒發之工商管理碩士學位。於二零零三年十二月加入本集團前，在推廣及製造消費電子產品方面已積累逾二十一年經驗。

Mr. LI Chi Hung, Francis, aged 48, is the Executive Director, Marketing and Business Development of Group Sense PDA Limited, a subsidiary of the Group. He holds a Master's degree in Business Administration from University of East Asia. Prior to joining the Group in December 2003, he has more than twenty-one years of experience in marketing and manufacturing of consumer electronic products.



董事及高級管理人員簡介（續） Directors and Senior Management Profiles (Cont'd)

高級管理人員（續）

陳浩斌先生，現年45歲，是本集團之策略性產品業務總經理。彼畢業於英國伯明翰大學，獲電子計算機科學學士學位。彼在電子及電腦產品方面已積累逾二十年經驗。彼於一九九三年加入本集團。

SENIOR MANAGEMENT (Continued)

Mr. CHAN Ho Bun, Steve, aged 45, is the General Manager of the Group's Strategic Product Division. He graduated from University of Birmingham, United Kingdom with a Bachelor of Science in Computer Science. He has over twenty years of experience in the field of electronics and computer products. He joined the Group in 1993.

董事會報告書 Report of the Directors

董事會呈報截至二零零六年三月三十一日止年度之週年報告及經審核綜合財務報表。

主要業務

本公司為投資控股公司，其主要聯營公司及附屬公司之主要業務分別載列於綜合財務報表附註21及46。

業績及盈利分配

本集團截至二零零六年三月三十一日止年度之業績載列於第46頁之綜合損益表。

每股普通股2.0港仙之中期股息共23,952,000港元已於本年內派發予股東。董事會建議派發末期股息每股普通股3.0港仙，共約35,928,000港元予名列於二零零六年九月二十九日(星期五)之股東名冊上之股東，而本年度之保留溢利為約89,611,000港元。

主要客戶及供應商

截至二零零六年三月三十一日止年度：

- (i) 本集團之最大及前五大客戶分別佔本集團之總收入約34%及80%。
- (ii) 本集團之最大及前五大供應商分別佔本集團之總採購額(並不包括資本性質之採購項目)約13%及42%。

據董事會了解，本公司之董事、其聯繫人士及任何擁有超過本公司5%股本之股東並無持有前五大客戶及前五大供應商之任何權益。

The directors present their annual report and the audited consolidated financial statements for the year ended 31st March, 2006.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal associates and subsidiaries are set out in notes 21 and 46 respectively to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2006 are set out in the consolidated income statement on page 46.

An interim dividend of HK2.0 cents per ordinary share amounting to HK\$23,952,000 was paid to the shareholders during the year. The directors now recommend the payment of a final dividend of HK3.0 cents per ordinary share to the shareholders on the register of members on Friday, 29th September, 2006, amounting to approximately HK\$35,928,000, and the retention of the remaining profit for the year of HK\$89,611,000.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2006:

- (i) The Group's largest customer and five largest customers accounted for approximately 34% and 80%, respectively of the Group's total revenue.
- (ii) The Group's largest supplier and five largest suppliers accounted for approximately 13% and 42%, respectively, of the Group's total purchases (not including purchases of items which are of capital nature).

According to the understanding of the directors, none of the directors, their associates or any shareholders who owned more than 5% of the Company's share capital had any interest in the five largest customers nor the five largest suppliers.

董事會報告書（續）**Report of the Directors (Cont'd)****物業、廠房及設備**

於本年內，本集團添置之物業裝修、傢具裝置及設備、廠房及機器、工具及工模、汽車及在建工程分別為約5,000,000港元、5,000,000港元、12,000,000港元、10,000,000港元、1,000,000港元及4,000,000港元。

該等詳情及本集團於本年內之物業、廠房及設備之其他變動情況載列於本綜合財務報表附註18。

股本

本公司股本之變動詳情載列於綜合財務報表附註37。

於本年內，本公司經香港聯合交易所有限公司購回本公司之股份詳列於綜合財務報表附註37。各董事相信由於本公司之股份以每股資產淨值之折讓價交易，有關購回可提高本公司股份之每股資產淨值。

董事及董事服務合約

於本年內及直至本報告書日期，本公司之董事如下：

執行董事：

譚偉豪 太平紳士 (主席)
譚偉棠 (董事總經理)
譚梅嘉慧
大谷和廣
李冠雄
霍定洋

非執行董事：

羅志聰

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired leasehold improvements of approximately HK\$5 million, furniture, fixtures and equipment of approximately HK\$5 million, plant and machinery of approximately HK\$12 million, toolings and moulds of approximately HK\$10 million, motor vehicles of approximately HK\$1 million and construction in progress of approximately HK\$4 million.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in note 37 to the consolidated financial statements.

During the year, the Company repurchased certain of its own shares through The Stock Exchange of Hong Kong Limited, details of which are set out in note 37 to the consolidated financial statements. The directors considered that, as the Company's share were trading at a discount to the net asset value per share, the repurchases would increase the net asset value per share of the Company.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive directors:

Tam Wai Ho, Samson JP (*Chairman*)
Tam Wai Tong, Thomas (*Managing Director*)
Tam Mui Ka Wai, Vivian
Kazuhiro Otani
Lee Koon Hung
Fok Ting Yeung, James

Non-executive director:

Lo Chi Chung, William

董事會報告書(續)

Report of the Directors (Cont'd)

董事及董事服務合約(續)

獨立非執行董事：

容永祺榮譽勳章

何國成

王幹文

根據本公司之公司細則第87條，譚偉豪博士太平紳士、譚偉棠先生、大谷和廣先生、霍定洋博士及羅志聰先生均須退任，彼等各人均合資格並願膺選連任。

所有非執行董事之任期均不多於一年。

於即將舉行之股東週年大會獲建議連任之董事均無訂有任何本集團不可於一年內毋須賠償(法定賠償除外)而終止之服務合約。

獨立非執行董事

本公司已收到各獨立非執行董事包括容永祺先生榮譽勳章、何國成先生及王幹文先生根據香港聯合交易所有限公司證券上市規則(「上市規則」)第3.13條就其獨立性而作出的年度確認函，並視有關獨立非執行董事為獨立人士。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (Continued)

Independent non-executive directors:

Yung Wing Ki, Samuel MH

Ho Kwok Shing, Harris

Wong Kon Man, Jason

In accordance with Bye-law 87 of the Company's Bye-laws, Dr. Tam Wai Ho, Samson JP, Mr. Tam Wai Tong, Thomas, Mr. Kazuhiro Otani, Dr. Fok Ting Yeung, James and Mr. Lo Chi Chung, William retire and, being eligible, offer themselves for re-election.

All non-executive directors have been appointed for a term of no more than one year.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive directors, namely Mr. Yung Wing Ki, Samuel MH, Mr. Ho Kwok Shing, Harris and Mr. Wong Kon Man, Jason, an annual confirmation of their independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and considers the independent non-executive directors to be independent.

董事會報告書(續)

Report of the Directors (Cont'd)

董事擁有之證券權益

於二零零六年三月三十一日，根據證券及期貨條例第352條所述之登記冊所載，或根據上市規則附錄10所載董事進行證券交易之標準守則(「標準守則」)向本公司及香港聯合交易所有限公司所申報，各董事及彼等之聯繫人士所擁有本公司及各聯繫公司(定義見證券及期貨條例第XV部)之股份及相關股份之權益如下：

DIRECTORS' INTERESTS IN SECURITIES

At 31st March, 2006, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors set out in Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

董事姓名 Name of director	權益性質 Nature of interests	所持普通股股份數目(好倉) Number of ordinary shares held (long position)				佔已發行股本 之百分比 % of issued share capital	
		個人權益 Personal interests	家族權益 Family interests	其他權益 Other interests	總額 Total		
譚偉豪太平紳士 Tam Wai Ho, Samson JP	附註1及2 Notes 1 & 2	26,000,000	-	537,877,118	563,877,118	47.08	
譚偉棠 Tam Wai Tong, Thomas	附註1及2 Notes 1 & 2	29,000,000	-	537,877,118	566,877,118	47.33	
譚梅嘉慧 Tam Mui Ka Wai, Vivian	附註1 Note 1	2,300,000	-	537,877,118	540,177,118	45.10	
大谷和廣 Kazuhiro Otani		2,000,000	-	-	2,000,000	0.17	
李冠雄 Lee Koon Hung		1,676,000	550,000	-	2,226,000	0.19	
羅志聰 Lo Chi Chung, William		3,000,000	-	-	3,000,000	0.25	

附註：

Notes:

- 此等537,877,118股股份均以Earmill Holdings Limited之名義登記，該公司由The Samson 1992 Trust及The Thomas 1992 Trust按相同比例最終實益擁有。The Samson 1992 Trust為一項全權代管信託，其全權代管受益人包括譚偉豪博士太平紳士及配偶譚梅嘉慧女士。The Thomas 1992 Trust為一項全權代管信託，其全權代管受益人包括譚偉棠先生及配偶譚吳麗婉女士。譚偉豪博士太平紳士、譚梅嘉慧女士及譚偉棠先生均為Earmill Holdings Limited之董事。
- 以上包括由譚偉豪博士太平紳士及譚偉棠先生共同持有的20,000,000股股份。

1. The 537,877,118 shares are registered in the name of Earmill Holdings Limited, a company ultimately beneficially owned by The Samson 1992 Trust and The Thomas 1992 Trust in equal shares. The Samson 1992 Trust is a discretionary trust, the discretionary beneficiaries of which include Dr. Tam Wai Ho, Samson JP and Mrs. Tam Mui Ka Wai, Vivian (spouse of Dr. Tam Wai Ho, Samson JP). The Thomas 1992 Trust is a discretionary trust, the discretionary beneficiaries of which include Mr. Tam Wai Tong, Thomas and Mrs. Tam Ng Lai Yuen, Jocelyn (spouse of Mr. Tam Wai Tong, Thomas). Dr. Tam Wai Ho, Samson JP, Mrs. Tam Mui Ka Wai, Vivian and Mr. Tam Wai Tong, Thomas, being Directors, are directors of Earmill Holdings Limited.

2. Included above is the 20,000,000 shares which are jointly owned by Dr. Tam Wai Ho, Samson JP and Mr. Tam Wai Tong, Thomas.

董事會報告書(續)

Report of the Directors (Cont'd)

董事擁有之證券權益(續)

各董事及彼等聯繫人士擁有本公司之優先認股權權益載列於董事會報告書「優先認股權」內。

除上文所披露者外，於二零零六年三月三十一日，各董事或彼等之聯繫人士概無在本公司或各任何聯繫公司(定義見證券及期貨條例)之股份及相關股份中擁有任何權益或淡倉。

優先認股權

本公司及其附屬公司之優先認股權計劃載列於綜合財務報表附註38。

本公司之優先認股權於本年內之變動披露如下：

DIRECTORS' INTERESTS IN SECURITIES (Continued)

The interests of the Directors and their associates in the share options granted by the Company are set out in the section "Share Options" in the Report of the Directors.

Save as disclosed above, at 31st March, 2006, none of the Directors or their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations as defined in the SFO.

SHARE OPTIONS

Particulars of the Company's and its subsidiary's share option schemes are set out in note 38 to the consolidated financial statements.

The following table discloses movements in the Company's share options during the year:

	優先認股權 授出日期 Option grant date	於年度開始時 尚未行使 Outstanding at beginning of the year	年內授出 Granted during the year	年內註銷 Cancelled during the year	年內行使 Exercised during the year	於年度終結時 尚未行使 Outstanding at end of the year
董事						
Directors						
譚偉豪 太平紳士 Tam Wai Ho, Samson JP	19.4.2004	900,000	-	-	-	900,000
譚偉棠 Tam Wai Tong, Thomas	19.4.2004	900,000	-	-	-	900,000
譚梅嘉慧 Tam Mui Ka Wai, Vivian	19.4.2004	400,000	-	-	-	400,000
大谷和廣 Kazuhiro Otani	19.4.2004 3.6.2005	900,000 -	- 800,000	- -	- -	900,000 800,000
李冠雄 (附註) Lee Koon Hung (Note)	19.4.2004 3.6.2005	1,400,000 -	- 1,300,000	- -	- -	1,400,000 1,300,000
霍定洋 Fok Ting Yeung, James	12.8.2002 24.3.2003 19.4.2004 3.6.2005	400,000 400,000 400,000 -	- - - 400,000	- - - -	- - - -	400,000 400,000 400,000 400,000
總數(董事) Total (Directors)		5,700,000	2,500,000	-	-	8,200,000
僱員						
Employees						
	12.8.2002 24.3.2003 19.4.2004 3.6.2005	30,000 136,000 5,179,000 -	- - - 6,290,000	- - (534,000) (328,000)	- (40,000) - -	30,000 96,000 4,645,000 5,962,000
總數(僱員) Total (Employees)		5,345,000	6,290,000	(862,000)	(40,000)	10,733,000
總計 Grand Total		11,045,000	8,790,000	(862,000)	(40,000)	18,933,000

董事會報告書(續)

Report of the Directors (Cont'd)

優先認股權(續)

每類優先認股權的詳情載列如下：

SHARE OPTIONS (Continued)

Details of specific categories of options are as follows:

授出日期 Date of grant	歸屬期 Vesting period	行使期 Exercise period	行使價 Exercise price 港元 HK\$
12.8.2002	12.8.2002 – 16.6.2003	17.6.2003 – 16.6.2008	0.250
24.3.2003	24.3.2003 – 19.1.2004	20.1.2004 – 19.1.2009	0.202
19.4.2004	19.4.2004 – 19.1.2005	20.1.2005 – 19.1.2010	0.950
3.6.2005	26.4.2005 – 25.4.2006	26.4.2006 – 25.4.2009	0.606

附註：李冠雄先生之配偶為本公司之僱員，並獲授予本公司之優先認股權。於二零零六年三月三十一日，李冠雄先生之太太的1,000,000優先認股權已包括在上列李冠雄先生之優先認股權權益內。

Note: The wife of Mr. Lee Koon Hung, who is also an employee of the Company, was granted options of the Company. At 31st March, 2006, 1,000,000 options of Mrs. Lee were included under the interests in options of Mr. Lee Koon Hung set out above.

本公司股份在緊接優先認股權授出日期(即二零零五年六月三日)之前的收市價為0.61港元。本公司股份在緊接優先認股權行使日前之加權平均股份收市價為0.57港元。

The closing price of the Company's shares immediately before the date of grant on 3rd June, 2005 was HK\$0.61. The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised were HK\$0.57.

於截至二零零六年三月三十一日止年度內授出行使價為0.606港元之優先認股權之公平值估計為0.138港元。以下乃以二項式優先認股權定價模式計算公平值時所採用之假定：

The fair value of an option on one share of the Company granted during the year ended 31st March, 2006 with exercise price per share of HK\$0.606 is estimated at HK\$0.138. The following significant assumptions were used to derive the fair value, using the Binomial option pricing model:

預計已授出的優先認股權年限(年) Estimated expected life of options granted (years)	3.44
根據過往股價波幅計算之預計波幅 Expected volatility based on historical share price movement	39.35%
香港外匯基金債券息率 Hong Kong Exchange Fund Notes Rate	3.23%
根據過去十二個月派發的股息預計每年股息收益率 Expected annual dividend yield based on dividend payments in the last 12 months	6.56%
被收回之優先認股權之調整 Risk-of-forfeiture adjustment	7.71%

董事會報告書(續)

Report of the Directors (Cont'd)

優先認股權(續)

二項式優先認股權定價模式要求採用之假定，包括股價波動及股息回報率。由於此假定在變動時可以對公平值之估算構成重大影響，故董事會認為優先認股權實際價值或會與優先認股權公平值不同。

在綜合損益表內就本年度授出之優先認股權價值而確認之開支為約1,085,000港元(二零零五年：無)。

董事購入股份或債券之權利

除上文所披露者外，本公司或各任何附屬公司於本年內任何時間概無作出任何安排，致令本公司董事可藉購入本公司或其他法人團體之股份或債券而獲益。

董事於合約之重大權益

於本年內，本集團向精輝企業有限公司採購電子零部件數額約4,000,000港元，譚偉棠先生在二零零五年十月三十一日之前在該公司擁有實益權益。

於上述交易中並沒佔有權益之獨立非執行董事認為，該等交易乃按本集團之一般商業條款及日常業務進行。

除上文所披露者外，本公司各董事於本公司或各任何附屬公司於本年度年終結或於本年內任何時間訂立之重要合約中概無直接或間接擁有重大權益。

SHARE OPTIONS (Continued)

The Binomial option pricing model requires the input of assumptions, including the volatility of share price and dividend yield. Because changes in assumptions can materially affect the fair value estimated, in the Directors' opinion, the options' actual value may differ from the estimated fair value of the options due to limitations of the existing model.

Approximately HK\$1,085,000 (2005: Nil) is recognized in the consolidated income statement in respect of the value of options granted during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the year, the Group purchased electronic components amounting to approximately HK\$4 million from Genfield Enterprises Limited, a company in which Mr. Tam Wai Tong, Thomas, has beneficial interests before 31st October, 2005.

In the opinion of the independent non-executive directors who do not have any interest in the above transactions, the transactions were carried out on normal commercial terms and in the ordinary and usual course of business of the Group.

Other than as disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事會報告書(續)

Report of the Directors (Cont'd)

主要股東

按遵照證券及期貨條例第336條而設立之主要股東名冊所載，於二零零六年三月三十一日，除上文披露有關若干董事之權益外，下列股東曾知會本公司擁有本公司已發行股本中的權益和淡倉：

SUBSTANTIAL SHAREHOLDERS

At 31st March, 2006, the register of substantial shareholders kept by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests and short positions in the issued capital of the Company:

股東名稱 Name of shareholder	所持普通股股份數目(好倉) Number of ordinary shares held (Long Position)	佔已發行股本之百分比 % of issued share capital
Earnmill Holdings Limited	537,877,118 (附註一)(Note 1)	44.91
惠理基金管理公司 Value Partners Limited	95,898,000 (附註二)(Note 2)	8.01
謝清海 Cheah Cheng Hye	95,898,000 (附註二)(Note 2)	8.01

附註：

1. 該等股權與上文「董事擁有之證券權益」所披露者相同。
2. 惠理基金管理公司作為投資經理，現時擁有95,898,000股股份。謝清海先生透過在惠理基金管理公司32.77%之權益而被視作擁有該等股份權益。

Notes:

1. The shareholding is also included in the "Directors' Interests in Securities" disclosed above.
2. Value Partners Limited is holding the 95,898,000 shares as an investment manager. Mr. Cheah Cheng Hye is deemed to be interested in such shares through his 32.77% interest in Value Partners Limited.

除上文所披露者外，於二零零六年三月三十一日，概無任何人士曾知會本公司擁有根據證券及期貨條例須向本公司披露的股份或相關股份之權益或淡倉。

Save as disclosed above, at 31st March, 2006, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the SFO.

董事會報告書(續)

Report of the Directors (Cont'd)

優先購買權

本公司之公司細則或百慕達法例並無載有任何優先購買權之規定，要求本公司按比例向現有股東配售新股。

公眾持股量

根據本公司以公開途徑取得的資料及據本公司董事所知，截至二零零六年三月三十一日止年度內，本公司一直維持上市規則所訂明的公眾持股量。

董事進行證券交易之標準守則

本公司已採納標準守則作為其有關董事進行證券交易之行為守則。經向所有董事作出特定查詢後，於截至二零零六年三月三十一日止財政年度內所有董事已遵守標準守則之要求。

審核委員會

審核委員會成員包括獨立非執行董事容永祺先生榮譽勳章(審核委員會主席)、何國成先生、王幹文先生及非執行董事羅志聰先生。

於是年內，審核委員會已舉行四次會議，出席率達93.75%，檢討本集團所採納的會計原則及政策，內部監控系統及財務匯報事宜。審核委員會已審閱截至二零零六年三月三十一日止年度經審核之綜合財務報表。

PRE-EMPTIVE RIGHTS

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

PUBLIC FLOAT

The Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Company's directors throughout the year ended 31st March, 2006.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors have complied with the required standard set out in the Model Code throughout the financial year ended 31st March, 2006.

AUDIT COMMITTEE

The Audit Committee comprises independent non-executive directors, Mr. Yung Wing Ki, Samuel MH (Chairman of the Audit Committee), Mr. Ho Kwok Shing, Harris, and Mr. Wong Kon Man, Jason and a non-executive director, Mr. Lo Chi Chung, William.

During the year, the Audit Committee has held four meetings with 93.75% attendance to review the accounting principles and practices adopted by the Group and discuss internal control and financial reporting matters. The Audit Committee has reviewed the audited consolidated financial statements for the year ended 31st March, 2006.

董事會報告書（續）**Report of the Directors (Cont'd)****核數師**

續聘德勤•關黃陳方會計師行為核數師之決議案將於本公司之股東週年大會上提呈。

承董事會命
譚偉棠
董事總經理

香港
二零零六年七月十七日

AUDITORS

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

On behalf of the Board
Tam Wai Tong, Thomas
Managing Director

Hong Kong
17th July, 2006

核數師報告書 Report of the Auditors

Deloitte. 德勤

致權智（國際）有限公司各股東
(在百慕達註冊成立之有限公司)

本核數師行(以下簡稱「本行」)已完成審核載於第46頁至第118頁按照香港公認之會計原則編製之權智（國際）有限公司（「貴公司」）及其附屬公司（「貴集團」）之綜合財務報表。

董事及核數師之個別責任

貴公司之董事須負責編製真實與公平之綜合財務報表。在編製該等真實與公平之綜合財務報表時，董事必須貫徹採用合適之會計政策。

本行之責任是根據本行審核工作之結果，對該等綜合財務報表表達獨立的意見，並根據百慕達公司條例第90條僅向閣下作出報告，而本報告不得用於其他用途。本行不會就本報告之內容向任何其他人士承擔任何責任。

意見之基礎

本行是按照香港會計師公會頒佈之香港核數準則進行審核工作，審核範圍包括以抽查方式查核與綜合財務報表所載數額及披露事項有關之憑證，亦包括評估董事於編製該等財務報表時所作之重大估計及判斷，所釐定之會計政策是否適合貴集團之具體情況、及是否貫徹應用並足夠地披露該等會計政策。

TO THE SHAREHOLDERS OF
GROUP SENSE (INTERNATIONAL) LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Group Sense (International) Limited (the "Company") and its subsidiaries (the "Group") from pages 46 to 118 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of consolidated financial statements which give a true and fair view. In preparing consolidated financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those consolidated financial statements 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.

BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the circumstances of the Group, consistently applied and adequately disclosed.

核數師報告書(續)**Report of the Auditors (Cont'd)****意見基礎(續)**

本行在策劃及進行審核工作時，均以取得一切本行認為必須之資料及解釋為目標，使本行能獲得充份憑證，就該等綜合財務報表是否存有重要錯誤陳述，作合理之確定。在表達意見時，本行亦已衡量該等綜合財務報表所載之資料在整體上是否足夠。本行相信，本行之審核工作已為下列意見建立了合理之基礎。

意見

本行認為上述之綜合財務報表均真實與公平地反映 貴集團於二零零六年三月三十一日之財政狀況及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露要求而妥善編製。

德勤•關黃陳方會計師行
執業會計師

香港
二零零六年七月十七日

BASIS OF OPINION (Continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the consolidated financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st March, 2006 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
17th July, 2006

綜合損益表 Consolidated Income Statement

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

		附註 Notes	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
收入	Revenue	6	1,490,757	1,309,630
銷售成本	Cost of sales		(1,189,637)	(998,786)
毛利	Gross profit		301,120	310,844
其他收入	Other income	8	23,158	13,396
研究及開發支出	Research and development expenses		(81,860)	(75,517)
分銷及銷售支出	Distribution and selling expenses		(70,017)	(83,709)
行政支出	Administrative expenses		(100,071)	(95,995)
可出售投資減值虧損	Impairment loss on available-for-sale investments	23	(10,000)	–
持作買賣投資之公平值虧損	Loss on change in fair value of held-for-trading investments		(2,265)	–
融資成本	Finance costs	9	(1,136)	(1,500)
出售－租賃物業之收益	Gain on disposal of a leasehold property		19,375	–
應收－聯營公司賬款之撥備	Allowance for amount due from an associate		(2,822)	–
出售－附屬公司之收益 (虧損)	Gain (loss) on disposal of a subsidiary	10	789	(4,758)
稅前溢利	Profit before tax		76,271	62,761
所得稅(支出)撥回	Income tax (expense) credit	11	(21,880)	226
本年度溢利	Profit for the year	12	54,391	62,987
應佔盈利：	Attributable to:			
母公司股權持有人	Equity holders of the parent		54,391	62,158
少數股東權益	Minority interests		–	829
			54,391	62,987
股息	Dividends	15		
二零零五年已付末期 股息，每股普通股 3.0港仙(二零零四年 已付末期股息：3.0港仙)	Final dividend of 2005 paid: HK3.0 cents (Final dividend of 2004 paid: HK3.0 cents) per ordinary share		36,110	35,966
中期，已付：每股普通股 2.0港仙(二零零五年： 1.0港仙)	Interim, paid: HK2.0 cents (2005: HK1.0 cent) per ordinary share		23,952	11,988
			60,062	47,954
末期，建議：每股普通股 3.0港仙(二零零五年： 3.0港仙)	Final, proposed: HK3.0 cents (2005: HK3.0 cents) per ordinary share		35,928	36,110
			95,990	84,064
每股溢利	Earnings per share	16		
基本(港仙)	Basic (HK cents)		4.5	5.2
攤薄(港仙)	Diluted (HK cents)		4.5	5.2

綜合資產負債表

Consolidated Balance Sheet

於二零零六年三月三十一日 At 31st March, 2006

		附註 Notes	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000 (經重列) (restated)
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	18	106,125	179,109
預付租賃款額	Prepaid lease payment	19	8,635	8,662
無形資產	Intangible assets	20	7,164	8,804
聯營公司權益	Interests in associates	21	4	-
證券投資	Investments in securities	22	-	37,984
可出售投資	Available-for-sale investments	23	27,984	-
其他應收賬款	Other receivables	24	3,960	3,750
其他資產	Other assets	25	-	-
遞延稅項資產	Deferred tax assets	36	300	10,085
			154,172	248,394
流動資產	Current assets			
存貨	Inventories	26	181,483	189,156
應收貿易賬款	Trade receivables	27	182,918	85,958
其他應收賬款	Other receivables	28	43,929	49,331
預付租賃款額	Prepaid lease payment	19	223	223
應收聯營公司賬款	Amounts due from associates	29	3,868	6,183
可收回稅項	Tax recoverable		-	72
證券投資	Investments in securities	22	-	8,986
持作買賣投資	Held-for-trading investments	30	40,740	-
銀行存款	Bank deposits	31	210,999	56,784
銀行結餘及現金	Bank balances and cash	31	36,608	225,616
			700,768	622,309
流動負債	Current liabilities			
應付貿易賬款	Trade payables	32	183,843	168,453
其他應付賬款	Other payables	33	57,959	59,170
產品保證撥備	Product warranty provision	34	500	500
應付稅項	Tax payable		11,406	-
銀行借貸	Bank borrowings	35	608	26,654
			254,316	254,777
流動資產淨值	Net current assets		446,452	367,532
資產總值減流動負債	Total assets less current liabilities		600,624	615,926

綜合資產負債表（續）

Consolidated Balance Sheet (Cont'd)

於二零零六年三月三十一日 For the year ended 31st March, 2006

		附註 Notes	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000 (經重列) (restated)
資本及儲備	Capital and reserves			
股本	Share capital	37	119,761	120,366
儲備	Reserves		479,240	484,656
母公司股權持有人 應佔股權	Equity attributable to equity holders of the parent		599,001	605,022
少數股東權益	Minority interests		847	829
股權總額	Total equity		599,848	605,851
非流動負債	Non-current liabilities			
銀行借貸	Bank borrowings	35	–	9,988
遞延稅項負債	Deferred tax liabilities	36	776	87
			776	10,075
			600,624	615,926

載於第46至118頁之綜合財務報表已於二零零六年七月十七日獲董事會核准及授權發行，並由下列董事代表董事會簽署：

The consolidated financial statements on pages 46 to 118 were approved and authorised for issue by the Board of Directors on 17th July, 2006 and are signed on its behalf by:

譚偉豪博士 太平紳士
Dr. Tam Wai Ho, Samson JP
董事
Director

譚偉棠先生
Mr. Tam Wai Tong, Thomas
董事
Director

綜合股權變動表

Consolidated Statement of Changes in Equity

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

		母公司股權持有人應佔股權 Attributable to equity holders of the parent								少數股東 權益	股權總額	
		股本	股份溢價	優先認股 權儲備	資本 贖回儲備	商譽儲備	特殊儲備	匯兌儲備	累積溢利	總額		
		Share capital	Share premium	Share option reserve	Capital redemption reserve	Goodwill reserve	Special reserve	Translation reserve	Accumulated profits	Total	Minority interests	Total equity
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零四年四月一日	Balance at 1st April, 2004	119,746	411,315	-	419	(15,550)	(60,819)	783	132,966	588,860	-	588,860
於換算海外經營之匯兌 差額及淨收益直接 確認於股權內	Exchange differences on translation of foreign operations and net income recognised directly in equity	-	-	-	-	-	-	(88)	-	(88)	-	(88)
出售一附屬公司變現	Realised on disposal of a subsidiary	-	-	-	-	-	-	679	-	679	-	679
本年度溢利	Profit for the year	-	-	-	-	-	-	-	62,158	62,158	829	62,987
本年度已確認收益總額	Total recognised income for the year	-	-	-	-	-	-	591	62,158	62,749	829	63,578
於行使優先認股權 所發行之股份	Issue of new shares - from exercise of share options	620	747	-	-	-	-	-	-	1,367	-	1,367
已派股息	Dividend paid	-	-	-	-	-	-	-	(47,954)	(47,954)	-	(47,954)
		620	747	-	-	-	-	-	(47,954)	(46,587)	-	(46,587)
於二零零五年三月三十一日	Balance at 31st March, 2005	120,366	412,062	-	419	(15,550)	(60,819)	1,374	147,170	605,022	829	605,851
會計政策變動之影響 (見附註2A)	Effect of changes in accounting policies (see Note 2A)	-	-	-	-	15,550	-	-	(15,960)	(410)	-	(410)
於二零零五年四月一日 (經重列)	Balance at 1st April, 2005 as restated	120,366	412,062	-	419	-	(60,819)	1,374	131,210	604,612	829	605,441
於換算海外經營之匯兌 差額及淨收益直接 確認於股權內	Exchange differences on translation of foreign operations and net income recognised directly in equity	-	-	-	-	-	-	1,765	-	1,765	18	1,783
出售一附屬公司變現	Realised on disposal of a subsidiary	-	-	-	-	-	-	172	-	172	-	172
本年度溢利	Profit for the year	-	-	-	-	-	-	-	54,391	54,391	-	54,391
本年度已確認收益總額	Total recognised income for the year	-	-	-	-	-	-	1,937	54,391	56,328	18	56,346
於行使優先認股權 所發行之股份	Issue of new shares - from exercise of share options	4	4	-	-	-	-	-	-	8	-	8
股份購回	Repurchase of shares	(609)	(2,361)	-	-	-	-	-	-	(2,970)	-	(2,970)
確認以股權支付之 以股份支付的支出	Recognition of equity-settled share-based payment	-	-	1,085	-	-	-	-	-	1,085	-	1,085
二零零五年已付末期股息	Final dividend paid for 2005	-	-	-	-	-	-	-	(36,110)	(36,110)	-	(36,110)
二零零六年已付中期股息	Interim dividend paid for 2006	-	-	-	-	-	-	-	(23,952)	(23,952)	-	(23,952)
		(605)	(2,357)	1,085	-	-	-	-	(60,062)	(61,939)	-	(61,939)
於二零零六年三月三十一日	Balance at 31st March, 2006	119,761	409,705	1,085	419	-	(60,819)	3,311	125,539	599,001	847	599,848

特殊儲備指所收購之附屬公司之股份面值與本公司於本公司股份在一九九三年上市前集團改組時就收購事項而發行之股份面值之差額。

The special reserve represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1993.

綜合現金流動表 Consolidated Cash Flow Statement

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000 (經重列) (restated)
經營業務		
稅前溢利	76,271	62,761
調整：		
折舊	23,952	29,479
利息支出	1,136	1,500
呆貨撥備	39,841	14,831
呆壞賬撥備及壞賬 直接沖銷	2,710	6,908
無形資產攤銷	7,344	5,308
預付租賃款額攤銷	223	218
出售－租賃物業之收益	(19,375)	-
出售－附屬公司之(收益) 虧損	(789)	4,758
可出售投資減值虧損	10,000	-
開發成本減值虧損	3,500	1,195
利息收入	(4,750)	(1,326)
持作買賣投資之公平 估值虧損	2,265	-
出售物業、廠房及設備之 虧損(租賃物業除外)	702	502
以股份支付的支出之開支	1,085	-
應收一同集團附屬公司 賬款之免除	664	-
應付同集團附屬公司 賬款之免除	-	(23,599)
營運資金變動前 之經營現金流動	144,779	102,535
存貨增加	(32,089)	(47,610)
應收貿易賬款(增加)減少	(99,617)	65,441
其他應收賬款增加	(136)	(7,411)
購入持作買賣投資	(34,019)	-
應收聯營公司賬款減少 (增加)	2,315	(444)
應付貿易賬款增加	15,091	53,307
其他應付賬款減少	(1,244)	(6,167)
經營業務所(使用)產生之 現金	(4,920)	159,651
繳付中華人民共和國 (「中國」)所得稅/ 香港利得稅	-	(21)
退還香港利得稅	-	50
經營業務所(使用)產生 之淨現金	(4,920)	159,680

綜合現金流動表(續)

Consolidated Cash Flow Statement (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

	附註 Note	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000 (經重列) (restated)
投資業務			
出售物業、廠房及設備 之所得款項		106,112	521
其他應收賬款減少		5,000	8,750
利息收入		4,750	1,326
出售一附屬公司之所得款項 (以淨現金及現金 等值出售)	39	189	10,511
購入物業、廠房及設備		(36,913)	(24,309)
開發成本支出		(9,204)	(6,140)
聯營公司投資增加		(4)	–
證券投資增加		–	(10,318)
投資業務所(使用)產生 之淨現金		69,930	(19,659)
融資業務			
已派股息		(60,062)	(47,954)
償還銀行貸款		(25,755)	(19,337)
信託收據貸款淨減少		(10,887)	(32,832)
購回公司普通股股份			–
利息支出		(1,136)	(1,500)
銀行透支增加		608	–
發行股本		8	1,367
償還財務租約債務		–	(29)
融資業務所使用之淨現金		(100,194)	(100,285)
現金及現金等值項目 之淨(減少)增加		(35,184)	39,736
年初之現金及 現金等值項目		282,400	242,664
外幣匯率變更調整		391	–
年終之現金及現金等值項目		247,607	282,400
現金及現金等值 項目分析：			
銀行結餘及現金		36,608	225,616
銀行存款		210,999	56,784
		247,607	282,400

綜合財務報表附註

Notes to the Consolidated Financial Statements

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

1. 簡介

本公司在百慕達註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要辦事處地址於本週年報告「公司資料」內披露。

綜合財務報告使用港元呈列，亦等同本公司之功能貨幣。

本公司、其附屬公司及聯營公司之主要業務為設計、製造及銷售各種掌上電子產品，主要為電子辭典、智能手機及個人數碼助理，及製造原件設計生產產品。

2. 應用新訂／經修訂香港財務報告準則

於本年度，本集團首次採納由香港會計師公會頒佈，並於二零零五年一月一日或以後開始之會計期間生效之多項新訂香港財務報告準則（「香港財務報告準則」）、香港會計準則及詮釋（「詮釋」）（下文統稱「新訂香港財務報告準則」）。採納新訂香港財務報告準則導致綜合損益表、綜合資產負債表及綜合股權變動表之呈列方式有所改變，尤其是少數股東權益之呈列方式有所改變，此等呈列方式變動已追溯應用。此外，採納新訂香港財務報告準則導致本集團在以下範疇之會計政策出現變動，對現行及／或以往會計期間之業績編製及呈列方式構成影響。

1. GENERAL

The Company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the section of “Corporate Information” in 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 and associates are design, manufacture and sale of a range of electronic handheld products, primarily electronic dictionaries, smartphones and personal digital assistants, and manufacture of original design manufacturing (“ODM”) products.

2. APPLICATION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are effective for accounting periods beginning on or after 1st January, 2005. The adoption of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. In particular, the presentation of minority interests has been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group’s accounting policies in the following areas that have an effect on how the results for the current and prior accounting years are prepared and presented:

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

2. 應用新訂／經修訂香港財務報告準則(續)

商業合併

香港財務報告準則第3號「商業合併」適用於協議日期為二零零五年一月一日或以後之商業合併。應用香港財務報告準則第3號對本集團之主要影響概述如下：

商譽

於過往年度，因於二零零一年四月一日之前進行收購而產生之商譽，已列在儲備之內，於二零零一年四月一日之後進行收購而產生商譽會資本化，並按其估計可使用年期攤銷。本集團已採用香港財務報告準則第3號之相關過度性條文。過往於儲備確認之商譽為15,550,000港元已於二零零五年四月一日將撥之至本集團累積溢利中(有關之財務影響請見附註2A)。

以股份支付的支出

於本年度，本集團已採納香港財務報告準則第2號「以股份支付的支出」。該準則規定，當本集團以股份或配股權購買貨品或交換服務(「以股權支付的交易」)，或以相當於某數目股份或配股權的價值交換其他資產(「以現金支付的交易」)時，則須對開支予以確認。香港財務報告準則第2號對本集團的主要影響為有關董事及僱員於本公司優先認股權的公平價值(於授出優先認股權當日釐定)將於歸屬期內列為開支。於應用香港財務報告準則第2號前，本集團在該等優先認股權獲行使前不會確認其財務影響。本集團已應用香港財務報告準則第2號於二零零五年四月一日或之後所授出之優先認股權。關於二零零五年四月一日前所授出之優先認股權，本集團並無應用香港財務報告準則第2號於二零零二年十一月七日或之前已授出及於二零零五年四月一日前已歸屬之優先認股權，但是，本集團仍須為於二零零二年十一月七日或之後及於二零零五年四月一日或之前仍未歸屬之優先認股權按香港財務報告準則第2號作追溯應用，由於確認以股份支付的支出，本年度的利潤因而減少1,085,000港元。以往年度，沒有要求作相應調整(有關之財務影響請見附註2A)。

2. APPLICATION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Business Combinations

HKFRS 3 *Business Combinations* is effective for business combinations for which the agreement date is on or after 1st January, 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Goodwill

In previous years, goodwill arising on acquisitions prior to 1st April, 2001 was held in reserves, and goodwill arising on acquisitions after 1st April, 2001 was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. Goodwill previously recognised in reserves of HK\$15,550,000 has been transferred to the Group's accumulated profits on 1st April, 2005 (see Note 2A for the financial impact).

Share-based Payment

In the current year, the Group has applied HKFRS 2 *Share-based Payment* which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options granted to directors and employees of the Company, determined at the date of grant of the share options, over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. The Group has applied HKFRS 2 to share options granted on or after 1st April, 2005. In relation to share options granted before 1st April, 2005, the Group chooses not to apply HKFRS 2 with respect to share options granted on or before 7th November, 2002 and vested before 1st April, 2005. However, the Group is still required to apply HKFRS 2 retrospectively to share options that were granted after 7th November, 2002 and had not yet vested on 1st April, 2005. Profit for the year has been decreased by HK\$1,085,000 due to recognition of share-based payment. No prior year adjustment was required (see Note 2A for the financial impact).

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

2. 應用新訂／經修訂香港財務報告準則（續）

金融工具

於本年度，本集團已採納香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」。香港會計準則第32號規定作追溯應用。香港會計準則第39號適用於二零零五年一月一日或其後開始之年度期間，一般而言並不容許金融資產及負債作追溯性之確認、取消確認或計量。執行香港會計準則第32號及39號所產生之主要影響概述如下：

金融資產及金融負債分類及計量

本集團已採納香港會計準則第39號之相關過渡條文，藉此分類及計量香港會計準則第39號範疇內之金融資產及金融負債。

於二零零五年三月三十一日，本集團根據會計實務準則第24號（實務準則第24號）的標準處理方法，將其債務投資及股本證券分類及計量。根據實務準則第24號，債務投資及股本證券投資可劃分為「證券投資」及「其他投資」或「持有至到期日投資」（如適用）。「證券投資」是按成本扣減減值虧損列賬，而「其他投資」以公平價值計算，其未實現損益則在損益表內列賬，「持有至到期日投資」按經攤銷之成本扣減減值虧損（如適用）。自二零零五年四月一日起，本集團根據香港會計準則第39號分類及計量其債務及股本證券。根據香港會計準則第39號，金融資產可劃分為「以公平值計入損益賬之金融資產」、「可出售金融資產」、「貸款及應收款項」或「持有至到期日之金融資產」，而有關分類取決於收購資產之目的。「以公平值計入損益賬之金融資產」及「可出售金融資產」以公平值列賬，而公平值之變動則確認為溢利或虧損。

2. APPLICATION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Financial Instruments

In the current year, the Group has applied HKAS 32 *Financial Instruments: Disclosure and Presentation* and HKAS 39 *Financial Instruments: Recognition and Measurement*. HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1st January, 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to the classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

As at 31st March, 2005, the Group classified and measured its investments in debt and equity securities in accordance with the benchmark treatment of Statement of Standard Accounting Practice 24 (SSAP 24). Under SSAP 24, investments in debt or equity securities are classified as “investment securities”, “other investments” or “held-to-maturity investments” as appropriate. “Investment securities” are carried at cost less impairment losses (if any) while “other investments” are measured at fair value, with unrealised gains or losses included in profit or loss. Held-to-maturity investments are carried at amortised cost less impairment losses (if any). From 1st April, 2005 onwards, the Group has classified and measured its debt and equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables”, or “held-to-maturity financial assets”.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

2. 應用新訂／經修訂香港財務報告準則(續)

金融工具(續)

金融資產及金融負債分類及計量(續)

在活躍市場並無市價之「可出售股權投資」，其公平值沒法可靠地釐定及其相關之衍生工具必須以送達來清付，以成本減去最初確認後之減值計量。「貸款及應收賬款」及「持有至到期日之金融資產」按實利分攤法按經攤銷之成本計量。

於二零零五年四月一日，本集團已根據香港會計準則第39號之過渡條文把其債務投資及股本證券分類及計量(有關之財務影響請見附註2A)。

除債務投資及股本證券外之金融資產及金融負債

自二零零五年四月一日起，本集團根據香港會計準則第39號之規定，分類及計量除債務及股本證券外之金融資產及金融負債(過往並不屬於實務準則第24號之範疇)。香港會計準則第39號項下所指之金融資產乃劃分為「以公平值計入損益賬之金融資產」、「可出售金融資產」、「貸款及應收款項」或「持有至到期日之金融資產」。金融負債一般劃分為「以公平值計入損益賬之金融負債」或「其他金融負債」，「以公平值計入損益賬之金融負債」乃按公平值列賬，公平值之變動直接於損益表中確認。「其他金融負債」乃以實利分攤法按經攤銷成本計量。此項變動對本期間之業績並無構成重大影響。

2. APPLICATION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)
Financial Instruments (Continued)

Classification and measurement of financial assets and financial liabilities (Continued)

“Financial assets at fair value through profit or loss” and “available-for-sale financial assets” are carried at fair value, with changes in fair values recognised in profit or loss and equity, respectively. Available-for-sale equity investments that do not have quoted market prices in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost less impairment after initial recognition. “Loans and receivables” and “held-to-maturity financial assets” are measured at amortised cost using the effective interest method after initial recognition.

On 1st April, 2005, the Group classified and measured its investments in debt and equity securities in accordance with the transitional provisions of HKAS 39 (see Note 2A for the financial impact).

Financial assets and financial liabilities other than investments in debt and equity securities

From 1st April, 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than investments in debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables” or “held-to-maturity financial assets”. Financial liabilities are generally classified as “financial liabilities at fair value through profit or loss” or “other financial liabilities”. Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition. This change has had no material effect on the results for the current year.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

2. 應用新訂／經修訂香港財務報告準則(續)

金融工具(續)

免息非流動貸款

在採用香港會計準則第39號規定前，免息非流動其他應收賬款以面值計量。根據香港會計準則第39號規定，所有金融資產及金融負債均須在最初確認時以公平值計量。至於免息其他應收賬款乃按下年度結算日以實利分攤法按經攤銷成本計量。本集團採用香港會計準則第39號有關過渡條文。由於以上會計政策的改變，於二零零五年四月一日，非流動其他應收款的賬面值因而被調低至攤銷成本，以便符合香港會計準則第39號(有關之財務影響請見附註2A)。

取消確認

香港會計準則第39號規定，有關取消確認金融資產應用之準則較過往期間所採用者更為嚴格。根據香港會計準則第39號，金融資產僅會於資產現金流量之合約權利到期時，或資產已轉讓及有關轉讓根據香港會計準則第39號符合資格取消確認時，方予取消。混合風險及回報及控制測試之方式乃用以決定有關轉讓是否符合取消確認之資格。本集團已採納相關過渡性條文，並將經修訂之會計政策應用於二零零五年四月一日或以後轉讓之金融資產。因此，本集團並無重列於二零零五年四月一日前已取消確認之有追索權之貼現票據。於二零零六年三月三十一日，本集團並無有追索權之貼現票據。此項變動對本期間之業績並無構成重大影響。

2. APPLICATION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued) Financial Instruments (Continued)

Interest-free non-current loans

Prior to the application of HKAS 39, interest-free non-current other receivables were stated at the nominal amount. HKAS 39 requires all financial assets and financial liabilities to be measured at fair value on initial recognition. Such interest-free other receivables are measured at amortised cost determined using the effective interest method at subsequent balance sheet dates. The Group has applied the relevant transitional provisions in HKAS 39. As a result of this change in the accounting policy, the carrying amount of the non-current other receivables as at 1st April, 2005 has been decreased in order to state the other receivable at amortised costs in accordance with HKAS 39. (see Note 2A for the financial impact).

Derecognition

HKAS 39 provides more rigorous criteria for the derecognition of financial assets than the criteria applied in previous periods. Under HKAS 39, a financial asset is derecognised, when and only when, either the contractual rights to the asset's cash flows expire, or the asset is transferred and the transfer qualifies for derecognition in accordance with HKAS 39. The decision as to whether a transfer qualifies for derecognition is made by applying a combination of risks and rewards and control tests. The Group has applied the relevant transitional provisions and applied the revised accounting policy prospectively to transfers of financial assets from 1st April, 2005 onwards. As a result, the Group's bill receivables discounted with full recourse which were derecognised prior to 1st April, 2005 have not been restated. As at 31st March, 2006, the Group has no significant bills discounted with full recourse. This change in accounting policy has had no material effect on results for the current year.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

2. 應用新訂／經修訂香港財務報告準則(續)

業主自用之土地租賃權益

於過往年度，業主自用之土地租賃列入無形資產項目，並以成本計量。於本年度，本集團採用香港會計準則第17號「租賃」。根據香港會計準則第17號，土地及樓宇列在土地及樓宇之租賃，在劃分租賃類別時會獨立入賬，除非不能在土地及樓宇部份之間可靠地分配租賃付款，在此情況下，整項租賃一般視作為融資租賃。若能在土地及樓宇部份之間可靠地分配租賃付款，則於土地之租賃權益乃重新歸類為經營租賃下之預付租金，以成本值入賬，並於租賃期內以直線基準攤銷。此項會計政策變動已經追溯應用(有關之財務影響請見附註2A)。

2. APPLICATION OF NEW/REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Owner-occupied Leasehold Interest in Land

In previous years, owner-occupied leasehold land was included in intangible assets and measured using the cost model. In the current year, the Group has applied HKAS 17 *Leases*. Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively (see Note 2A for the financial impact).

2A. 會計政策變動之影響概要

上文所述之會計政策變動對本年度及過往年度業績之影響如下：

2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in the accounting policies described above on the results for the current and prior years are as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
確認以股份支付的支出 為開支	Recognition of share-based payment as expenses	1,085	-
其他非流動免息應收賬款 名義利息收入	Imputed interest income on non-current interest-free other receivables	(269)	-
年內溢利減少	Decrease in profit for the year	816	-

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

2A. 會計政策變動之影響概要（續）

應用新香港財務報告準則於二零零五年三月三十一日及二零零五年四月一日對本集團股權之財務影響概括如下：

2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

The financial effects of the application of the new HKFRSs to the Group's equity on 31st March, 2005 and 1st April, 2005 are summarised below:

		於二零零五年		於二零零五年		於二零零五年	
		三月三十一日	追溯調整	三月三十一日	四月一日之調整	於二零零五年	於二零零五年
		As at	Retrospective	As at	Adjustment on	As at	
		31st March	Adjustments	31st March,	1st April, 2005	1st April,	
		2005	香港	2005	香港	2005	
		(原先呈列)	會計準則	(經重列)	會計準則	(經重列)	
		(originally stated)	第1號	第17號	第3號	第39號	
		千港元	HKAS 1	HKAS 17	HKFRS 3	HKAS 39	
		HK\$'000	千港元	千港元	千港元	千港元	千港元
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
資產負債表項目	Balance sheet items						
物業、廠房及設備	Property, plant and equipment	179,109	-	179,109	-	-	179,109
預付租賃款額	Prepaid lease payment	-	-	8,885	-	-	8,885
無形資產	Intangible assets	17,689	-	(8,885)	-	-	8,804
其他應收賬款	Other receivables						
- 非流動	- non-current	3,750	-	3,750	-	(262)	3,488
證券投資	Investments in securities						
- 非流動	- non-current	37,984	-	37,984	-	(37,984)	-
證券投資	Investments in securities	8,986	-	8,986	-	(8,986)	-
可出售投資	Available-for-sales investments	-	-	-	-	37,984	37,984
持作買賣投資	Held-for-trading investments	-	-	-	-	8,986	8,986
其他應收賬款 - 流動	Other receivables - current	49,331	-	49,331	-	(148)	49,183
其他資產及負債	Other assets and liabilities	309,002	-	309,002	-	-	309,002
資產及負債之影響總額	Total effects on assets and liabilities	605,851	-	605,851	-	(410)	605,441
股本	Share capital	120,366	-	120,366	-	-	120,366
股份溢價	Share premium	412,062	-	412,062	-	-	412,062
商譽儲備	Goodwill reserve	(15,550)	-	(15,550)	15,550	-	-
累積溢利	Accumulated profits	147,170	-	147,170	(15,550)	(410)	131,210
其他儲備	Other reserves	(59,026)	-	(59,026)	-	-	(59,026)
少數股東權益	Minority interests	-	829	829	-	-	829
對權益構成之總影響	Total effects on equity	605,022	829	605,851	-	(410)	605,441
少數股東權益	Minority interests	829	(829)	-	-	-	-

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

2A. 會計政策變動之影響概要(續)

應用新香港財務報告準則對本集團於二零零四年四月一日之權益並未構成財務影響。

本集團並無提早採納已頒佈但對本年度尚未生效之新準則，修訂及詮釋。除採納香港會計準則第39號及香港財務報告準則第4號(修訂)「財務擔保合約」，其要求財務擔保合約必須根據香港會計準則第39號之範疇在最初確認時以公平值計算，董事預期應用該等準則修訂及詮釋不會對本集團之綜合財務報表產生重大影響。本集團並無合理地評估採納香港會計準則第39號及香港財務報告準則第4號(修訂)所帶來的影響。

香港會計準則第1號(修訂)
HKAS 1 (Amendment)

香港會計準則第19號(修訂)
HKAS 19 (Amendment)

香港會計準則第21號(修訂)
HKAS 21 (Amendment)

香港會計準則第39號(修訂)
HKAS 39 (Amendment)

香港會計準則第39號(修訂)
HKAS 39 (Amendment)

香港會計準則第39號及香港財務報告
準則第4號(修訂)
HKAS 39 and HKFRS 4 (Amendments)

香港財務報告準則第6號
HKFRS 6

2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

There is no financial effect of the application of the new HKFRSs to the Group's equity at 1st April, 2004.

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective. Except for the financial impact on adoption of HKAS 39 and HKFRS 4 (Amendments) "Financial guarantee contracts" which requires financial guarantee contracts within the scope of HKAS 39 to be measured at fair value on initial recognition, the directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the consolidated financial statements of the Group. The Group is not yet in a position to reasonably estimate the impact on adoption of HKAS 39 and HKFRS 4 (Amendments).

資本披露¹
Capital disclosure¹

精算損益、集團計劃及披露²
Actuarial gains and losses, group plans and disclosures²

於海外業務之投資淨額²
Net investment in a foreign operation²

預測集團內公司間對沖會計處理²
Cash flow hedge accounting of forecast intragroup transactions²

公平價值之選擇²
The fair value option²

財務擔保合約²
Financial guarantee contracts²

礦產的開採及評估²
Exploration for and evaluation of mineral resources²

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

2A. 會計政策變動之影響概要(續)

香港財務報告準則第7號
HKFRS 7

香港(國際財務報告詮釋委員會)
— 詮釋第4號
HK (IFRIC) – INT 4

香港(國際財務報告詮釋委員會)
— 詮釋第5號
HK (IFRIC) – INT 5

香港(國際財務報告詮釋委員會)
— 詮釋第6號
HK (IFRIC) – INT 6

香港(國際財務報告詮釋委員會)
— 詮釋第7號
HK (IFRIC) – INT 7

香港(國際財務報告詮釋委員會)
— 詮釋第8號
HK (IFRIC) – INT 8

香港(國際財務報告詮釋委員會)
— 詮釋第9號
HK (IFRIC) – INT 9

2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

財務工具：披露¹
Financial instruments: Disclosures¹

釐定安排是否包括租賃²
Determining whether an arrangement contains a lease²

解除運作、復原及環境修復基金所產生權益之權利²
Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds²

參與特定市場—廢棄電力及電子設備產生之負債³
Liabilities arising from participating in a specific market – waste electrical and electronic equipment³

根據香港會計準則第29號嚴重通脹經濟之財務報告應用重列法⁴
Applying the restatement approach under HKAS 29 *Financial Reporting in Hyperinflationary Economies*⁴

香港財務報告準則第2號之範圍⁵
Scope of HKFRS 2⁵

重新評估嵌入式衍生工具⁶
Reassessment of embedded derivatives⁶

¹ 於二零零七年一月一日或之後開始之年度期間生效。
Effective for annual periods beginning on or after 1st January, 2007.

² 於二零零六年一月一日或之後開始之年度期間生效。
Effective for annual periods beginning on or after 1st January, 2006.

³ 於二零零五年十二月一日或之後開始之年度期間生效。
Effective for annual periods beginning on or after 1st December, 2005.

⁴ 於二零零六年三月一日或之後開始之年度期間生效。
Effective for annual periods beginning on or after 1st March, 2006.

⁵ 於二零零六年五月一日或之後開始之年度期間生效。
Effective for annual periods beginning on or after 1st May, 2006.

⁶ 於二零零六年六月一日或之後開始之年度期間生效。
Effective for annual periods beginning on or after 1st June, 2006.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策

綜合財務報表乃按歷史成本慣例基準編製，惟若干金融工具按公平值釐定並於下列會計政策所闡述。

綜合財務報表乃按香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例規定之適用披露規定。

綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。

於本年內收購或出售之附屬公司之業績，已從實際收購日期起或結算至實際出售日期止(視適用情況而定)列入綜合損益表內。

如有需要，附屬公司之財務報表會作出調整，致使其會計政策與本集團其他成員公司所應用貫徹一致。

所有集團之公司內部交易、結餘、收入及支出均於編製綜合報表時沖銷。

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared in accordance with 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 of Hong Kong Limited (the "Listing Rules") and the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

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.

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策（續）

綜合基準（續）

綜合附屬公司資產淨值之少數股東權益與本集團於其中之權益分開呈列。資產淨值之少數股東權益包括在原業務合併日期之有關權益數額，以及自合併日期起計少數股東應佔之股權變動。少數股東應佔虧損超出少數股東於附屬公司之股本權益之金額將與本集團權益對銷，惟少數股東具有約束力責任及其有能力作出額外投資以彌補該等虧損則除外。

商譽

於綜合賬目時產生收購一間附屬公司（協議日期為二零零五年一月一日前）所產生之商譽，乃指收購成本超出本集團於收購當日應佔有關附屬公司之可識別資產及負債公平值之權益之數額。

於過往年度，因於二零零一年四月一日前進行收購而產生之商譽，已列在儲備之內。本集團已採用香港財務報告準則第3號之相關過渡性條文。過往於儲備確認之商譽已於二零零五年四月一日撥至本集團累積溢利中。

收入

收入代表本集團按公平值之收入及銷售貨物之應收賬款，扣除退貨及銷售稅之淨值及提供予本集團以外之客戶之服務。

收入確認

銷售收入於貨物付運及擁有權轉移後確認入賬。

服務收入於服務提供後，便確認入賬。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Goodwill

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1st 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.

In previous years, goodwill arising on acquisitions prior to 1st April, 2001 was held in reserves. The Group has applied the relevant transitional provisions in HKFRS 3. Goodwill previously recognised in reserves has been transferred to the Group's accumulated profits on 1st April, 2005.

Revenue

Revenue represents the fair value of consideration received and receivable for goods sold, net of returns and sales taxes, and services rendered by the Group to outside customers.

Revenue recognition

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

Service income is recognised when services are provided.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策(續)

收入確認(續)

利息收入乃根據未償還本金及適用實際利率按時間基準累計，有關利率乃將估計未來所收現金按財務資產估計可使用年期折讓至該資產賬面淨值之利率。

出售附屬公司的盈虧乃根據出售淨收入及附屬公司的資產賬面值的差額計算，並於出售附屬公司時於損益表中確認。

物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本值減累積折舊及累計減值虧損列賬。

物業、廠房及設備項目(在建工程除外)之折舊乃根據其估計可使用年期，於計及其估計剩餘價值後，以直線法撇銷其成本，折舊率如下：

租賃物業
Leasehold properties

物業裝修
Leasehold improvements

傢具、裝置及設備
Furniture, fixtures and equipment

廠房及機器
Plant and machinery

工具及工模
Toolings and moulds

汽車
Motor vehicles

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Revenue recognition (Continued)

Interest income 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 estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Gains or losses arising from disposal of subsidiaries are measured at the difference between the net disposal proceeds and the carrying amount of the asset and liabilities of the subsidiaries and are recognised in the income statement when the subsidiaries are disposed of.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives and after taking into account of their estimated residual, using the straight-line method, at the following rates per annum:

按租賃之年期或2%，以最少者為準
Over the shorter of the term of the lease or 2%

25%

25%

15%—25%

50%

25%

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策（續）

物業、廠房及設備（續）

物業、廠房及設備項目於出售或預期持續使用資產不會產生未來經濟收益時取消確認。取消確認項目時所產生之任何盈虧（按出售所得款項淨額與項目賬面值間之差額計算）將計入發生該取消確認項目之年度損益表內。

在建工程按成本扣除任何已辨識減值虧損列賬。在建工程於其可供使用（即達至管理層擬作用途時）開始計算折舊。

租賃

當租賃條款將涉及擁有權之絕大部分風險及回報轉讓予承租人時，該租賃乃分類為融資租賃。所有其他租賃均分類為經營租賃。

根據經營租賃之應付租金於有關租約年期以直線法確認。訂立經營租賃時已收及應收作為獎勵之利益按直線法於有關租賃之年期確認為租金開支減少。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

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 income statement in the year in which the item is derecognised.

Construction in progress are carried at cost less any identified impairment losses. Depreciation of construction in progress commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Leasing

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

Rental payable under operating leases is recognised 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.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策(續)

外幣

編製各集團實體之財務報表時，以該實體之實用貨幣以外貨幣(外幣)進行之交易乃按其實用貨幣(即實體主要經營之經濟環境之貨幣)於交易日期當時之匯率記錄。於各結算日，以外幣計值之貨幣項目以結算當日之匯率重新換算。以外幣過往成本計量之非貨幣項目不予重新換算。

結算貨幣項目及換算貨幣項目所產生之匯兌差額會於產生期間在損益賬確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按結算當日匯率換算為本公司之呈列貨幣(即港元)，而彼等之收入及開支項目乃按年內平均匯率換算，除非期內匯率出現重大波幅，則於此情況下，將採用交易日之匯率。所產生匯兌差額(如有)確認為股本權益之獨立部份(匯兌儲備)。出售海外業務所產生之匯兌差額於當年之損益賬確認。

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

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 its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

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 Company (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 year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策（續）

退休福利成本

退休福利計劃、國家管理退休福利計劃及強制性公積金計劃之供款均於到期支付時以開支形式扣除。

稅項

所得稅支出指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與損益表中所申報之溢利不同，乃由於前者不包括在其他年度應課稅或可扣稅收入或開支，並且不包括損益表內從未課稅及扣稅之項目。本集團即期稅項之債務乃按結算日已頒佈或實際已頒佈之稅率計算。

遞延稅項乃根據綜合財務報表資產及負債賬面值與計算應課稅溢利所採用相應稅基間之差額確認，以資產負債表負債法處理。遞延稅項負債一般會就所有應課稅臨時差額確認，而遞延稅項資產乃按可能出現可利用臨時差額扣稅之應課稅溢利時確認。因商譽或因業務合併以外交易初步確認資產及負債且不影響應課稅溢利亦不影響會計溢利而引致之臨時差額，則不會確認該等資產及負債。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs

Payments to defined contribution retirement benefit plans, state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are charged as expenses as they fall due.

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 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 bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or 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.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策(續)

稅項(續)

遞延稅項資產之賬面值於各結算日作檢討，並在沒可能會有足夠應課稅溢利收回全部或部分資產時加以遞減。

遞延稅項乃按預期於負債清償或資產變現期間適用之稅率。遞延稅項於損益中扣除或計入損益，惟倘遞延稅項直接在股權中扣除或計入股權之情況則除外，在此情況下，遞延稅項亦會於股權中處理。

聯營公司權益

聯營公司之業績及資產與負債以股權法計入綜合財務報表內。根據股權法，於聯營公司之投資乃按成本(已就本集團於收購後應佔損益之變動及聯營公司股權之變動作出調整)減任何已辨識減值虧損計入綜合資產負債表。

當集團實體與本集團聯營公司進行交易時，未變現損益會與本集團於有關聯營公司之權益沖銷，除非未變現虧損有證據顯示所轉讓資產出現減值，於此情況下，會全數確認該等虧損。

存貨

存貨乃按成本及可變現淨值兩者中較低者列賬。成本乃以加權平均數方法計算。

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Taxation (Continued)

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 profit will be available to allow all or part of the asset to be recovered.

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

Interests in associates

The results and assets and liabilities of associates are incorporated in the 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 associates, less any identified impairment loss.

When a group entity transacts with associates of the Group, unrealised profits or losses are eliminated to the extent of the Group's interests in associates, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

Inventories

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

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策（續）

研究及開發成本

研究及開發費用於產生期間確認為支出。

因內部開發支出產生的無形資產確認，只適用於該開發成本將透過未來之商業活動得以收回，該等開發成本將遞延並由該項計劃之商業活動開始日起於該計劃之年期內平均註銷，並以減去其後之累積攤銷及累積減值虧損並以成本列賬。

當沒有因內部開發支出產生及已確認之無形資產，開發支出應在其產生時在損益賬扣除。

減值

於各結算日，本集團均會審閱有形及無形資產之賬面值，以釐定是否有跡象顯示該等資產會有減值虧損。倘估計資產之可收回金額低於賬面值，則會將資產賬面值降至可收回金額。減值虧損隨即確認為開支。

倘其後減值虧損逆轉，則會將資產之賬面值計入經修訂之估計可收回金額，惟已增加之賬面值不得超過假設資產於以前年度並無減值虧損而釐定之賬面值。減值虧損逆轉隨即確認為收入。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Research and development costs

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

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the year in which it is incurred.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such 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.

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策（續）

金融工具

倘集團實體成為工具合約條文之訂約方，則於資產負債表中確認金融資產及金融負債。金融資產及金融負債初次按公平值計算。因收購或發行金融資產及金融負債（按公平值計入損益之金融資產及金融負債除外）而直接產生之交易成本於初次確認時加入金融資產及金融負債（如適用）之公平值或自金融資產及金融負債（如適用）之公平值扣除。因收購按公平值計入損益賬之金融資產及金融負債而直接產生之交易成本即時於損益賬確認。

金融資產

本集團之金融資產分為以下三個類別：包括「以公平值計入損益賬之金融資產」、「貸款及應收賬款」及「可出售金融資產」。日常買賣指須根據市場規則或慣例訂立之時間內付運資產之金融資產買賣。就各類別之金融資產所採納之會計政策載列如下。

以公平值計入損益賬之金融資產

以公平值計入損益賬之金融資產可細分為兩個類別，分別為持作買賣之金融資產及於初步確認時已指定為按公平值計入損益之金融資產。於初步確認後之各結算日，以按公平值計入損益賬之金融資產乃按公平值計算，而公平值之變動乃於產生期間直接於損益賬確認。

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)**Financial instruments**

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

Financial assets

The Group's financial assets are classified into three categories, including financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the 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 has two subcategories, including financial assets held-for-trading and those designated at fair value through profit or loss 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 year in which they arise.

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策（續）

金融資產（續）

貸款及應收賬款

貸款及應收賬款為附帶固定或可釐定付款之非衍生性質金融資產，而其在活躍市場並無報價。於初次確認後各結算日，貸款及應收賬款包括應收貿易賬款、應收聯營公司賬款、銀行存款、銀行結餘及現金採用實際利息法攤銷成本，減任何已識別減值虧損列賬。倘客觀證據證明資產出現減值，則減值虧損會於損益確認，並按資產賬面值與按原實際利率折讓之估計未來現金流量之現值的差額計量。倘確認減值後資產可收回金額之增幅能客觀地指出涉及所發生之事件，則減值虧損會於其後期間撥回，惟減值撥回當日之資產賬面值不得超過如無確認減值時之原應攤銷成本。

可出售金融資產

可出售金融資產為並無指定或劃分為其他類別（載於上文）之非衍生項目。於初步確認後各結算日，可出售金融資產按公平值計算。公平值之變動於股權確認，直至該金融資產被出售或決定被減值，屆時過往於股權確認之累計收益或虧損會自股權剔除，並於損益確認。可出售金融資產之任何減值虧損於損益確認。可出售之股權投資之減值虧損將不會於以後期間撥回損益。就可出售債項投資而言，倘該投資之公平值之增加可客觀地指出涉及確認減值虧損後發生之事件，則減值虧損其後撥回。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (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 other receivables, amounts due from associates, bank deposits and bank balances and cash 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.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories (set out above). At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策(續)

金融資產(續)

可出售金融資產(續)

在活躍市場並無市價之「可出售股權投資」，其公平值沒法可靠地釐定及其相關之衍生工具必須以送達來清付，以成本減去最初確認後之減值計量。減值虧損於有客觀證據證明資產減值時在損益確認，並按該項資產賬面值與估計未來現金流量按現時市場回報率折算之現值間的差額計量。這減值虧損不能在其後撥回。

金融負債及股權

由本集團實體發行之金融負債及股權工具按所訂立之合約安排性質以及金融負債及股權工具之定義而分類。

股權工具為證明本集團資產剩餘權益經扣除其所有負債之任何合約。本集團之金融負債通常歸類為其他金融負債。金融負債及股權工具採用之會計政策如下。

其他金融負債

其他金融負債包括應付貿易賬款、其他應付賬款及銀行借貸，其後以實際利息法攤銷成本計量。

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Financial assets (Continued)

Available-for-sale financial assets (Continued)

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Financial liabilities and equity

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

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 into 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 and bank borrowings are subsequently measured at amortised cost, using the effective interest rate method.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策(續)

金融負債及股權(續)

股權工具

本公司所發行股權工具按已收所得款項扣除直接發行成本後列賬。

取消確認

當從資產收取現金流量之合約權利已到期或轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收代價及已直接於股權確認之累計損益之總和間之差額，將直接於損益中確認。

金融負債於償清(即倘於有關合約之特定責任獲解除、取消或到期)時在本集團之綜合資產負債表中移除。剔除確認之金融負債賬面值與已付或應付代價間之差額乃於損益中確認。

撥備

倘若本集團須就已發生的事件有可能承擔責任，本集團會因應要履行該責任而確認撥備。撥備之金額乃根據董事之可靠評估於結算日如需履行該責任所產生之支出。若其影響是重大的，該責任將會折算為現值並予以確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities and equity (Continued)

Equity instruments

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

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 the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration received or receivable is recognised in profit or loss.

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 where the effect is material.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

3. 主要會計政策(續)

以股權支付及以股份支付的支出之交易

向本集團董事及僱員授出之優先認股權

參考授出日期所授出之優先認股權之公平值釐定之所收取服務公平值，乃按歸屬期間以直線基準支銷，並於股權作出相應增加(優先認股權儲備)。

當優先認股權獲行使時，先前於優先認股權儲備確認之金額將撥入股份溢價。當優先認股權被收回或於到期日仍未行使，先前於優先認股權儲備確認之金額將撥入累計溢利。

4. 重大會計判斷及對不確定的估計之主要來源

重大判斷於會計政策應用

於應用附註5所述本集團會計政策時，管理層作出下列對綜合財務報表已確認金額有重大影響力之估計。

折舊

本集團其一中國附屬公司之營業執照將於二零一零年六月九日到期。當營業執照到期時，所有該附屬公司之物業、廠房及設備將會退回給中方伙伴。本集團有意申請把所有該附屬公司之物業、廠房及設備轉移到另一中國附屬公司，董事相信該申請轉移將會獲得批准。預計可獲授新使用權，所以有關該中國附屬公司之物業、廠房及設備的成本乃按其估計可使用年期採用直線法而折舊。如該轉移不獲批准，其折舊可能需要增加。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity-settled share-based payment transactions

Share options granted to directors and employees of the Group

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 option reserve).

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgement in applying accounting policies

In the process of applying the accounting policies which are described in note 5, management has made the following judgment that have significant effect on the amounts recognised in the consolidated financial statements.

Depreciation

One of the PRC subsidiaries' business license will be expired on 9th June, 2010. Upon the expiry of the business license, all property, plant and equipment of that subsidiary will be returned to the PRC partner. The Group intends to apply for transferring all these property, plant and equipment to another PRC subsidiary and the directors believe that such transfer will be granted upon application. Accordingly, the costs of the relevant items of property, plant and equipment of this PRC subsidiary are depreciated on a straight-line basis over their estimated useful lives on the basis that a new tenure will be granted. If the transfer cannot be granted, additional depreciation may be required.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

4. 重大會計判斷及對不確定的估計之主要來源(續)

重大判斷於會計政策應用(續)

無形資產之估計減值

於本年內，管理層重新考慮無形資產之賬面值。該有關項目之持續發展令人滿意，而客戶之反應再次證實管理層先前估計從該項目之收入。管理層滿有信心該項目之賬面值在扣減本年減值準備後，可以完全回復原有之賬面值。管理層將會密切注視該情況，如需要，會按將來市場活動之情況作出相應之調整。

聯營公司應收賬款之估計撥備及因向銀行就該聯營公司之銀行融資作出擔保引發之責任(「擔保」)

於本年內，公司董事評估一聯營公司應收賬款3,000,000港元之減值及評估因向銀行擔任該間聯營公司之銀行透支而引起之責任。

該聯營公司已提出訴訟追討一些應收賬款，本公司之董事根據法律意見認為該聯營公司有相當可能取回其全部應收賬款。

因此，該聯營公司會有足夠財政能力償還其拖欠本集團之賬款及償還其銀行透支，故此無須就應收該聯營公司賬款及擔保作出撥備。管理層將會密切注視該情況，如需要，會按將來情況作出相應之調整。

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

Critical judgement in applying accounting policies (Continued)

Estimated impairment of intangible assets

During the year, management reconsidered the carrying amount of its intangible assets. The relevant project continues to progress in a satisfactory manner, and customer reaction has reconfirmed management's previous estimates of anticipated revenues from the project. Management is confident that the carrying amount of the asset, after provision for impairment loss during the year, will be recovered in full. This situation will be closely monitored, and adjustments will be made in future periods, if future market activity indicates that such adjustments are appropriate.

Estimated allowance for amount due from associates and liability arising from the guarantee given to banks in respect of banking facilities utilised by an associate ("Guarantee")

During the year, the directors of the Company assessed for an impairment amount of HK\$3 million due from an associate and assessed for any liability which may arise from the Guarantee issued to bank for bank overdraft extended to that associate.

This associate is in litigation to recover certain receivables and in the opinion of the directors of the Company, based on legal advice, it is likely that the associate can recover in full the receivables.

Accordingly, the associate will have the financial ability to repay the amount due to the Group and to repay its bank overdraft and no allowance for the amount due from associate or provision for any liability under the Guarantee is considered necessary. This situation will be closely monitored, and adjustments will be made in future periods, if future conditions indicate that such adjustments are appropriate.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

4. 重大會計判斷及對不確定的估計之主要來源(續)

對不確定的估計之主要來源

於結算日，對下一財政年度之資產及負債之賬面值造成很大的影響關於將來之主要假設及其他對不確定的估計之主要來源，皆在下面討論。

貿易及其他應收賬款之撥備

當出現客觀之減值證據時，呆壞賬將予以撥備。評估這些應收賬款之最後可否收回需要依靠詳細的判斷，例如：每個客戶的信用狀況及其過往付款之記錄。如客戶的財政狀況變差而影響其還款能力，本集團會作出額外撥備。

存貨估值方法

存貨乃按成本值與可變現淨值兩者中之較低者入賬。成本乃以加權平均數方法計算。市價乃根據類似商品在市場上的銷售價而定。本集團檢討存貨水平以求找出呆貨及過時之存貨，當本集團認定某些存貨之市價低於其賬面值，本集團會估計其存貨虧損，並作呆貨撥備。

保證撥備

本集團之產品保證撥備政策乃根據本集團過往對掌上電子產品作出二十四個月保用期之責任經驗作出之最佳評估。實際的支付金額可能與管理層所評估的有差別。如支付金額比管理層所評估金額多，該差額將會在損益表作為費用，同樣地，如支付金額比評估的金額少，該差額將會在損益表中作出撥回。

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for trade and other receivables

An allowance for doubtful debts is made when there is objective evidence of impairment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables including creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate resulting in an impairment of their ability to make payments, additional allowances may be required.

Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Cost is determined using the weighted average method. Market price is generally the merchandise selling price quoted from the market of similar items. The Group reviews its inventory levels in order to identify slow-moving and obsolete inventories, where the Group identifies items of inventory having a market price lower than its carrying amount, the Group estimates the amount of inventory loss as allowance for slow-moving inventories.

Provision for warranties

The policy for provision of warranties of the Group is based on the management's best estimate of the Group's liabilities under a 24-month warranty period granted on the sale of the electronic handheld products based on past experience. The actual settlement may differ from the estimation made by the management. If the amounts are settled for an amount greater than management's estimation, a future charge to income statement will result. Likewise, if the amounts are settled for an amount that is less than estimation, a future credit to income statement will result.

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

5. 財務風險管理目標及政策

本集團主要金融工具包括以公平值計入損益賬之金融資產、應收貿易賬款及其他應收款項、銀行存款、銀行結餘及現金、可出售金融資產、應付貿易賬款及其他應付賬款。該等金融工具於相關附註披露。該等金融工具相關風險及相關管理政策詳列如下。管理層密切管理及監察所面對風險，以確保及時及有效推行適當措施。

信貸風險

本集團所面對之最大風險乃另一方不能履行其截至二零零六年三月三十一日止有關的每種資產之責任時該等資產於綜合資產負債表之賬面值。本集團信貸風險主要源自於應收貿易賬款，本集團大部份業務乃依賴少量客戶。最大之五位客戶已佔超過於二零零六年三月三十一日百分之八十二之應收貿易賬款。如該等客戶不履行付款責任，將會對本集團之盈利做成重大負面影響。為了減少信貸風險，管理層已委任一個小組負責審核信貸額、信貸批核及其他監察程序以保證有跟進的行動去追討過期的債務。另外，本集團於各結算日均會審閱每項不能收回之貿易賬款以確保作出足夠的減值虧損。本集團董事認為本集團之信貸風險已大為減少。

銀行結餘及存款之信貸風險有限，皆因另一方是獲國際信貸評級機構頒發予高信貸評級之銀行。

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include financial assets at fair value through profit and loss, trade and other receivables, bank deposits, bank balances and cash, available-for-sale financial assets, and trade and other payables. 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. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31st March, 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group's credit risk is primarily attributable to its trade receivables, the Group has been largely dependent on a small number of customers for a substantial portion of its business. The top five customers represent over 82% of the amount of trade receivables as at 31st March, 2006. The failure of these customers to make required payment could have a substantial negative impact on the Group's profits. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

The credit risk on bank balances and deposits is limited because the counterparties are banks with high crediting ratings assigned by international credit rating agencies.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

5. 財務風險管理目標及政策(續)

外幣風險

本集團有部份應收貿易賬款和應付貿易賬款以外幣為計值，本集團現時並無制定外幣對沖政策，然而，管理層會密切監控相關外幣風險，並將於必要時考慮對沖重大貨幣風險。

價格風險

本集團現持之持作買賣投資在每年之結算日以公平值計量，因此本集團會承受債務證券價格風險。為此，管理層會持以不同風險之投資組合來控制價格風險。

利率風險

本集團持有之附息持作買賣投資、銀行存款、銀行結餘及現金和銀行借貸皆使本集團承擔因公平值及現金流量利率改變之風險。銀行存款、銀行結餘及現金和銀行借貸之利率和還款期分別於附註30、31及35披露。本集團現時沒有利率對沖政策，然而，管理層會密切監控利率風險之變動，並將在必要時考慮對沖重大利率之變動風險。

6. 收入

收入代表本年度本集團向外界客戶銷售貨物減去退貨及撥備。本年度收入分析如下：

銷售掌上電子產品
銷售原件設計生產產品

Sales of electronic handheld products
Sales of ODM products

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Currency risk

Certain trade receivables and payables 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.

Price risk

The Group's held-for-trading investments are measured at fair value at each balance sheet date. Therefore, the Group is exposed to debt security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

Interest rate risk

The Group is exposed to fair value and cash flow interest rate risk through the impact of rate changes on interest bearing held-for-trading investments, bank deposits, bank balances and cash and bank borrowings. The interest rate and terms of repayment of bank deposits, bank balances and cash and bank borrowings of the Group are disclosed in notes 30, 31 and 35 respectively. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arises.

6. REVENUE

Revenue represents the net amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances for the year. An analysis of the Group's revenue for the year is as follows:

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
851,022	659,195
639,735	650,435
1,490,757	1,309,630

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

7. 業務及地區市場分類

業務分類

就管理而言，本集團現正分為兩個經營部門：掌上電子產品及原件設計生產產品。此等部門為本集團呈報其分類資料之基準。

有關該業務分類資料如下：

二零零六年

收入	REVENUE
對外銷售	External sales
業績	RESULT
分類業績	Segment result
融資成本	Finance costs
持作買賣投資之 公平值虧損	Loss on change on fair value of held-for-trading investments
應收一聯營公司賬款 之撥備	Allowance for amount due from an associate
持作買賣投資之 利息收入	Interest received on held-for-trading investments
利息收入	Interest income
可出售投資之減值虧損	Impairment loss on available-for-sale investments
出售一租賃物業之收益	Gain on disposal of a leasehold property
出售一附屬公司之收益	Gain of disposal of a subsidiary
稅前溢利	Profit before tax
所得稅支出	Income tax expense
本年度溢利	Profit for the year

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into two operating divisions: electronic handheld products and ODM products. These divisions are the basis on which the Group reports its primary segment information.

Segmental information about these businesses is presented below:

2006

掌上 電子產品 Electronic handheld products 千港元 HK\$'000	原件設計 生產產品 ODM products 千港元 HK\$'000	綜合總額 Consolidated 千港元 HK\$'000
851,022	639,735	1,490,757
38,885	26,466	65,351
		(1,136)
		(2,265)
		(2,822)
		2,229
		4,750
		(10,000)
		19,375
		789
		76,271
		(21,880)
		54,391

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

7. 業務及地區市場分類(續)

業務分類(續)
二零零六年7. BUSINESS AND GEOGRAPHICAL
SEGMENTS (Continued)
Business segments (Continued)
2006

	掌上 電子產品 Electronic handheld products 千港元 HK\$'000	原件設計 生產產品 ODM products 千港元 HK\$'000	綜合總額 Consolidated 千港元 HK\$'000	
資產負債表	BALANCE SHEET			
資產	ASSETS			
分類資產	Segment assets	301,990	232,325	534,315
遞延稅項資產	Deferred tax assets			300
未分配企業資產	Unallocated corporate assets			320,325
綜合總資產	Consolidated total assets			854,940
負債	LIABILITIES			
分類負債	Segment liabilities	128,001	113,598	241,599
應付稅項	Tax payable			11,406
遞延稅項負債	Deferred tax liabilities			776
未分配企業負債	Unallocated corporate liabilities			1,311
綜合總負債	Consolidated total liabilities			255,092
其他資料	OTHER INFORMATION			
資本增加	Capital additions	34,539	11,578	46,117
預付租賃款額攤銷	Amortisation of prepaid lease payment	107	116	223
折舊	Depreciation	16,866	7,086	23,952
無形資產攤銷	Amortisation of intangible assets	7,344	-	7,344
開發成本減值虧損	Impairment loss on development costs	3,500	-	3,500
出售物業、廠房及設備 之虧損(租賃物業除外)	Loss on disposal of property, plant and equipment (other than leasehold property)	702	-	702
呆貨撥備	Allowance for slow-moving inventories	34,641	5,200	39,841
呆壞賬撥備及壞賬 直接沖銷	Allowance for and direct write off of doubtful receivables	2,710	-	2,710

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

7. 業務及地區市場分類（續）

業務分類（續）

二零零五年

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments (Continued)

2005

		掌上 電子產品 Electronic handheld products 千港元 HK\$'000	原件設計 生產產品 ODM products 千港元 HK\$'000	綜合總額 Consolidated 千港元 HK\$'000
收入	REVENUE			
對外銷售	External sales	659,195	650,435	1,309,630
業績	RESULT			
分類業績	Segment result	41,362	26,331	67,693
利息收入	Interest income			1,326
融資成本	Finance costs			(1,500)
出售一附屬公司之虧損	Loss on disposal of a subsidiary			(4,758)
稅前溢利	Profit before tax			62,761
所得稅撥回	Income tax credit			226
本年度溢利	Profit for the year			62,987
資產負債表	BALANCE SHEET			
資產	ASSETS			
分類資產	Segment assets	333,760	188,833	522,593
遞延稅項資產	Deferred tax assets			10,085
可回收稅項	Tax recoverable			72
未分配企業資產	Unallocated corporate assets			337,953
綜合總資產	Consolidated total assets			870,703
負債	LIABILITIES			
分類負債	Segment liabilities	110,941	116,734	227,675
遞延稅項負債	Deferred tax liabilities			87
未分配企業負債	Unallocated corporate liabilities			37,090
綜合總負債	Consolidated total liabilities			264,852

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

7. 業務及地區市場分類(續)

業務分類(續)

二零零五年

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments (Continued)

2005

		掌上 電子產品 Electronic handheld products 千港元 HK\$'000	原件設計 生產產品 ODM products 千港元 HK\$'000	綜合總額 Consolidated 千港元 HK\$'000
其他資料	OTHER INFORMATION			
資本增加	Capital additions	17,665	12,784	30,449
折舊	Depreciation	15,165	14,314	29,479
無形資產攤銷	Amortisation of intangible assets	5,308	–	5,308
預付租賃款額攤銷	Amortisation of prepaid lease payment	81	137	218
開發成本減值虧損	Impairment loss on development costs	1,195	–	1,195
出售物業、廠房及設備 之虧損	Loss on disposal of property, plant and equipment	502	–	502
呆貨撥備	Allowance for slow-moving inventories	14,831	–	14,831
呆壞賬撥備及壞賬 直接沖銷	Allowance for and direct write off of doubtful receivables	6,908	–	6,908

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

7. 業務及地區市場分類（續）

地區分類

下表提供本集團按地區市場劃分（不論貨物之來源）之銷售額分析：

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Geographical segments

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

按地區市場劃分之銷售收入

Sales revenue by geographical market

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
香港	Hong Kong	139,606	165,719
中國（香港除外）	The PRC (other than Hong Kong)	42,714	71,213
其他亞洲市場	Other Asian markets	1,231,376	980,088
北美洲	North America	47,630	53,040
歐洲	Europe	14,230	21,735
中東	Middle East	14,679	17,809
其他	Others	522	26
		1,490,757	1,309,630

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

7. 業務及地區市場分類(續)

地區分類(續)

本集團的分類資產賬面值、物業、廠房及設備及無形資產之增加按地區分類如下：

		分類資產賬面值		物業、廠房及設備 及無形資產之增加	
		Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
香港	Hong Kong	292,748	300,574	18,927	6,098
中國(香港除外)	The PRC (other than Hong Kong)	241,550	221,724	27,190	21,164
其他亞洲市場	Other Asian markets	17	295	-	3,187
		534,315	522,593	46,117	30,449

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Geographical segments (Continued)

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

		分類資產賬面值		物業、廠房及設備 及無形資產之增加	
		Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
香港	Hong Kong	292,748	300,574	18,927	6,098
中國(香港除外)	The PRC (other than Hong Kong)	241,550	221,724	27,190	21,164
其他亞洲市場	Other Asian markets	17	295	-	3,187
		534,315	522,593	46,117	30,449

8. 其他收入

其他收入包括：

服務收入	Service income
利息收入	Interest income
持作買賣投資之 利息收入	Interest from held-for-trading investments
其他	Others

8. OTHER INCOME

Other income comprises:

	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
	10,625	5,353
	4,750	1,326
	2,229	-
	5,554	6,717
	23,158	13,396

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

9. 融資成本

須於五年內全部償還之
銀行借貸利息

Interest on bank borrowings wholly-repayable
within five years

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
1,136	1,500

10. 出售一附屬公司之收益（虧損）

於二零零五年六月二十八日，本集團與獨立第三者簽訂一份出售其一從事開發及研究工作的附屬公司，深圳市權智信息科技有限公司，所有權益，作價為約189,000港元。是次交易為集團帶來約789,000港元收益。

於二零零四年八月十二日，本集團簽訂一份出售其一從事開發及研究工作的附屬公司，Group Sense Technology (Singapore) Pte Limited (「GST」)，所有權益予以一新加坡上市公司之買賣合約，作價為約10,000,000港元。於同一合約中，本集團同意免除GST的欠款約23,599,000港元，作為部份代價，是次交易為集團帶來約4,758,000港元虧損。

於出售日期，深圳市權智信息科技有限公司與GST的賬面負債淨值於附註39披露。

9. FINANCE COSTS

10. GAIN (LOSS) ON DISPOSAL OF A SUBSIDIARY

On 28th June, 2005, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest in a subsidiary, 深圳市權智信息科技有限公司, which was engaged in provision of research and development services, for a consideration, of approximately HK\$189,000. The disposal resulted in a gain of approximately HK\$789,000.

On 12th August, 2004, the Group entered into a sale and purchase agreement with a Singapore listed company to dispose of its entire equity interest in a subsidiary, Group Sense Technology (Singapore) Pte Limited ("GST"), which was engaged in provision of research and development services, for a consideration of approximately HK\$10,000,000. Under the same agreement, the Group agreed to waive those amounts due from GST amounting to approximately HK\$23,599,000 as part of the consideration. The disposal resulted in a loss of approximately HK\$4,758,000.

The carrying amounts of the net liabilities of 深圳市權智信息科技有限公司 and GST at the date of disposal are disclosed in note 39.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

11. 所得稅(支出)撥回

11. INCOME TAX (EXPENSE) CREDIT

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
本年度稅項：	Current tax:		
香港利得稅乃就本年度 估計應課稅溢利按 17.5%計算：	Hong Kong Profits Tax calculated at 17.5% of the estimated assessable profits for the year:		
本年度	Current year	(10,756)	-
過往年度不足撥備	Underprovision in prior years	-	(21)
		(10,756)	(21)
中國所得稅：	The PRC income tax:		
本年度	Current year	(650)	-
		(11,406)	(21)
遞延稅項(附註36)：	Deferred tax (note 36):		
本年度	Current year	(10,474)	247
		(21,880)	226

由於截至二零零五年三月三十一日止年度本集團之香港業務並沒有應課稅溢利，故無須繳納香港利得稅。

No tax was payable on the profit for the year arising in Hong Kong for the year ended 31st March, 2005 since the Group had no assessable profit for that year.

由於截至二零零五年三月三十一日止年度本集團之中國營運出現虧損，故毋須於該年度計提中國所得稅撥備。

No provision for the PRC income tax for the year ended 31st March, 2005 had been made in the current year as the operations in the PRC incurred tax losses for that year.

其他地區之稅項乃按照有關地區現行之稅率計算。

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

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

11. 所得稅（支出）撥回（續）

本年度之所得稅（支出）撥回調節至損益表之稅前溢利如下：

11. INCOME TAX (EXPENSE) CREDIT (Continued)

The income tax (expense) credit for the year can be reconciled to the profit before tax as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
稅前溢利	Profit before tax	76,271	62,761
本地所得稅稅率百分之十七點五之稅項	Tax at the income tax rate of 17.5%	(13,347)	(10,983)
不獲扣減之支出之稅項影響	Tax effect of expenses not deductible for tax purpose	(8,132)	(18,385)
未確認稅務虧損之稅項影響	Tax effect of tax losses not recognised	(676)	(7,327)
以前年度不足撥備	Underprovision in prior years	–	(21)
非應課稅收益之稅項影響	Tax effect of income not taxable for tax purpose	1,440	23,537
以前年度未確認稅務虧損之使用	Utilisation of tax losses previously not recognised	–	7,166
於其他地區經營之附屬公司稅率差異的影響	Effect of different tax rates of subsidiaries operating in other jurisdictions	(1,142)	6,203
其他	Others	(23)	36
本年度之所得稅（支出）撥回	Income tax (expense) credit for the year	(21,880)	226

在年內，香港稅務局（「稅務局」）對本集團部份公司作出由1999/2000至2004/2005課稅年度之稅務審查。因該課稅年度之法定期限於二零零六年三月三十一日之後屆滿。稅務局已向該部份公司發出1999/2000課稅年度之附加評稅，稅務局有可能向該部份公司發出其後年度之評稅。

During the year, the Hong Kong Inland Revenue Department (the "IRD") initiated a tax audit on certain group companies for the years of assessment from 1999/2000 to 2004/2005. The IRD has issued additional assessments to these group companies for the year of assessment of 1999/2000 which was statutorily time-barred after 31st March, 2006. There is a possibility that assessments for subsequent years be issued by the IRD to these companies.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

11. 所得稅(支出)撥回(續)

該等1999/2000課稅年度之附加評稅主要關於部份支出在稅務上之抵扣性的爭議，該部份公司之董事相信已有足夠理據抗辯該些附加評稅，並將會謹慎處理該事件及已正式對該附加評稅提出反對。於結算日後，該部份公司已按稅務局之要求購買了總值4,500,000港元之儲稅券。該稅務審查正處於初部搜集資料階段，並正與稅務局交流不同意見。本公司之董事在聽取稅務顧問之專業建議後，認為有足夠合理的理據抗辯該附加評稅，因此，該部份公司現有之撥備已經足夠及稅務審查不會帶來重大之附加稅務負債。

11. INCOME TAX (EXPENSE) CREDIT (Continued)

These additional assessments for the year of assessment of 1999/2000 mainly relate to a dispute over the deductibility of certain expenses for tax assessment purposes. The directors of the companies consider that there are grounds to contest the additional assessments and they will pursue the case vigorously and have formally objected to the additional assessment. Subsequent to the balance sheet date, the companies have purchased Tax Reserve Certificates totalling HK\$4.5 million upon the request of the IRD. The tax audit is still at a preliminary fact finding stage with different views being exchanged with the IRD. In the opinion of the directors of the Company, after taking professional advice from its tax adviser, there are reasonable grounds to object the additional assessment. Accordingly, the existing provision made are adequate and the tax audit will not result in material additional tax liability.

12. 本年度溢利

12. PROFIT FOR THE YEAR

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
本年度溢利已扣除：	Profit for the year has been arrived at after charging:		
物業、廠房及設備折舊	Depreciation for property, plant and equipment	23,952	29,479
預付租賃款額攤銷	Amortisation of prepaid lease payment	223	218
無形資產攤銷	Amortisation of intangible assets	7,344	5,308
折舊及攤銷總值	Total depreciation and amortisation	31,519	35,005
核數師酬金	Auditors' remuneration	1,523	848
呆貨撥備	Allowance for slow-moving inventories	39,841	14,831
呆壞賬撥備及壞賬 直接沖銷	Allowance for and direct write off of doubtful receivables	2,710	6,908
匯兌虧損(收益)	Exchange loss (gain)	866	(1,322)
開發成本減值虧損	Impairment loss on development costs	3,500	1,195
持作買賣投資之公平值 虧損	Loss on change in fair value of held-for-trading investments	2,265	-
出售物業、廠房及設備 虧損(租賃物業除外)	Loss on disposal of property, plant and equipment (other than leasehold property)	702	502
員工成本(包括載列於 附註13董事酬金及載列 於附註41退休福利計劃)	Staff costs (including directors' emoluments stated in note 13 and retirement benefit schemes stated in note 41)	189,439	166,726

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

13. 董事酬金

已付或應付予10(二零零五年：10)名董事之酬金如下：

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the 10 (2005: 10) directors were as follows:

		袍金	薪金及 其他福利	退休福利 計劃供款	績效獎金	以股份 支付的支出	截至	截至
							二零零六年 三月三十一日 酬金總額	二零零五年 三月三十一日 酬金總額
							Total	Total
							emoluments	emoluments
							for the year	for the year
							ended	ended
							31st March	31st March
							2006	2005
							千港元	千港元
							HK\$'000	HK\$'000
譚偉豪 ^{太平紳士}	Tam Wai Ho, Samson JP	-	2,773	60	85	-	2,918	3,659
譚偉棠	Tam Wai Tong, Thomas	-	3,426	60	85	-	3,571	3,687
譚梅嘉慧	Tam Mui Ka Wai, Vivian	-	442	26	23	-	491	528
大谷和廣	Kazuhiro Otani	-	1,483	57	53	103	1,696	1,520
李冠雄	Lee Koon Hung	-	1,079	50	26	103	1,258	1,132
霍定洋	Fok Ting Yeung, James	-	740	34	21	51	846	758
容永祺 ^{榮譽勳章}	Yung Wing Ki, Samuel MH	120	-	-	-	-	120	125
羅志聰	Lo Chi Chung, William	120	-	-	-	-	120	125
何國成	Ho Kwok Shing, Harris	120	-	-	-	-	120	125
王幹文	Wong Kon Man, Jason	120	-	-	-	-	120	63
總額	Total	480	9,943	287	293	257	11,260	11,722

概無董事於截至二零零五及二零零六年三月三十一日止年度免除任何酬金。

No directors waived any emoluments in the year ended 31st March, 2006 and 2005.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

14. 員工酬金

本集團五位最高薪酬員工中，四位(二零零五年：四位)乃本公司董事，其酬金已於附註13中披露。其餘一位(二零零五年：一位)之酬金如下：

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2005: four) were directors of the Company whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining one (2005: one) individual were as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
薪金及其他福利	Salaries and other benefits	1,062	1,019
退休福利計劃供款	Contribution to retirement benefit schemes	46	43
績效獎金	Performance related incentive payment	49	87
以股份支付的支出	Share-based payment	58	—
		1,215	1,149

15. 股息

15. DIVIDENDS

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
二零零五年已付末期股息， 每股普通股3.0港仙 (二零零四年已付末期 股息：3.0港仙)	Final dividend of 2005 paid: HK3.0 cents (Final dividend of 2004 paid: HK3.0 cents) per ordinary share	36,110	35,966
中期，已付：每股普通股 2.0港仙(二零零五年： 1.0港仙)	Interim, paid: HK2.0 cents (2005: HK1.0 cent) per ordinary share	23,952	11,988
		60,062	47,954
末期，建議：每股普通股 3.0港仙(二零零五年： 3.0港仙)	Final, proposed: HK3.0 cents (2005: HK3.0 cents) per ordinary share	35,928	36,110
		95,990	84,064

董事會建議派發末期股息每股3.0港仙(二零零五年：3.0港仙)，並待股東在即將舉行之股東週年大會上投票通過。

The final dividend of HK3.0 cents (2005: HK3.0 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

16. 每股溢利

母公司普通股股權持有人所佔每股基本及攤薄溢利乃按下列數據計算：

16. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

		二零零六年 2006	二零零五年 2005
用作計算每股基本及攤薄之溢利	Earnings for the purposes of basic and diluted earnings per share	HK\$54,391,000	HK\$62,158,000
用作計算每股基本溢利之普通股加權平均數	Weighted average number of ordinary shares for the purposes of basic earnings per share	1,200,919,429	1,199,876,873
具潛在攤薄影響之普通股：優先認股權	Effect of dilutive potential ordinary shares: Share options	568,237	3,461,506
用作計算每股攤薄溢利之普通股加權平均數	Weighted average number of ordinary shares for the purposes of diluted earnings per share	1,201,487,666	1,203,338,379

17. 本年度溢利

本集團於本年內溢利54,391,000港元（二零零五年：62,158,000港元），其中113,969,000港元之溢利（二零零五年：55,771,000港幣）已於本公司的財務報表中列賬。

17. PROFIT FOR THE YEAR

Of the Group's profit for the year of HK\$54,391,000 (2005: HK\$62,158,000), a profit of HK\$113,969,000 (2005: HK\$55,771,000) has been dealt with in the financial statements of the Company.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

18. 物業、廠房及設備

18. PROPERTY, PLANT AND EQUIPMENT

		傢具、裝置 及設備							
		租賃物業	物業裝修	Furniture, fixtures and equipment	廠房及機器	工具及工模	汽車	在建工程	總額
		Leasehold properties	Leasehold improvements	fixtures and equipment	Plant and machinery	Toolings and moulds	Motor vehicles	Construction in progress	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
成本	COST								
於二零零四年四月一日	At 1st April, 2004	173,386	25,018	90,898	101,550	78,120	9,395	-	478,367
添置	Additions	-	1,470	2,992	9,551	9,855	441	-	24,309
出售	Disposals	(188)	(56)	(1,665)	(2,582)	(928)	(645)	-	(6,064)
出售一附屬公司	Disposal of a subsidiary	-	-	(8,537)	-	(872)	(555)	-	(9,964)
於二零零五年三月三十一日 及二零零五年四月一日	At 31st March, 2005 and 1st April, 2005	173,198	26,432	83,688	108,519	86,175	8,636	-	486,648
匯兌重列	Exchange realignment	1,072	377	808	2,149	471	66	-	4,943
添置	Additions	-	5,393	4,667	11,647	9,721	1,167	4,318	36,913
出售	Disposals	(110,415)	(7,454)	(5,419)	(625)	(2,667)	(250)	-	(126,830)
於二零零六年三月三十一日	At 31st March, 2006	63,855	24,748	83,744	121,690	93,700	9,619	4,318	401,674
折舊及攤銷	DEPRECIATION AND AMORTISATION								
於二零零四年四月一日	At 1st April, 2004	32,610	24,787	82,615	78,353	68,318	5,107	-	291,790
本年度撥備	Provided for the year	3,538	822	3,854	10,903	9,247	1,115	-	29,479
出售後扣除	Eliminated on disposals	(49)	(56)	(1,446)	(1,917)	(928)	(645)	-	(5,041)
出售一附屬公司後扣除	Eliminated on disposal of a subsidiary	-	-	(7,387)	-	(872)	(430)	-	(8,689)
於二零零五年三月三十一日 及二零零五年四月一日	At 31st March, 2005 and 1st April, 2005	36,099	25,553	77,636	87,339	75,765	5,147	-	307,539
匯兌重列	Exchange realignment	209	341	766	1,690	397	46	-	3,449
本年度撥備	Provided for the year	1,675	1,106	2,869	8,966	8,100	1,236	-	23,952
出售後扣除	Eliminated on disposals	(23,756)	(6,885)	(5,222)	(617)	(2,661)	(250)	-	(39,391)
於二零零六年三月三十一日	At 31st March, 2006	14,227	20,115	76,049	97,378	81,601	6,179	-	295,549
賬面價值	CARRYING VALUES								
於二零零六年三月三十一日	At 31st March, 2006	49,628	4,633	7,695	24,312	12,099	3,440	4,318	106,125
於二零零五年三月三十一日	At 31st March, 2005	137,099	879	6,052	21,180	10,410	3,489	-	179,109

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

18. 物業、廠房及設備（續）

上列本集團租賃物業之賬面淨值包括：

位於香港，中年期租賃 In Hong Kong, medium-term leases
位於中國，中年期租賃 In the PRC, medium-term leases

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

The carrying values of the leasehold properties of the Group shown above comprises:

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
9,980	97,332
39,648	39,767
49,628	137,099

19. 預付租賃款額

本集團的預付租賃款額乃於中國的中年期租賃。

為匯報目的所分析為： Analysed for reporting purposes as:

流動資產 Current asset
非流動資產 Non-current asset

19. PREPAID LEASE PAYMENT

The Group's prepaid lease payment are in the PRC under medium-term leases.

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
223	223
8,635	8,662
8,858	8,885

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

20. 無形資產

20. INTANGIBLE ASSETS

		土地使用權 Land use rights 千港元 HK\$'000	開發成本 Development costs 千港元 HK\$'000	總額 Total 千港元 HK\$'000
成本	COST			
於二零零四年四月一日	At 1st April, 2004			
– 原列	– As originally stated	11,672	41,928	53,600
– 經重新分類為預付 租賃款額	– Reclassified to prepaid lease payment	(11,672)	–	(11,672)
– 經重列	– As restated	–	41,928	41,928
添置	Additions	–	6,140	6,140
出售一附屬公司	Disposal of a subsidiary	–	(31,424)	(31,424)
於二零零五年三月三十一日 及二零零五年四月一日	At 31st March, 2005 and 1st April, 2005	–	16,644	16,644
添置	Additions	–	9,204	9,204
於二零零六年三月三十一日	At 31st March, 2006	–	25,848	25,848
攤銷及減值	AMORTISATION AND IMPAIRMENT			
於二零零四年四月一日	At 1st April, 2004			
– 原列	– As originally stated	2,569	23,071	25,640
– 經重新分類為預付 租賃款額	– Reclassified to prepaid lease payment	(2,569)	–	(2,569)
– 經重列	– As restated	–	23,071	23,071
本年度撥備	Provided for the year	–	5,308	5,308
減值虧損	Impairment loss	–	1,195	1,195
出售一附屬公司後扣除	Eliminated on disposal of a subsidiary	–	(21,734)	(21,734)
於二零零五年三月三十一日 及二零零五年四月一日	At 31st March, 2005 and 1st April, 2005	–	7,840	7,840
本年度撥備	Provided for the year	–	7,344	7,344
減值虧損	Impairment loss	–	3,500	3,500
於二零零六年三月三十一日	At 31st March, 2006	–	18,684	18,684
賬面價值	CARRYING VALUES			
於二零零六年三月三十一日	At 31st March, 2006	–	7,164	7,164
於二零零五年三月三十一日	At 31st March, 2005	–	8,804	8,804

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

20. 無形資產（續）

開發成本乃內部產生及可使用年期為三年。開發成本乃按直線法攤銷。

於二零零六年三月三十一日，董事對本集團之開發成本作出檢討並確認部份開發成本因有關之成品已過時而導致減值，因此，在綜合財務報表內已確認3,500,000港元（二零零五年：1,195,000港元）之減值虧損。

20. INTANGIBLE ASSETS (Continued)

The development costs are internally generated and have definite useful lives of 3 years. Such development costs are amortised on a straight-line basis.

At 31st March, 2006, the directors conducted a review of the Group's development costs and identified that certain development costs were impaired as the relevant finished goods are obsolete. Accordingly, an impairment loss of HK\$3,500,000 (2005: HK\$1,195,000) has been recognised in the consolidated financial statements.

21. 聯營公司權益

非上市聯營公司投資成本 Cost of investment in unlisted associates
聯營公司權益減值 Impairment on interests in associates
收購後所佔虧損 Share of post-acquisition loss

21. INTERESTS IN ASSOCIATES

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
27,740	27,736
(12,000)	(12,000)
(15,736)	(15,736)
4	—

主要聯營公司詳情如下：

Details of the Company's principal associates are as follows:

公司名稱 Name of entity	業務 架構形式 Form of business structure	註冊成立 地點／國家 Place/ Country of incorporation/ registration	主要 營業地點 Principal place of operation	擁有 股本類別 Class of share held	本集團持有已發行／ 註冊股本面值百分比 Proportion of nominal value of issued capital/ registered capital held by the Group 百分比 %	主要業務 Principal activity
北京華建滙智科技 有限公司 Beijing Huajian HuiZhi Technology Co., Ltd.	企業 Incorporated	中國 The PRC	中國 The PRC	註冊股本 Registered capital	48	軟件設計及開發 Design and development of software
臻科精密模具 有限公司 ACME Tech Precision Mould Limited	企業 Incorporated	香港 Hong Kong	香港 Hong Kong	普通股 Ordinary share	35	工模生產及買賣 Manufacturing and trading of moulds

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

22. 證券投資

於二零零五年三月三十一日之證券投資載列如下。由於二零零五年四月一日應用香港會計準則第39號，證券投資已重列至適當類別(詳見附註2A)。

22. INVESTMENTS IN SECURITIES

Investment securities as at 31st March, 2005 are set out below. Upon the application of HKAS 39 on 1st April, 2005, investment securities were reclassified to appropriate categories under HKAS 39 (see note 2A for details).

		其他投資 Other investment 千港元 HK\$'000	證券投資 Investment securities 千港元 HK\$'000	總額 Total 千港元 HK\$'000
股本證券：	Equity securities:			
香港上市，市值	Listed in Hong Kong, at market value	–	115	115
非上市，成本扣除 減值虧損	Unlisted, at cost less impairment loss	–	37,869	37,869
		–	37,984	37,984
債券證券：	Debt securities:			
非香港上市，市值	Unlisted in Hong Kong, at fair value	8,986	–	8,986
		8,986	37,984	46,970
為匯報目的所分析之 賬面值：	Carrying amount analysed for reporting purposes:			
流動	Current	8,986	–	8,986
非流動	Non-current	–	37,984	37,984
		8,986	37,984	46,970

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

23. 可出售投資

於二零零六年三月三十一日，可出售投資包括：

香港上市股本證券	Listed equity securities in Hong Kong
非上市股本證券	Unlisted equity securities
減：減值虧損	Less: Impairment loss
總額	Total

所有可出售投資已被分類為非流動資產。

於結算日，所有可出售投資以公平值載列，惟無法以公平值確實地計量之非上市股本證券除外。上列之非上市投資，乃於香港、泰國及英屬處女島成立之企業的股本證券。由於此類投資之公平值對本年度之財務狀況有重大影響，董事認為其公平值無法得到可靠評估，故以各結算日之成本扣除減值計算。上市股本證券之公平值以市場之買入報價參考。

截至二零零六年三月三十一日止年度，本集團管理層決定就非上市投資作出10,000,000港元之減值撥備，該撥備已於綜合財務報表入賬。減值虧損是按資產賬面值與其估計將來現金流量之現值按其類似金融資產最接近之市場回報率折讓後之差額。

23. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments as at 31st March, 2006 comprise:

二零零六年 2006 千港元 HK\$'000
115
37,869 (10,000)
27,869
27,984

All the available-for-sale investments are classified as non-current assets.

As at the balance sheet date, all available-for-sale investments are stated at fair value, except for those unlisted equity investments of which their fair values cannot be measured reliably. These above unlisted investments represent investments in unlisted equity securities issued by private entities incorporated in the Hong Kong, Thailand and British Virgin Islands. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably. Fair values of those listed equity securities have been determined by reference to bid prices quoted in active markets.

During the year ended 31st March, 2006, management of the Group determines that there is an impairment loss of HK\$10 million in the unlisted investments which has been provided for in the consolidated financial statements. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the net present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

24. 其他應收賬款

於過往年度出售傳呼機 產品營運之應收賬款	Sale proceeds receivable from disposal of the Group's pager product operation in prior years
減：包括在流動資產項下 並於一年內到期之 賬款	Less: Amount due within one year, included under current assets
購買物業、廠房及 設備按金	Deposit for acquisition of property, plant and equipment
租金按金	Rental deposit
總額	Total

於二零零六年三月三十一日，出售業務之應收賬款之公平值與賬面值相約。

於二零零五年三月三十一日，出售業務之應收賬款以面值計量，於二零零五年四月一日之賬面值已以4%之實際利率以實利分攤法折讓至公平值。

24. OTHER RECEIVABLES

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
3,488	8,750
(3,488)	(5,000)
—	3,750
2,595	—
1,365	—
3,960	3,750

At 31st March, 2006, the fair value of the other receivables on disposal approximates to the corresponding carrying amount.

At 31st March, 2005, the other receivables on disposal were carried at its nominal value. The carrying amount has been discounted to fair value as at 1st April, 2005 at an effective interest rate of 4%.

25. 其他資產

會所債券，成本值	Club debenture, at cost
減：減值虧損	Less: Impairment loss

25. OTHER ASSET

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
466	466
(466)	(466)
—	—

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

26. 存貨

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

以上包括原材料77,419,000港元（二零零五年：16,150,000港元），在製品3,781,000港元（二零零五年：2,108,000港元）及製成品23,192,000港元（二零零五年：2,939,000港元），這些均按可變現淨值列賬。

27. 應收貿易賬款

應收貿易賬款	Trade receivables
減：呆壞賬撥備	Less: allowance for doubtful receivables
應收貿易賬款總值	Total trade receivables

26. INVENTORIES

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
139,892	150,790
3,782	10,604
37,809	27,762
181,483	189,156

Included above are raw materials of HK\$77,419,000 (2005: HK\$16,150,000), work in progress of HK\$3,781,000 (2005: HK\$2,108,000) and finished goods of HK\$23,192,000 (2005: HK\$2,939,000) which are carried at net realisable value.

27. TRADE RECEIVABLES

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
196,746	97,538
(13,828)	(11,580)
182,918	85,958

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

27. 應收貿易賬款(續)

本集團給予客戶的貨物付款期平均為60至90天。以下乃應收貿易賬款扣減減值虧損於結算日之賬齡分析：

零至六十天	0-60 days
六十一至九十天	61-90 days
超過九十天	Over 90 days

應收貿易賬款之公平值與其賬面值相約。

28. 其他應收賬款

其他應收賬款之公平值與其賬面值相約。

29. 應收聯營公司賬款

此款項並無抵押，無需支付利息及應要求償還。

應收聯營公司賬款之公平值與其賬面值相約。

30. 持作買賣投資

持作買賣投資以美元計值於二零零六年三月三十一日包括：

非上市債券證券：

- 債券的固定年利率在5.5%至7.5%之間及到期日由二零一零年十一月八日至二零一四年四月二十八日止

27. TRADE RECEIVABLES (Continued)

The Group allows an average credit period of 60-90 days to its trade customers. The following is an aged analysis of trade receivables net of impairment losses at the reporting:

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
172,534	78,697
2,089	624
8,295	6,637
182,918	85,958

The fair value of the trade receivables approximates to the corresponding carrying amount.

28. OTHER RECEIVABLES

The fair value of the other receivables approximates to the corresponding carrying amount.

29. AMOUNTS DUE FROM ASSOCIATES

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

The fair value of the amounts due from associates approximates to the corresponding carrying amount.

30. HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments denominated in United States dollars as at 31st March, 2006 include:

Unlisted debt securities:

- Debentures with fixed interest rate ranging from 5.5% to 7.5% per annum and maturity date from 8th November, 2010 to 28th April, 2014

千港元
HK\$'000

40,740

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

30. 持作買賣投資(續)

持作買賣投資之公平值以銀行於結算日之買入報價釐定。

31. 銀行存款、銀行結餘及現金

此款項包括短期定期存款，其固定年利率率在3.575%至5.055%之間(二零零五年：在1.5%至2.68%之間)。該銀行存款包括22,000,000美元，以美元計值。銀行存款之公平值與其賬面值相約。

32. 應付貿易賬款

以下乃應付貿易賬款於結算日之賬齡分析：

零至六十天	0-60 days
六十一天至九十天	61-90 days
超過九十天	Over 90 days

應付貿易賬款之公平值與其賬面值相約。

33. 其他應付賬款

其他應付賬款的公平價值與其賬面值相約。

30. HELD-FOR-TRADING INVESTMENTS (Continued)

The fair values of the held-for-trading investments are determined based on the quoted bid prices by the banks at the balance sheet date.

31. BANK DEPOSITS, BALANCES AND CASH

The amount includes short-term fixed deposits which carry fixed interest rate ranging from 3.575% to 5.055% (2005: 1.5% to 2.68%) per annum. The bank deposits included US\$22 million (2005: US\$7 million) are denominated in United States dollars. The fair value of bank deposits approximates to the corresponding carrying amount.

32. TRADE PAYABLES

The following is an aged analysis of trade payables at the balance sheet date:

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
168,519	149,116
10,747	17,345
4,577	1,992
183,843	168,453

The fair value of the trade payables approximates to the corresponding carrying amount.

33. OTHER PAYABLES

The fair value of the other payables approximates to the corresponding carrying amount.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

34. 產品保證撥備

於二零零五年四月一日
已使用之撥備
本年度增加之撥備

於二零零六年三月三十一日

基於過往損壞產品之經驗，產品保證撥備乃管理層根據本集團過往對銷售掌上電子產品作出之兩年保用期之責任作出最佳評估。

34. PRODUCT WARRANTY PROVISION

千港元
HK\$'000

At 1st April, 2005	500
Utilisation of provision	(500)
Additional provision during the year	500
	500
At 31st March, 2006	500

The product warranty provision represents management's best estimate of the Group's liability under two years warranty granted on the sales of the electronic handheld products, based on past experience for defective products.

35. 銀行借貸

銀行透支 Overdrafts
信託收據貸款 Trust receipt loans
銀行借貸 Bank loans

分析為： Analysed as:

有抵押 Secured
無抵押 Unsecured

償還期限如下： Repayable as follows:

一年內或應要求 Within one year or on demand
一年以上但不超過兩年 More than one year, but not exceeding two years
兩年以上但不超過五年 More than two years, but not exceeding five years

減：列於流動負債項下
並於一年內到期
之賬款 Less: Amount due within one year, shown
under current liabilities

35. BANK BORROWINGS

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
608	-
-	10,887
-	25,755
608	36,642
-	16,632
608	20,010
608	36,642
608	26,654
-	5,052
-	4,936
608	36,642
(608)	(26,654)
-	9,988

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

35. 銀行借貸（續）

實際利率範圍（即相等於合約利率）乃本集團的浮動借貸率，以港元計值如下：

實際利率 Effective interest rate

本集團的借貸，其公平值與賬面值相約。

36. 遞延稅項

以下乃為本年度及過往年度之遞延稅項負債與資產的確認及變動情況：

35. BANK BORROWINGS (Continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's variable-rate borrowings which are denominated in Hong Kong dollars are as follows:

二零零六年 2006	二零零五年 2005
Hong Kong Prime Rate + 0.25% 香港最優惠利率 +0.25%	HIBOR + 0.75% to HIBOR + 1.375% 香港銀行同業拆息率+0.75% 至香港銀行同業拆息率 +1.375%

The fair values of the Group's borrowings approximates to their carrying amounts.

36. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior year:

		加速稅項折舊 Accelerated tax depreciation HK\$'000	稅務虧損 Tax losses HK\$'000	其他 Others HK\$'000	總金額 Total HK\$'000
於二零零四年四月一日	At 1st April, 2004	(2,434)	11,564	621	9,751
本年度收入增加(扣除)	Credit (charge) to income for the year	58	679	(490)	247
於二零零五年三月 三十一日及 二零零五年四月一日	At 31st March, 2005 and 1st April, 2005	(2,376)	12,243	131	9,998
本年度收入(扣除)增加	(Charge) credit to income for the year	1,528	(12,171)	169	(10,474)
於二零零六年 三月三十一日	At 31st March, 2006	(848)	72	300	(476)

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

36. 遞延稅項(續)

為了呈列資產負債表之目的，一些遞延稅項資產(負債)互相抵銷。為了準備財務報表，以下乃為遞延稅項餘額之分析：

遞延稅項資產	Deferred tax assets
遞延稅項負債	Deferred tax liabilities

於結算日，本集團擁有7,056,000港元之未使用稅務虧損(二零零五年：394,634,000港元)可用作抵銷將來之溢利，其中以該虧損確認之遞延稅項資產為413,000港元(二零零五年：69,960,000港元)由於難以估計將來溢利情況，故有6,643,000港元(二零零五年：324,674,000港元)的稅務虧損不可確認為遞延稅務資產。該稅務虧損將可沒限期結轉。

36. DEFERRED TAXATION (Continued)

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

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
300	10,085
(776)	(87)
(476)	9,998

At the balance sheet date, the Group had unused tax losses of HK\$7,056,000 (2005: HK\$394,634,000) available to offset against future profits. A deferred tax asset has been recognised in respect of HK\$413,000 (2005: HK\$69,960,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$6,643,000 (2005: HK\$324,674,000) due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

37. 本公司股本

37. SHARE CAPITAL OF THE COMPANY

		股份數目 Number of shares		股本 Share capital	
		二零零六年 2006	二零零五年 2005	二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
每股面值0.10港元之 普通股股份	Ordinary shares of HK\$0.10 each				
法定：	Authorised:				
於本年年初及年終結	At beginning and end of year	3,000,000,000	3,000,000,000	300,000	300,000
已發行及繳足：	Issued and fully paid:				
於本年年初及年終結	At beginning and end of year	1,203,655,029	1,197,462,029	120,366	119,746
行使優先認股權 (見附註(i))	Exercise of share options (see note (i))	40,000	6,193,000	4	620
購回及註銷股份 (見附註(ii))	Shares repurchased and cancelled (see note (ii))	(6,082,000)	-	(609)	-
於本年年終結	At end of year	1,197,613,029	1,203,655,029	119,761	120,366

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

37. 本公司股本(續)

二零零六年

於二零零六年三月三十一日止年度內，本公司股份變動如下：

- (i) 因以行使價每股0.202港元行使優先認股權的原故，本公司發行40,000股面值每股0.10港元的普通股新股。
- (ii) 經聯交所購回本公司股份如下：

購回月份 Month of repurchase	每股面值0.10港元 之普通股股份 No. of ordinary shares of HK\$0.1 each 港元 HK\$	每股股值 Price per share		累計支付代價 Aggregate consideration paid 千港元 HK\$'000
		最高 Highest 港元 HK\$	最低 Lowest 港元 HK\$	
二零零五年九月 September 2005	1,142,000	0.510	0.495	573
二零零五年十月 October 2005	4,940,000	0.495	0.455	2,397

於二零零六年三月三十一日止年度內，上述股份於購回同時已被註銷。

本公司之附屬公司並無購買，出售或贖回任何本公司之上市證券。

二零零五年

於二零零五年三月三十一日止年度內，因以行使價分別為每股0.250港元及每股0.202港元行使優先認股權的原故，本公司分別配發及發行2,401,000股及3,792,000股面值每股0.10港元的普通股新股。

37. SHARE CAPITAL OF THE COMPANY (Continued)

2006

During the year ended 31st March, 2006, the Company had the following share transactions:

- (i) issued 40,000 new ordinary shares of HK\$0.10 each at an exercise price of HK\$0.202 per share, as a result of the exercise of the Company's share options.
- (ii) repurchased its own shares through the Stock Exchange as follows:

The above shares were cancelled upon repurchase during the year ended 31st March, 2006.

None of the Company's subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

2005

During the year ended 31st March, 2005, the Company allotted and issued 2,401,000 and 3,792,000 new ordinary shares of HK\$0.10 each at an exercise price of HK\$0.250 per share and HK\$0.202 per share, respectively, as a result of the exercise of the Company's share options.

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

38. 優先認股權計劃

2002計劃

本公司及其附屬公司權智PDA控股有限公司於二零零二年四月二日採納優先認股權計劃（「2002計劃」），以激勵、吸引及挽留本集團有才能的參與人。該新計劃自前述日期生效，有效期為10年。

上述各公司之董事會可酌情授出優先認股權予符合資格之參與人，包括本集團之任何僱員、高級職員、董事或顧問。各公司在任何時間因根據其各自之2002計劃而授出之所有優先認股權獲行使而可予發行之各公司的股份數目，不得超過各自於計劃批准之日已發行股份之10%。各合資格參與人於任何12個月期間因優先認股權而可予發行之股份數目，限制於已發行股份之1%，惟已獲有關公司及本公司之股東在股東大會上批准除外。向本公司董事、最高行政人員或主要股東或彼等各自之聯繫人士授予優先認股權，必須獲得本公司之獨立非執行董事批准。再者，倘於任何12個月期間向本公司之主要股東或獨立非執行董事或彼等各自之聯繫人士授出優先認股權而發行之股份數目超過已發行股份之0.1%及有關股份之價值超過5,000,000港元（按授出優先認股權當天股份收市價），則須獲有關公司及本公司之股東在股東大會上投票通過。

38. SHARE OPTION SCHEMES

2002 Schemes

The share option schemes of each of the Company and its subsidiary, Group Sense PDA Holdings Limited, were adopted on 2nd April, 2002 for the purpose of motivating, attracting and retaining talented participants of the Group (the “2002 Schemes”). The 2002 Schemes will remain in force for a period of 10 years commencing on that date.

The Board of Directors of the respective companies may, at their discretion, grant options to the eligible participant including any employee, officer, director or consultant of the Group. The maximum number of shares in each of the companies which may be issued upon exercise of all options granted under its 2002 Schemes must not exceed 10% of its issued share capital at the date of approval of the scheme. The maximum number of shares issuable under the options to each eligible participant in any 12-month period is limited to 1% of the shares in issue unless the same is approved by shareholders in a general meeting of respective companies and the Company. Share options granted to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company or to any of their associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the price of the shares at the date of the grant) in excess of HK\$5 million, in any 12-month period, are subject to shareholders' approval in a general meeting of respective companies and the Company.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

38. 優先認股權計劃(續)

2002計劃(續)

於二零零六年三月三十一日，根據2002計劃授出及尚未行使之優先認股權之本公司股份數目為18,933,000股，即當日本公司已發行股份之1.58%。權智PDA控股有限公司於截至二零零五年三月三十一日止年度內並沒有根據2002計劃授出任何優先認股權。

授予人可在自授予日期起計21個工作天內，繳付優先認股權之代價，以接納優先認股權。獲授本公司及權智PDA控股有限公司之優先認股權之代價均為1.0港元。優先認股權之行使期乃由各公司之董事會決定。

優先認股權之行使價乃由各董事會決定，但不可低於各公司之股份面值。本公司優先認股權之行使價須為下列中的較高者(i)本公司股份在優先認股權授予當天在聯交所所載的收市價；(ii)本公司股份在優先認股權授予日期前5個交易日在聯交所所載之平均收市價；及(iii)本公司股份的面值。

38. SHARE OPTION SCHEMES (Continued)
2002 Schemes (Continued)

At 31st March, 2006, the number of shares of the Company in respect of which options had been granted and remained outstanding under the 2002 Scheme of the Company was 18,933,000, representing 1.58% of the shares of the Company in issue at that date. No option was granted under the 2002 Scheme of Group Sense PDA Holdings Limited.

The offer of a grant of share options may be accepted within 21 business days from the date of the offer, upon payment of a consideration by the offeree. The consideration for a grant of options of the Company and Group Sense PDA Holdings Limited is HK\$1.00. The exercise period of the share options granted is determined by the respective Board of Directors.

The exercise price of the share options is determined by the respective Board of Directors but shall not be lower than the nominal value of the shares of the respective companies. The exercise price of the Company must also be the highest of (i) the Stock Exchange's closing price of the Company's shares on the date of the offer; (ii) the average of the Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

38. 優先認股權計劃(續)

2002計劃(續)

本公司之董事及僱員持有之優先認股權詳情及其於本年內之變動披露如下：

38. SHARE OPTION SCHEMES (Continued)

2002 Schemes (Continued)

The following table discloses details of the share options of the Company held by directors and employees and movements in such holdings during the year.

截至二零零六年三月三十一日止年度
For the year ended 31st March, 2006

授出日期 Date of grant	於二零零五年 四月一日尚未行使 Outstanding at 1st April, 2005	每股份行使價(可調整)			於二零零六年 三月三十一日 Outstanding at 31st March, 2006	行使期 Exercisable period	Exercise price per share (subject to adjustment) 港元 HK\$
		年內授出 Granted during the year	年內註銷 Cancelled during the year	年內行使 Exercised during the year			
12.8.2002	430,000	-	-	-	430,000	17.6.2003 - 16.6.2008	0.250
24.3.2003	536,000	-	-	(40,000)	496,000	20.1.2004 - 19.1.2009	0.202
19.4.2004	10,079,000	-	(534,000)	-	9,545,000	20.1.2005 - 19.1.2010	0.950
3.6.2005	-	8,790,000	(328,000)	-	8,462,000	26.4.2006 - 25.4.2009	0.606
總數 Total	11,045,000	8,790,000	(862,000)	(40,000)	18,933,000		
於本年年終結可行使 Exercisable at the end of the year					10,471,000		

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

授出日期 Date of grant	於二零零四年 四月一日尚未行使 Outstanding at 1st April, 2004	每股份行使價(可調整)			於二零零五年 三月三十一日 Outstanding at 31st March, 2005	行使期 Exercisable period	Exercise price per share (subject to adjustment) 港元 HK\$
		年內授出 Granted during the year	年內註銷 Cancelled during the year	年內行使 Exercised during the year			
12.8.2002	2,831,000	-	-	(2,401,000)	430,000	17.6.2003 - 16.6.2008	0.250
24.3.2003	4,328,000	-	-	(3,792,000)	536,000	20.1.2004 - 19.1.2009	0.202
19.4.2005	-	10,906,000	(827,000)	-	10,079,000	20.1.2005 - 19.1.2010	0.950
總數 Total	7,159,000	10,906,000	(827,000)	(6,193,000)	11,045,000		
於本年年終結可行使 Exercisable at the end of the year					11,045,000		

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

38. 優先認股權計劃(續)

於截止二零零五年六月三日止授出優先認股權之公平價值估計為0.138港元。

關於本年度期間行使優先認股權，在行使日之股價為0.57港元(二零零五年：0.772港元至0.918港元)。

該公平值乃按二項式模式計算，以下乃使用該模式假定：

加權平均收市價(港元)

Weighted average closing price (HK\$)

行使價(港元)

Exercise price (HK\$)

預計波幅

Expected volatility

預計年限(年)

Expected life (years)

無風險利率

Risk-free rate

預計股息收益率

Expected dividend yield

被收回之調整

Risk-of-forfeiture adjustment

預計波幅乃以本公司過去一年股價之歷史波幅釐定。此模式中使用的預計年限已按管理層就優先認股權不可轉讓的特點，行使限制及行為考慮因素而作出的最佳估計予以調整。

於二零零六年三月三十一日止年度，從董事及員工收到作為接受授出優先認股權的總代價為126港元(二零零五年：142港元)。

38. SHARE OPTION SCHEMES (Continued)

The estimated fair values of the options granted on 3rd June, 2005 is HK\$0.138.

In respect of the share options exercised during the year, the share price at the date of exercise is HK\$0.57 (2005: HK\$0.772 to HK\$0.918).

These fair values were calculated using the Binomial model. The inputs into the model were as follows:

二零零六年 2006	
0.57	
0.606	
39.35%	
3.44	
3.23%	
6.56%	
7.71%	

Expected volatility was determined by using the historical volatility of the Company's share price over the previous one year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

Total consideration received during the year ended 31st March, 2006 from directors and employees for taking up the options granted amounted to HK\$126 (2005: HK\$142).

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

39. 出售一附屬公司

如附註10所述，下列是本集團出售深圳市權智信息科技有限公司及GST當日之負債淨值：

39. DISPOSAL OF A SUBSIDIARY

As mentioned in note 10, the Group disposed of 深圳市權智信息科技有限公司 and GST of which the net liabilities at the date of disposal were as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
出售負債之淨值：	Net liabilities disposed of:		
物業、廠房及設備	Property, plant and equipment	—	1,275
無形資產	Intangible assets	—	9,690
存貨	Inventories	—	3,476
應收貿易賬款	Trade receivables	—	5,910
其他應收賬款	Other receivables	156	676
應付貿易賬款	Trade payables	—	(25,887)
其他應付賬款	Other payables	(264)	(4,149)
銀行透支	Bank overdraft	—	(663)
		(108)	(9,672)
匯兌儲備變現	Translation reserve realised	172	679
應收一同集團附屬公司賬款之免除	Waiver of amount due from a fellow subsidiary	(664)	—
應付同集團附屬公司賬款之免除	Waiver of amounts due to fellow subsidiaries	—	23,599
法律及專業費用	Legal and professional fees	—	152
出售一附屬公司之收益（虧損）	Gain (loss) on disposal of a subsidiary	789	(4,758)
總作價	Total consideration	189	10,000
予付清：	Satisfied by:		
現金作價	Cash consideration	189	10,000
因出售而引致之現金流入淨額：	Net cash inflow arising on disposal:		
現金作價	Cash consideration	189	10,000
法律及專業費用	Legal and professional fees	—	(152)
出售銀行透支	Bank overdraft disposed of	—	663
		189	10,511

於本年內所出售之附屬公司並無對本集團之營業額作出貢獻，惟帶來約為913,000港元之虧損，並已反映在本集團本年度之經營業績內。

The subsidiary disposed of during the year did not contribute any turnover to the Group but contributed loss of approximately HK\$913,000 to the Group's operating results for the year.

於過往年度，所出售之附屬公司對本集團之營業額作出約4,676,000港元之貢獻及帶來約為2,305,000港元之虧損，並已反映在本集團之經營業績內。

In prior year, the subsidiary disposed of contributed approximately HK\$4,676,000 to the Group's turnover and losses of approximately HK\$2,305,000 to the Group's results.

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

40. 或然負債

有追索權之貼現票據

Bills discounted with recourse

就有關授予一聯營公司之
一般銀行融資而向銀行
作出之擔保Guarantees given to banks in respect
of banking facilities utilised by an associate

40. CONTINGENT LIABILITIES

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
-	94,935
4,087	3,862

41. 退休福利計劃

本公司及其在香港經營之附屬公司，已參與一個在職業退休計劃條例下註冊之設有界定供款額之職業退休福利計劃和一個在強制性公積金條例下從二零零零年十二月成立之強制性公積金計劃。該兩個計劃所持之資產與本集團之資產分開並由本集團以基金形式交付受託人控制。在強制性公積金成立之前已參加職業退休計劃之員工可有權選擇繼續參與現有的職業退休福利計劃或參加強制性公積金計劃。在二零零零年十二月一日或之後加入公司之員工必須加入強制性公積金計劃。

在強制性公積金計劃下，僱主與其僱員要按計劃規則所列明之比率分別付出供款。

職業退休福利計劃則由僱主每月根據員工基本工資之五個百分比而供款。

41. RETIREMENT BENEFIT SCHEMES

The Company and its subsidiaries operating in Hong Kong participate in both a defined contribution scheme which is registered under the Occupational Retirement Scheme Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying with the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1st December, 2000 are required to join the MPF Scheme.

Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules.

The ORSO Scheme is funded by monthly contributions from the Group at a rate of 5% of the employees' basic salaries.

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

41. 退休福利計劃（續）

倘有僱員於獲得全部供款前退出職業退休福利計劃，則可將本集團收回之供款與本集團應付之供款抵銷。在本年度，已抵銷收回之供款為156,000港元（二零零五年：549,000港元）。

中國之員工參與由當地政府主辦及由國家管理之退休福利計劃。本集團必須按工資之一個百分比供款於退休福利計劃以補助福利。本集團就這些退休福利計劃之唯一責任是提供指定之供款。

於本年度本集團對該等退休福利計劃之總供款為5,517,000港元已在損益表內反映（二零零五年：4,681,000港元）。

42. 資本承擔

關於已訂合約但未計入
綜合財務報表有關購買
物業、廠房及設備之
資本開支

關於已訂合約但未計入
綜合財務報表有關收購
股本證券

Capital expenditure contracted for but not
provided in the consolidated financial
statements in respect of acquisition
of property, plant and equipment

Capital expenditure contracted for but not
provided in the consolidated financial
statements in respect of acquisition
of equity securities

41. RETIREMENT BENEFIT SCHEMES (Continued)

Where there are employees who leave the ORSO Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions. The amount of forfeited contributions utilised in this manner during the year was HK\$156,000 (2005: HK\$549,000).

The employees in the PRC are the members of respective state-managed retirement benefits schemes operated by the respective local governments. The Group is required to contribute a certain percentage of payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group in respect of the retirement benefits schemes is to make the specified contributions.

The total cost charged to the income statement of HK\$5,517,000 (2005: HK\$4,681,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

42. CAPITAL COMMITMENTS

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
4,996	1,209
5,769	—

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

43. 經營租賃承擔
本集團為承租人

於本年內，就土地及樓宇
之經營租賃中最少應付
租金及管理費

Minimum lease payments and management
fee made under operating leases in respect
of land and buildings during the year

於結算日，本集團尚有不可撤銷之經營
租賃中未來最少應付租金及有關管理費
按租賃屆滿期如下：

一年內
於第二年至第五年內
超過五年

Within one year
In the second to fifth years inclusive
Over five years

經營租賃付款指本集團位於中國東莞之
員工宿舍及寫字樓物業之應付租金及管
理費。租賃及租金釐訂為期為一至二十
年。相關管理費之承擔定為五十年。

43. OPERATING LEASES COMMITMENTS
The Group as lessee

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
9,683	8,630

At the balance sheet date, the Group had commitments for future minimum lease payments and related management fee under non-cancellable operating leases in respect of properties which fall due as follows:

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
9,680	5,498
21,455	17,598
33,620	31,195
64,755	54,291

Operating lease payments represent rentals payable by the Group for employees' quarters and office premises and the management fee relating to the use of land in Dongguan, the PRC. Leases are negotiated and rentals are fixed for terms ranging from 1 year to 20 years. The related commitments for management fee is fixed for 50 years.

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

44. 資產抵押

於結算日，本集團已將若干淨資產抵押作為本集團所獲一般銀行融資之擔保：

44. PLEDGE OF ASSETS

At the balance sheet date, certain assets which have been pledged to banks to secure general banking facilities granted to the Group were as follows:

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
租賃物業	Leasehold properties	–	87,038
持作買賣投資	Held-for-trading investments	20,000	–
		20,000	87,038

45. 公司資產負債表

45. BALANCE SHEET OF THE COMPANY

		二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
非流動資產	Non-current assets		
附屬公司投資	Investments in subsidiaries	–	–
流動資產	Current assets		
其他應收賬款	Other receivables	457	40
應收附屬公司賬款	Amounts due from subsidiaries	922,698	592,353
應收本集團一聯營公司賬款	Amount due from an associate of the Group	–	12
銀行結餘及現金	Bank balances and cash	67	2,976
		923,222	595,381
流動負債	Current liabilities		
其他應付賬款	Other payables	374	–
應付附屬公司賬款	Amounts due to subsidiaries	275,886	448
		276,260	448
流動資產淨值	Net current assets	646,962	594,933
資產淨值	Net assets	646,962	594,933
資本及儲備	Capital and reserves		
股本	Share capital	119,761	120,366
儲備	Reserves	527,201	474,567
股東資金	Shareholders' funds	646,962	594,933

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

46. 主要附屬公司資料

於二零零六年三月三十一日，本公司主要附屬公司之詳情如下：

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31st March, 2006 are as follows:

附屬公司名稱 Name of subsidiary	註冊成立地點 Place of incorporation/ registration	已發行及繳足 普通股股本 ／註冊資本 Issued and fully paid up ordinary share capital/ registered capital	本公司持有 已發行普通股股本 面值百分比 Proportion of nominal value of issued ordinary capital		主要業務 Principal activity
			直接 百分比 %	間接 百分比 %	
東莞長安權智電子廠 Dongguan Chang An Group Sense Electronics Factory	中國 中外合營公司 The PRC Sino-foreign Joint Venture	20,000,000港元 HK\$20,000,000	—	100	製造及銷售電子產品 Manufacture and trading of electronic products
東莞環亞高科電子有限公司 Global Asia High-tech Electronics Co Ltd	中國 外資公司 The PRC Foreign Enterprise	25,000,000港元 HK\$25,000,000	—	100	製造及銷售電子產品 Manufacture and trading of electronic products
Group Sense (China) Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	100	—	投資控股 Investment holding
權智數碼動力有限公司 Group Sense Cyberspace Limited	薩摩亞 Western Samoa	100美元 US\$100	100	—	投資控股 Investment holding
Group Sense (Dongguan) Limited	英屬處女群島 British Virgin Islands	10美元 US\$10	—	100	持有物業 Property holding
Group Sense (Holding) Limited	英屬處女群島 British Virgin Islands	3,000美元 US\$3,000	100	—	投資控股 Investment holding

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

46. 主要附屬公司資料（續）

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立地點 Place of incorporation/ registration	已發行及繳足 普通股股本 ／註冊資本 Issued and fully paid up ordinary share capital/ registered capital	本公司持有 已發行普通股股本 面值百分比 Proportion of nominal value of issued ordinary capital held by the Company		主要業務 Principal activity
			直接 百分比 %	間接 百分比 %	
Group Sense (S.E.A.) Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	100	–	投資控股 Investment holding
Group Sense Investment Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	100	–	投資控股 Investment holding
權智有限公司 Group Sense Limited	香港 Hong Kong	1,000港元* HK\$1,000*	–	100	設計及銷售電子產品 Design and trading of electronic products
Group Sense Manufactory Company Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	–	100	提供電子產品加工服務 Provisions for subcontracting services for electronic products
權智PDA控股有限公司 Group Sense PDA Holdings Limited	開曼群島 Cayman Islands	普通股90,000 美元 A類優先股17,182美元 Ordinary shares US\$90,000 Series A Preferred Shares US\$17,182	98.95	–	投資控股 Investment holding
權智掌上電腦有限公司 Group Sense PDA Limited	香港 Hong Kong	100港元 HK\$100	–	98.95	設計及銷售智能手機及 個人數碼助理產品 Design and trading of smartphone and PDA products

綜合財務報表附註(續)

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

46. 主要附屬公司資料(續)

46. PARTICULARS OF PRINCIPAL
SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立地點 Place of incorporation/ registration	已發行及繳足 普通股股本 ／註冊資本 Issued and fully paid up ordinary share capital/ registered capital	本公司持有 已發行普通股股本 面值百分比 Proportion of nominal value of issued ordinary capital held by the Company		主要業務 Principal activity
			直接 Directly 百分比 %	間接 Indirectly 百分比 %	
Group Sense Singapore Pte Limited	新加坡 Republic of Singapore	500,000新加坡元 S\$500,000	—	100	不動 Inactive
GSL Research Technology Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	—	100	不動 Inactive
GSPDA Intellectual Properties Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	—	98.95	不動 Inactive
武藤商事有限公司 Muto Limited	香港 Hong Kong	2港元 HK\$2	—	100	不動 Inactive
Supreme Style Technology Limited	英屬處女群島 British Virgin Islands	100美元 US\$100	—	100	投資控股 Investment holding
勝皇投資有限公司 Ultimate Winner Investments Limited	香港 Hong Kong	100港元 HK\$100	—	100	投資控股 Investment holding

* 權智有限公司亦有已發行每股面值1.0港元無投票權年息五厘遞延股份200,000股。遞延股份並無附有獲派股息或接獲召開本公司任何股東大會之通告或出席任何股東大會或於大會上投票之權利，亦無權在清盤時參與任何分派。

* Group Sense Limited has also issued 200,000 non-voting 5% deferred shares of HK\$1 each. The deferred shares practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the company or to participate in any distribution on winding up.

綜合財務報表附註（續）

Notes to the Consolidated Financial Statements (Cont'd)

截至二零零六年三月三十一日止年度 For the year ended 31st March, 2006

47. 主要管理人員酬金

董事及其他主要管理人員於本年內之酬金如下：

短期福利	Short-term benefits
績效獎金	Performance related incentive payment
退休福利計劃供款	Contribution to retirement benefit schemes
以股份支付的支出	Share-based payment

董事及主要行政人員之酬金由薪酬委員會參考個別員工表現及市場趨勢而釐定。

48. 有關人士交易

於本年內，本集團向一關連公司購買貨品之總金額為約4,000,000港元（二零零五年：約8,000,000港元）。本公司董事譚偉棠先生於該關連公司佔有權益。

47. COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

二零零六年 2006 千港元 HK\$'000	二零零五年 2005 千港元 HK\$'000
13,245	13,315
562	926
418	621
455	—
14,680	14,862

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

48. RELATED PARTY TRANSACTIONS

During the year, the Group purchased goods from related companies amounting to approximately HK\$4 million (2005: approximately HK\$8 million). Mr. Tam Wai Tong, Thomas, a director of the Company, has beneficial interests in the related company.

財務概要

Financial Summary

業績

RESULTS

截至三月三十一日止年度

Year ended 31st March,

		二零零二年	二零零三年	二零零四年	二零零五年	二零零六年
		2002	2003	2004	2005	2006
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
收入	Revenue	977,806	1,147,607	1,355,648	1,309,630	1,490,757
稅前溢利(虧損)	Profit (loss) before tax	(106,302)	30,043	159,811	62,761	76,271
所得稅(支出)撥回	Income tax (expenses) credit	(461)	(3,878)	1,698	226	(21,880)
本年度溢利(虧損)	Profit (loss) for the year	(106,763)	26,165	161,509	62,987	54,391
應佔盈利	Attributable to:					
母公司股權持有人	Equity holders of the parent	(98,138)	42,011	162,084	62,158	54,391
少數股東權益	Minority interests	(8,625)	(15,846)	(575)	829	-
本年度溢利(虧損)	Profit (loss) for the year	(106,763)	26,165	161,509	62,987	54,391

資產與負債

ASSETS AND LIABILITIES

於三月三十一日

At 31st March,

		二零零二年	二零零三年	二零零四年	二零零五年	二零零六年
		2002	2003	2004	2005	2006
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
資產總值	Total assets	818,895	763,432	912,582	870,703	854,940
負債總值	Total liabilities	(406,416)	(314,629)	(323,722)	(264,852)	(255,092)
		412,479	448,803	588,860	605,851	599,848
母公司股權持有人	Equity attributable to equity					
應佔股權	holders of the parent	396,926	448,228	588,860	605,022	599,001
少數股東權益	Minority interests	15,553	575	-	829	847
		412,479	448,803	588,860	605,851	599,848

主要物業之詳情 Particulars of Major Properties

本集團於二零零六年三月三十一日持有主要物業之詳情如下：

Particulars of major properties held by the Group as at 31st March, 2006 are set out below:

名稱／位置 Name/location	類別 Type	年期 Lease term
租賃物業： Leasehold properties:		
1. 香港九龍灣啟祥道 9 號 信和工商中心 2 樓 第 13-24 號工場及 地庫 P3 號停車位 Workshop Nos. 13 to 24 on 2nd Floor and Car Parking Space No. P3 on Basement, Sino Industrial Plaza 9 Kai Cheung Road Kowloon Bay Hong Kong	工業 Industrial	中年期 Medium-term lease
2. 中國東莞長安權智電子廠 東莞市長安鎮 烏沙管理區 第四工業區 Dongguan Chang An Group Sense Electronics Factory Fourth Industrial Zone, Wusha Chang An, Dongguan The People's Republic of China	工業 Industrial	中年期 Medium-term lease