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新 醫 藥 控 股 有 限 公 司

New Chinese Medicine Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code 股份代號: 8085

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本報告乃遵照聯交所創業板證券上市規則之規定提供有關新醫藥控股有限公司之資料。新醫藥控股有限公司各董事願就本報告共同及個別承擔全部責任，且在作出一切合理查詢後確認，就彼等所知及所信：(1)本報告所載資料在各重大方面均準確完備，且並無誤導；(2)本報告並無遺漏任何其他事實，致使本報告之內容有所誤導；及(3)本報告所表達之所有意見乃經審慎周詳考慮後始行發表，並以公平合理之基準及假設為基礎。

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## CORPORATION INFORMATION 公司資料

### CORPORATE PROFILE

The Company was incorporated in the Cayman Islands on 30 October 2000 as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands. The shares of the Company were listed on the GEM of the Stock Exchange on 7 March 2002.

### BOARD OF DIRECTORS

#### EXECUTIVE DIRECTORS

Mr. Liu Jing *Chairman*  
Mr. Chu Hon Pong *Vice Chairman*  
Mr. Li Heguo *Chief Executive Officer*  
Mr. An Jinping  
Mr. Li Junhong  
Ms. Tong Pui Chi Lucia  
Mr. Law Kwok Chung

#### NON-EXECUTIVE DIRECTOR

Dr. Neil Kai Gu

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Kar Wing  
Dr. Loke Yu (alias Loke Hoi Lam)  
Mr. Ku Ling Yu John

#### COMPANY SECRETARY

Mr. Law Kwok Chung

#### COMPLIANCE OFFICER

Ms. Tong Pui Chi Lucia

#### QUALIFIED ACCOUNTANT

Mr. Law Kwok Chung

#### AUTHORIZED REPRESENTATIVES

Ms. Tong Pui Chi Lucia  
Mr. Law Kwok Chung

#### AUDIT COMMITTEE

Dr. Loke Yu (alias Loke Hoi Lam)  
Mr. Chu Kar Wing  
Mr. Ku Ling Yu John

#### REMUNERATION COMMITTEE

Ms. Tong Pui Chi Lucia  
Mr. Chu Kar Wing  
Dr. Loke Yu (alias Loke Hoi Lam)  
Mr. Ku Ling Yu John

### 公司簡介

本公司乃於二零零零年十月三十日在開曼群島根據開曼群島公司法(經修訂)註冊成立為受豁免有限公司。本公司股份乃於二零零二年三月七日在聯交所創業板上市。

### 董事會

#### 執行董事

劉京先生 *主席*  
朱漢邦先生 *副主席*  
李和國先生 *行政總裁*  
安錦平先生  
李俊宏先生  
唐佩芝小姐  
羅國忠先生

#### 非執行董事

顧凱夫博士

#### 獨立非執行董事

朱嘉榮先生  
陸海林博士  
顧陵儒先生

#### 公司秘書

羅國忠先生

#### 監察主任

唐佩芝小姐

#### 合資格會計師

羅國忠先生

#### 法定代表

唐佩芝小姐  
羅國忠先生

#### 審核委員會

陸海林博士  
朱嘉榮先生  
顧陵儒先生

#### 薪酬委員會

唐佩芝小姐  
朱嘉榮先生  
陸海林博士  
顧陵儒先生

## CORPORATION INFORMATION 公司資料

### AUDITORS

NCN CPA Limited  
Certified Public Accountants  
20/F, Hong Kong Trade Centre  
161-167 Des Voeux Road  
Central, Hong Kong

### PRINCIPAL BANKERS

Hongkong and Shanghai Banking Corporation Limited  
Bank of China (Hong Kong) Limited

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands  
British West Indies

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 802,  
Tower 1, Harbour Centre  
1 Hok Cheung Street  
Hunghom, Kowloon  
Hong Kong

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited  
26/F, Tesbury Centre  
28 Queen's Road East  
Hong Kong

### GEM STOCK CODE

8085

### WEBSITE ADDRESS

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

### 核數師

德誠會計師事務所有限公司  
執業會計師  
香港  
中環德輔道中161至167號  
香港貿易中心20樓

### 主要往來銀行

香港上海滙豐銀行有限公司  
中國銀行(香港)有限公司

### 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands  
British West Indies

### 香港主要營業地點

香港  
九龍紅磡  
鶴翔街一號  
維港中心一期  
802室

### 香港股份過戶登記分處

卓佳標準有限公司  
香港  
皇后大道東28號  
金鐘匯中心26樓

### 創業板股份編號

8085

### 網址

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

## CHAIRMAN'S STATEMENT 主席報告

On behalf of the board of directors (the "Board"), I am pleased to present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 March, 2008.

The Group is principally engaged in the trading and sales of healthcare products. In view of the heavy competitive pressure in the healthcare products business, the Group recorded loss in previous years. The Board always researches on and explores to every investment opportunity to improve the Group's performance and to enhance the value of shareholders.

### BUSINESS EXPANSION

In financial year of 2007/08, the Board conducted conscientious study and expound that the funeral services business in the PRC is a high return sphere with substantial room for expansion. After serious consideration, the Group will rationally adjust its development strategy from mainly on trading of healthcare products to expand and adding in investment in funeral services and management business in the PRC. The Board believes investment in this area would help the Group earning considerable long-term return in the future.

On 18 December 2007, the Group entered into a sale and purchase agreement with Zhongmin Industry Company Limited (the "Vendor"). Pursuant to which the Group has agreed to acquire the entire issued and fully paid share capital of Beijing Zhongmin Anyuan Investment Company Limited ("Zhongmin Anyuan") from the Vendor at a cash consideration of HK\$25 million. After completion of the acquisition, the Group will invest through Zhongmin Anyuan for its business expansion.

Zhongmin Anyuan, incorporated in the PRC, is an investment and management company mainly involves in cemetery and funeral services business in the PRC. Through synergizing funeral service enterprises in different geographical areas in the mainland, Zhongmin Anyuan aims at advancing the professionalism of the business and holding the stake of the trade nationwide. Therefore, it is to bring into the PRC market contemporary philosophy and business model of this very unique trade.

### BOARD REORGANIZATION

In the financial year, the composition of the Board has been changed. On 9 October 2007, the Group invited Mr. An Jinping ("Mr. An") to join the Board. Mr. An has over 16 years experience in formulating policy for funeral business and managing the operations of the trade. The Group pleased to announce on 21 January 2008 that Mr. Li Heguo has been appointed chief executive officer of the

本人謹代表董事會（「董事會」）欣然呈報本公司及其附屬公司（「本集團」）截至二零零八年三月三十一日止年度之年度業績。

本集團主要從事買賣及銷售保健品之業務。鑒於保健品行業日趨加大之競爭壓力，集團於過去數年都錄得虧損，董事會一直致力研究及探索可改善本集團表現及提高股東價值之任何投資機會。

### 業務擴展

二零零七／零八財政年度，經集團董事認真研究論證：中國內地殯葬服務行業乃高利潤領域且擁有巨大之發展潛力。經慎重考慮，本集團擬將集團之發展戰略方向及經營業務做出科學、理性之調整，從保健品代理銷售業務擴展加進中國內地殯葬服務市場之投資管理業務。本集團相信投資此等業務領域亦可幫助集團於未來取得長期可觀之收益。

於二零零七年十二月十八日，本集團與中民實業有限公司（「賣方」）簽署協議，按現金代價25,000,000港元收購由賣方擁有之北京中民安園投資有限公司（「中民安園」）之全部已發行及繳足股本。待此次收購事項順利正式完成後，本集團擬將擴展之主營業務透過中民安園進行。

中民安園是中國大陸一家專業從事中國內地墓園、殯儀服務產業投資管理之控股公司。其經營宗旨為通過對中國內地之殯葬服務企業投資、收購及管理，將國際先進之殯葬業服務體系及經營理念引入中國內地之殯葬服務市場，提升產業整體服務水平，擴大市場規模。

### 董事會改組

本財政年度，集團董事會組合亦有所改變。於二零零七年十月九日，本集團邀請安錦平先生（「安先生」）加入董事會。安先生於殯葬行業管理、殯葬政策制定及殯葬企業運行管理方面擁有逾16年經驗。集團於二零零八年一月二十一日，欣然宣布委任李和國先生為本集團之行政總裁；另委任李俊宏

## CHAIRMAN'S STATEMENT 主席報告

Group and Mr. Li Junhong has been appointed executive director of the Group. They have substantial experience in syndicates administration and management, financial management, merger and acquisition, and listing and public offer activities.

On behalf of the Group, I would like to welcome these gentlemen. I believe that, their wealth of experience and expertise will certainly help strengthen the Group and accomplish our mission ahead.

### FUTURE PROSPECT

The financial year of 2007/08 was meaningful to the Group, as the Board opened a new horizon in the investment and management of funeral services business in the PRC. The Group will consolidate quality cemeteries and funeral parlors in the mainland. Through synergy we are benefited from our subsidiary companies of their talent management skill and valuable experience. We strive for striking the balance between promoting the up-to-date etiquette of the trade and improving business efficiency and investment returns at the same time. And the Group will keep on exploring opportunities in the related business.

In procession of healthy business prospect, positive policy and superiority in human resources, the financial year of 2008/09 shall be a year of rapid expansion of the Group. And we are full of confidence in our future development.

### APPRECIATION

On behalf of the board, I would like to take this opportunity to express our sincere gratitude to all our equity holders, customers, business partners who have been offering their support, confidence and encouragement to us. Not to mention the great devotion, diligence and effort of the management and the members of staff who tirelessly committed themselves in striving for improvements of the Group. With all these supports remain, we shall continue to explore means to improve the Group's performance and provide investment returns to the investors.

**Liu Jing**  
Chairman

Hong Kong, 19 May 2008

先生為本集團之執行董事。彼等二人分別於大型企業集團之運行管理及公司財務管理、收購、合併及上市等相關工作擁有豐富經驗。

本人謹代表集團董事會歡迎彼等三位加入董事會並深信憑藉三人出色的才幹，且亦憑借其於項目投資、企業管理及中國內地殯葬行業之豐富經驗令集團管理隊伍更添實力，幫助開展本集團於中國內地墓園業務之未來投資，從而達致引領本集團成為亞洲最具規模之殯葬投資集團。

### 未來展望

二零零七／零八財政年度對於本集團之意義重大，集團董事會決定將主營業務擴展至中國內地之殯葬投資經營業務。本集團將在未來大力整合中國內地優質墓園、殯儀館資源，並憑藉集團內部人才之豐富殯葬管理經驗，努力提高附屬墓園、殯儀館之運營效率，為集團提供持續增長之投資收益。同時，集團擬不時探索與墓園相關之其他投資機會。

在擁有良好行業前景、政策支持及人才優勢之背景下，二零零八／零九財政年度將會是集團於新業務快速發展之年，本集團亦對未來發展前景充滿信心。

### 致謝

本人僅藉此機會，代表董事會對所有權益持有人、客戶及業務合作伙伴對本集團一直支持、信任及鼓勵衷心致謝。受惠於本集團所有員工之莫大付出、努力及辛勤，彼等不辭勞苦、委身推動本集團不斷改善。憑藉該等支持，本集團將繼續開拓創新，為投資者創造利潤回報。

主席  
劉京

香港，二零零八年五月十九日

# MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

## BUSINESS AND FINANCIAL REVIEW

For the year ended 31 March 2008, the Group recorded an audited consolidated turnover of approximately HK\$29,776,000, which represented sales of healthcare products. The turnover for the year ended 31 March 2007 was approximately HK\$14,692,000.

As excluded the equity-settled share-based payments of approximately HK\$9,922,000 (2007: approximately HK\$5,824,000), the operating expenses for the year under review amounted to approximately HK\$6,724,000, representing an increase of approximately 38% as compared to that of 2007 of approximately HK\$4,875,000. The increase in operating expenses was mainly caused by professional and legal costs incurred for the bonus warrants issuance and increase in business activities.

Audited net loss attributable to the equity holders for the year amounted to approximately HK\$13,369,000 as compared to net loss of approximately HK\$6,628,000 in 2007.

## PROSPECTS

Following the implementation of new business strategies and the preparation of ground works for growth by our new management during the period under review, the business activities increased at a satisfactory rate. Selling healthcare products has been our main focus in the past period and is expected to be so in future as well. We have been consistently approaching leading department stores, retail chains, hospitals, educational institutions, as well as medical and health-related associations to promote and distribute our healthcare products. The increased public awareness of the Group's healthcare products demonstrates a path of achievement of the business of the Group for the future.

The Group will carry on participating in various trade shows in both Hong Kong and various parts of China. We expect that this will maintain an increase in our products' public awareness and bring steady revenue and benefit to the Group. The Group will spare more time and effort in exploring and developing new business opportunities to undertake new retail and investment ventures in order to establish and expand our platform as a base for medical and health products and services throughout the region. In view of the continued improvement of the financial health, the Group will continue to look for other new business opportunities so as to broaden the revenue stream and provide a good return to the shareholders.

On the announcement of the Company dated 14 January 2008 and the circular dated 14 April 2008, the Directors have informed shareholders of the Company that the Company entered into the

## 業務及財務回顧

截至二零零八年三月三十一日止年度，本集團錄得經審核之綜合營業額約為29,776,000港元，主要來自銷售保健產品。截至二零零七年三月三十一日止年度之營業額約為14,692,000港元。

不包括以權益方式結算及以股份為基礎之付款約9,922,000港元（二零零七年：約為5,824,000港元），於回顧年度內之經營開支約為6,724,000港元，較二零零七年同期之約4,875,000港元增加約38%。經營開支之上升原因主要來自發行認股權證產生的專業及法律費用及增加之營業活動所致。

年度內經審核之股東應佔虧損淨額約為13,369,000港元，而二零零七年同期之虧損淨額約為6,628,000港元。

## 前景

隨著新管理層於回顧期內已實施之新業務策略及奠定了本集團進一步增長之基礎，營業活動的增長速率令人滿意。出售保健產品在過去的季度為本集團之主要重點，相信在未來時間亦會一如既往。本集團繼續接觸各大百貨公司、零售連鎖店、醫院、教育機構以及醫療及相關組織，以推廣及分銷本集團之保健產品。公眾人士對本集團保健產品已然增加的認知度，顯示出本集團未來業務的成功之路。

本集團將繼續致力參與在香港及中國各地的不同展銷會，本集團期望此等活動將會持續加深公眾人士對本集團保健產品的認知度，亦會為本集團帶來穩定的收入及利益。本集團將投放更多時間及力量探索及發展新的業務機會，主要集中於具零售及投資潛力的新業務，以建立及擴展本集團作為區內醫療及保健產品及服務之基地。有鑑於不斷持續改善的財務實力，本集團將會繼續找尋其他新的業務良機，以期於將來擴展收入之來源及為股東帶來更好的回報。

於本公司二零零八年一月十四日刊發之公佈及二零零八年四月十四日刊發之通函內，董事已經通知本公司之股東，本公司與中民實業有限公



# MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Sale and Purchase Agreement with 中民實業有限公司 (Zhongmin Industry Company Limited) to acquire the entire issued and fully paid share capital of 北京中民安園投資有限公司 (Beijing Zhongmin Anyuan Investment Company Limited, the "Target Company") at a cash consideration of HK\$25 million (the "Acquisition"). The Target Company had entered into eight acquisition agreements with the respective owners of the Cemetery Companies at an aggregate consideration of RMB248 million. The Acquisitions, when completed, will provide the Company an opportunity to enter into the cemetery related business in the PRC and the Directors believe that this will improve future return of the Group in the years ahead. Pursuant to an ordinary resolution passed by the Company's shareholders at the extraordinary general meeting on 30 April 2008, the Acquisition was approved by the Shareholders. Details of the Acquisition were set out in the Company's circular dated 14 April 2008.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's net current assets as at 31 March 2008 were approximately HK\$71,813,000 as compared to net current assets of approximately HK\$15,051,000 as at 31 March 2007. There were no bank borrowings as at 31 March 2008 (31 March 2007: Nil).

On 27 June 2007, the Company obtained shareholders' approval at an extraordinary general meeting to create and issue by way of bonus to the shareholders of the Company warrants ("Bonus Warrants") in the proportion of one Bonus Warrant for every five shares held. A total of 150,427,778 Bonus Warrants were issued on 29 June 2007 in registered form and each Bonus Warrant will entitle the holder thereof to subscribe in cash for one share in the capital of the Company at an initial subscription price of HK\$0.60, subject to adjustment, at any time during the period commencing on 29 June 2007 and ending on 30 June 2010 (both dates inclusive). The subscription price was adjusted to HK\$0.46 upon completion of the share subscription on 24 September 2007 as mentioned below. Details of the above Bonus Warrants issuance were set out in the Company's circular dated 8 June 2007.

The Company has entered into subscription agreements dated 13 August 2007 and supplemental agreements dated 16 August 2007 with Chinese People Gas Holdings Company Limited (the "First Subscriber") and Mr. Chu Hon Pong (the "Second Subscriber") respectively, pursuant to which the Company agreed to allot and issue, subject to shareholders' approval, 150,000,000 new shares at HK\$0.20 per share to each of the First Subscriber and the Second Subscriber. Pursuant to an ordinary resolution passed by the Company's shareholders at the extraordinary general meeting on 18

司訂立買賣協議，按現金代價25,000,000港元收購北京中民安園投資有限公司（「目標公司」）之全部已發行及繳足股本（「收購事項」）。目標公司已與該等墓園公司之各自擁有人訂立八份收購協議，總收購價為人民幣248,000,000元。待此等收購完成後，將可提供本公司進入中國墓園相關業務的機會。董事相信本集團未來的收益將因此而有所改善。根據本公司股東於二零零八年四月三十日舉行之股東特別大會上通過之普通決議案，收購事項獲股東批准。收購事項之詳情載於本公司於二零零八年四月十四日發出之通函。

## 流動資金、財政資源及資本架構

於二零零八年三月三十一日，本集團之流動資產淨值約為71,813,000港元，於二零零七年三月三十一日之流動資產淨值約為15,051,000港元。於二零零八年三月三十一日並無銀行借款（於二零零七年三月三十一日：無）。

於二零零七年六月二十七日，本公司於股東特別大會上取得股東批准，設立及以紅利方式發行認股權證（「紅利認股權證」）予本公司之股東，其基準為每持有五股股份獲發一份紅利認股權證。為數共150,427,778份之紅利認股權證，於二零零七年六月二十九日以記名方式已被發行。每份紅利認股權證之持有人，將有權於二零零七年六月二十九日開始至二零一零年六月三十日（包括首尾兩日）結束之期間內任何時間，按初步認購價0.60港元（可予調整）以現金認購本公司之一股股份。於二零零七年九月二十四日，即下述之股份認購事項完成開始，認股權證之認購價調整至0.46港元。上述紅利認股權證發行之詳情載於本公司於二零零七年六月八日發出之通函。

本公司分別與中民燃氣控股有限公司（「第一認購人」）及朱漢邦先生（「第二認購人」）於二零零七年八月十三日訂立認購協議及於二零零七年八月十六日訂立補充協議。據此，待股東批准後，本公司同意按每股0.20港元向第一認購人及第二認購人各自配發及發行150,000,000股新股份。根據本公司股東於二零零七年九月十八日舉行之股東特別大會上通過之普通決議案，為數共300,000,000股之認購股份於二零零七年九月二十四日已被發

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

September 2007, the 300,000,000 subscription shares were issued on 24 September 2007. The subscription shares rank pari passu in all respects with other shares then issue. Details of the above share subscription were set out in the Company's circular dated 30 August 2007.

Pursuant to the share option scheme adopted by the Company on 1 February 2002 and a refreshment of the scheme's mandatory limit on 8 November 2007 as approved by the shareholders of the Company, a total of 105,219,106 options have been granted on 16 November 2007 to the Participants to subscribe for a total of 105,219,106 shares of the Company at a price of HK\$1.10 per share. No share options have been exercised by the Participants since 16 November 2007 and up to the date of this report.

The Company has entered into the Placing Agreement on 10 December 2007 and the Supplemental Agreements on 12 December 2007 with the Placing Agent for placing, on a best effort basis, of an aggregate of up to 400,000,000 new Shares in six separate tranches upon which (a) a maximum of 100,000,000 new Shares at HK\$1.00 per Placing Share will be placed under the Tranche I; and (b) a maximum of 60,000,000 new Shares at HK\$1.00 per Placing Share will be placed in each of the other five tranches. The Placing Shares to be issued, when fully paid, will rank, upon issue, pari passu in all respects with the existing issued Shares. Pursuant to an ordinary resolution passed by the Company's Shareholders at the extraordinary general meeting on 31 January 2008, the allotment and issue of the Placing Shares was approved by the Shareholders. Details of the above share placing were set out in the Company's circular dated 7 January 2008. The Company has further entered into the Second Supplemental Agreement on 3 April 2008 with the Placing Agent to extend the completion of the Placing Agreement (the "Extension") for another three months from the date of passing of relevant resolution by the Shareholders. Pursuant to an ordinary resolution passed by the Company's shareholders at the extraordinary general meeting on 30 April 2008, the Extension was approved by the Shareholders. Details of the Extension were set out in the Company's circular dated 14 April 2008.

### GEARING RATIO

As at 31 March 2008, the Group's gearing ratio, being the ratio of total liabilities to total assets, was approximately 2% (2007: approximately 25%).

### FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue and incurs costs in Hong Kong Dollars and considers that the impact of foreign exchange exposure of the Group is minimal.

行。認購股份在所有方面與現有已發行股份享有同等權益。上述股份認購之詳情載於本公司於二零零七年八月三十日發出之通函。

根據本公司於二零零二年二月一日所採納之購股權計劃及於二零零七年十一月八日本公司股東所批准之更新購股權計劃授權上限，為數共105,219,106份之購股權於二零零七年十一月十六日已被授予計劃參與者，按每股股份1.10港元之價格認購為數共105,219,106股之本公司股份。於二零零七年十一月十六日開始直至本報告發表之日，並無計劃參與者行使任何購股權。

本公司與配售代理於二零零七年十二月十日訂立配售協議及於二零零七年十二月十二日訂立補充協議，內容有關按盡力基準分六個獨立部份配售合共最多400,000,000股新股份。據此，(a)最多100,000,000股新股份將按每股配售股份1.00港元之價格根據第一部份配售而配售；及(b)於另外五個配售部份中，均會按每股配售股份1.00港元之價格各自配售最多60,000,000股新股份。將予發行之配售股份於繳足後，將於發行後在各方面與已發行股份享有同等地位。根據本公司股東於二零零八年一月三十一日舉行之股東特別大會上通過之普通決議案，配發及發行配售股份已獲股東批准。上述股份配售之詳情載於本公司於二零零八年一月七日發出之通函。本公司與配售代理於二零零八年四月三日進一步訂立第二份補充協議，於股東通過相關決議案之日起另三個月內延遲完成配售協議（「延遲事項」）。根據本公司股東於二零零八年四月三十日舉行之股東特別大會上通過之普通決議案，延遲事項已獲股東批准。延遲事項之詳情載於本公司於二零零八年四月十四日刊發之通函。

### 資產負債比率

於二零零八年三月三十一日，本集團之資產負債比率（即負債總額與資產總額之比例）約2%（二零零七年：約25%）。

### 外匯風險

本集團賺取之收入及產生之成本主要以港元計算，並認為本集團之外匯風險影響極為輕微。

# MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

## CHARGE OF GROUP ASSETS

As at 31 March 2008, the Group did not have any material charge on assets (2007: Nil).

## SIGNIFICANT INVESTMENTS

Except for the Acquisition as mentioned above, the Group had no significant investments during the year.

## MATERIAL ACQUISITIONS AND DISPOSALS

Except for the Acquisition as mentioned above, the Group had no material acquisitions or disposals during the year under review.

## EMPLOYEE INFORMATION

As at 31 March 2008, the Group employed a total of 7 (31 March 2007: 4) full-time employees in Hong Kong. During the year ended 31 March 2008, the total staff costs, including directors' emoluments and equity-settled share-based payments, amounted to approximately HK\$5,843,000 (2007: approximately HK\$7,858,000). The Group remunerates its employees based on their performance, qualification, experience and the prevailing industry practice. Some directors waived their remuneration for the year ended 31 March 2008.

## CONTINGENT LIABILITIES

As at 31 March 2008, the Group did not have any material contingent liabilities (2007: Nil).

## COMMITMENTS

### (a) Operating lease commitments

As at 31 March 2008, the Group had commitment for future minimum lease payments under non-cancelable operating lease which fall due as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within 1 year	一年內	12	130
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	-	23
		<b>12</b>	<b>153</b>

The operating lease relates to warehouse facilities for a term of two years from 5 June 2006 to 4 June 2008 at a monthly rental of HK\$10,800.

## 集團資產抵押

於二零零八年三月三十一日，本集團並無任何重大資產抵押(二零零七年：無)。

## 重大投資

除上文提及之收購事項外，於本年度，本集團並無任何重大投資。

## 重大收購及出售

除上文提及之收購事項外，於回顧年度內，本集團並無重大收購或出售。

## 僱員資料

於二零零八年三月三十一日，本集團在香港合共聘用7名(二零零七年三月三十一日：4名)全職僱員。截至二零零八年三月三十一日止年度內，員工成本總額(包括董事酬金及以權益方式結算及以股份為基礎之付款)約為5,843,000港元(二零零七年：約為7,858,000港元)。本集團向其僱員發放之薪酬乃根據彼等之表現、資歷、經驗及行業慣例而定。部份董事於截至二零零八年三月三十一日止年度免收彼等之酬金。

## 或然負債

於二零零八年三月三十一日，本集團並無任何重大或然負債(二零零七年：無)。

## 承擔

### (a) 經營租賃承擔

於二零零八年三月三十一日，本集團根據不可撤銷經營租約而有之未來最低租金款項承擔之年期如下：

經營租約有關於倉儲設施，年期由二零零六年六月五日至二零零八年六月四日為期兩年，月租10,800港元。

**MANAGEMENT DISCUSSION AND ANALYSIS** 管理層討論及分析**(b) Capital commitments**

As at 31 March 2008, the capital commitments of the Group outstanding not provided for in the financial statements are as follows:

**(b) 資本承擔**

於二零零八年三月三十一日，未於財務報表內撥備之本集團尚未償付之資本承擔如下：

		<b>2008</b> 二零零八年 <b>HK\$'000</b> 千港元	2007 二零零七年 HK\$'000 千港元
Acquisition of subsidiary contracted for	收購附屬公司(已訂約)	<b>25,000</b>	-
Deposit paid	已付按金	<b>(15,000)</b>	-
		<b>10,000</b>	-

## PROFILE OF DIRECTORS 董事簡介

### EXECUTIVE DIRECTORS

**Mr. Liu Jing**, aged 47, is the chairman of the Group. Mr. Liu is responsible for overseeing the formulation of corporate strategy of the Group. Mr. Liu joined the Group on 21 January 2008. Mr. Liu holds an international Executive Master of Business Administration degree from the Peking University. He is currently the Chairman of the Zhongmin group, the Publisher of China Philanthropy Times (公益時報), the Vice President of the China Association of Social Worker, the Standing Vice Chairman of the China Committee of Corporate Citizenship and the Vice Chairman of Lottery Committee. Mr. Liu has been working in the Ministry of Civil Affairs of the People's Republic of China for over 26 years, during which he held duties in various departments, including the General Office, the City Welfare Department, Central and Public Welfare Department (中福公司), the Government Offices Administration, and the Press Department. He has over 16 years experience in operational management, of which over 12 years involving in top management for large enterprises. Mr. Liu has substantial experience in investment, media, sales and marketing, import and export trade, real estate development, project management and tourism.

**Mr. Chu Hon Pong**, aged 58, is the vice chairman of the Group. Mr. Chu is responsible for overseeing the formulation of corporate strategy of the Group. Mr. Chu joined the Group on 9 October 2007. Mr. Chu holds a Master Degree of Business Administration from Stevens Institute of Technology in New Jersey, the United States of America. He is the Chairman of American Dream Parks & Entertainment Group. His businesses covered land and property development and trade of petroleum in the Greater China. He has over 30 years' experience in direct investment, international trade, manufacturing, business and industrial management in the Greater China, Vietnam and the United States of America. He has been the personal assistant to Mr. Robert Miller, the Chairman of Search Investment Holdings Limited and was designated as Chief Executive Officer and Chairman to a listed Company and certain corporations in Hong Kong and PRC. In the early 80's, he was engaged in business in Mainland China and was appointed as the factory manager in a joint venture steel factory, namely Sino Master Steel Company Limited, in Shenzhen, PRC. In the 90's, he was the founder of Vietnam Duty Free Industry.

### 執行董事

**劉京先生**，現年47歲，為本集團之主席。劉先生負責監督本集團企業策略之制定。劉先生於二零零八年一月二十一日加盟本集團。劉先生持有北京大學頒發之國際工商管理行政碩士學位。彼目前擔任中民集團董事長、公益時報社長、中國社會工作者協會副會長、企業公民委員會常務副會長及彩票工作委員會副會長。劉先生於中華人民共和國民政部任職逾26年，先後任職辦公廳、城市福利司、中福公司、機關事務管理局、報社等部門。劉先生於經營管理擁有超過16年經驗，其中12年以上擔任大型企業最高管理層。劉先生於投資、傳媒、市場營銷、進出口貿易、房地產開發、項目管理及旅遊業等方面擁有豐富經驗。

**朱漢邦先生**，57歲，為本集團之副主席。朱先生負責監督本集團企業策略之制定。朱先生於二零零七年十月九日加盟本集團。朱先生持有美國新澤西州史蒂文斯理工學院之工商管理碩士學位。朱先生現任美國夢幻娛樂集團之主席，在中、港、台從事房地產、石油產品貿易等業務。朱先生在中、港、台、美、越等地工作超過三十年，具豐富的工商管理，國際貿易及直接投資經驗。朱先生曾任國際免稅店始創人羅勃米勒先生之投資旗艦，兆亞集團旗下之一家上市公司及其他機構的主席及總裁等要職，負責集團在中、港投資的企業管理與整頓工作。於80年代初期，朱先生曾出任深圳蛇口華美鋼鐵廠廠長。於90年代，彼為越南首家免稅店集團之始創人。

## PROFILE OF DIRECTORS 董事簡介

**Mr. Li Heguo**, aged 42, is the Chief Executive Officer of the Group. Mr. Li is responsible for the overall management and business operations of the group. Mr. Li joined the Group on 9 October 2007. Mr. Li holds a Bachelor Degree and a Master Degree in Economic from Peking University. Mr. Li was the President and General Manager of Beijing Heng-Feng Real Estate Development Company Limited, the Secretary to General Manager of the China Bo-An Group, the General Manager of Beijing Enterprises Company Limited of the China Bo-An Group of Companies and Lecturer of the International Economic in Peking University. He has wealthy experience in land and real estate development and management of syndicates.

**Mr. An Jinping**, aged 59, is the executive director of the Group. Mr. An is responsible for the Group's strategic planning. Mr. An joined the Group on 9 October 2007. Mr. An was the Funeral Affairs Officer of the Social Affairs Department of Ministry of Civil Affairs of the People's Republic of China and Vice President and General Secretary of the China Funeral Association. He was the Secretary of the Social Force Company of the Chinese People's Liberation Army and Assistant Political Administrator of the Headquarter of Technical Reconnaissance Squadron, Beijing Military Area Command. He has substantial experience in formulating policy for funeral business for the country and managing the operations of the trade.

**Mr. Li Junhong**, aged 41, is the executive director of the Group. Mr. Li is responsible for the Group's financial control and accounting functions. Mr. Li joined the Group on 21 January 2008. Mr. Li holds a Bachelor degree in Accounting from Central University of Finance and Economics and an international Executive Master of Business Administration degree from the Peking University. Mr. Li has over 18 years experience in auditing, accounting, merger and acquisition consultancy and management consultancy with international and local accountants firms and private companies. He was a partner in Tin Wah CPAs in Beijing. He had also involved in several engagements on the IPO of H-Shares of China enterprises. Mr. Li is a member of The Chinese Institute of Certified Public Accountants. He has extensive experience in financial management, administration and management in senior level, merger and acquisition, and listing and public offer activities.

**李和國先生**，42歲，為本集團行政總裁。李先生負責本集團之整體管理及業務營運。李先生於二零零七年十月九日加盟本集團。李先生持有北京大學經濟學院經濟學學士及碩士學位。李先生曾出任北京大學國際經濟系教師，中國寶安集團總經理秘書，中國寶安集團北京實業公司總經理，北京恒豐房地產開發有限公司董事長兼總經理。李先生於房地產經營開發及大型企業集團的運行管理方面擁有豐富經驗。

**安錦平先生**，59歲，為本集團執行董事。安先生負責本集團之策略規劃。安先生於二零零七年十月九日加盟本集團。安先生曾任中國人民解放軍某部特務連文書，北京軍區技術偵查大隊司令部政治協理員，北京軍區技術偵查大隊綜合測向站政委，中華人民共和國民政部社會事務司殯葬事業處處長及中國殯葬協會副會長兼秘書長。安先生在殯葬行業管理、殯葬政策制定及殯葬企業運行管理方面擁有豐富經驗。

**李俊宏先生**，41歲，為本集團執行董事。李先生負責本集團之財務及會計管理。李先生於二零零八年一月二十一日加盟本集團。李先生持有中央財經大學會計學學士及北京大學頒發之國際工商管理行政碩士學位。李先生於國際及內地之會計師事務所及私人機構之審計、會計、收購及合併顧問及管理顧問等方面擁有逾18年經驗。他曾參與了數宗國內大型國企香港H股上市的會計師服務。彼亦曾出任北京天華會計師事務所之合伙人。李先生現為中國註冊會計師協會會員。彼於財務管理、公司的高層管理、收購、合併及上市等相關工作擁有豐富經驗。

## PROFILE OF DIRECTORS 董事簡介

**Ms. Tong Pui Chi Lucia**, aged 44, is the executive director of the Group. Ms. Tong is responsible for the business; sales and marketing operations of the Group. Ms. Tong joined the Group on 22 July 2005. Ms. Tong is the chairlady of the remuneration committee of the Company. Ms. Tong is experienced in management and business development both in Hong Kong and overseas. Ms. Tong has been engaged in the tourist-retailing industry for over 10 years which include the supervision of various investment projects such as the operation of the Duty Free Shops. She will be responsible for research and development in Chinese medicine, health and skin-care products as well as new investment opportunities.

**Mr. Law Kwok Chung**, aged 50, is the executive director of the Group. Mr. Law is responsible for the Group's financial control and accounting functions. Mr. Law joined the Group on 31 August 2005 and had been appointed executive director on 21 January 2008. Mr. Law is the Company Secretary and Qualified Accountant of the Company. Mr. Law holds a Bachelor degree in Commerce and a Master degree of Business Administration. Mr. Law has over 20 years of experience in accounting, auditing and finance for private and public companies in investment, medical and healthcare, construction and manufacturing industries in Hong Kong and overseas. He is an associate member of Hong Kong Institute of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales.

### NON-EXECUTIVE DIRECTOR

**Dr. Neil Kai Gu**, aged 47, was appointed as non-executive director on 21 January 2008. Dr. Gu is CEO and member of the Board of Director at CASI Foundation, brings a wealth of knowledge and passion to the organization and to CASI's families. His desire for positively impacting the lives of adoptive families and orphaned children worldwide prompted his interest in humanitarian endeavors. One of Dr. Gu's greatest contributions is his significant business knowledge and experience in Asian affairs and his close working relationships with many of its top officials. In addition to his work with CASI, he is currently the Chairman/CEO of JinGu Group USA LLC, an international investment company, also the CEO of Boise, Idaho based business consulting firm Lucky Star International LLC, Co-founder of CASI Investment Holding Limited in Hong Kong and a visiting professor at Boise State University in Boise, Idaho. Dr. Gu holds a Master degree from Brigham Young University and a Doctor of Musical Arts and Education degree from the University of Hartford. He spent twenty years as a professor of music in his life. In addition to his vast experience in the international business arena, he is also a world-renowned violist.

**唐佩芝小姐**，44歲，為本集團執行董事。唐小姐負責本集團之營商；銷售及市場推廣業務。唐小姐於二零零五年七月二十二日加盟本集團。唐小姐為本公司薪酬委員會主席。唐小姐擁有在香港及海外從事管理及業務發展之豐富經驗。唐小姐從事旅遊零售業逾十年，其中包括監督多項投資項目，例如營運免稅品店。唐小姐將負責研發中藥、保健及護膚產品，以及開拓新投資商機。

**羅國忠先生**，50歲，為本集團執行董事。羅先生負責本集團之財務及會計管理。羅先生於二零零五年八月三十一日加盟本集團並於二零零八年一月二十一日獲委任為執行董事。羅先生亦為本公司之公司秘書及合資格會計師。羅先生持有商業學士學位及工商管理碩士學位。羅先生於香港及海外之投資、醫療及保健、建築及製造等行業之私人及上市公司之會計、審計及財務等方面擁有逾20年經驗。彼為香港會計師公會及英格蘭及威爾斯特許會計師公會之會員。

### 非執行董事

**顧凱夫博士**，47歲，於二零零八年一月二十一日獲委任為非執行董事。顧博士為凱西基金會的董事和首席執行官，以其豐富的知識和經歷為這個機構帶來了無限的激情。他希望在全世界範圍內積極地提高收養家庭和孤兒的生活品質，並對於人道主義公益事業產生了濃厚的興趣。顧博士以其在商業領域的豐富知識，對於凱西基金會的發展作出了巨大的貢獻。同時，顧博士深入瞭解亞洲事務，並與亞洲各國的政府高層建立了深厚的人脈網路，這所有的資源都為他推動凱西基金會的成功發揮了巨大的作用。除了任職於凱西兒童基金會，顧博士目前還擔任一家國際投資公司，JinGu Group USA, LLC的董事會主席；總部設在美國愛達荷州的諮詢公司Lucky Star International LLC的首席執行官；香港凱西投資有限公司的共同創始人，以及美國愛達荷州波希州立大學的客座教授。顧博士在美國楊伯翰大學(Brigham Young University)獲得碩士學位，在哈特福大學(University of Hartford)獲得音樂藝術教育博士學位。作為一位教授，其從事了20年的音樂教育生涯。除了在國際商貿領域的豐富經歷，顧博士也是一位世界知名的中提琴家。

## PROFILE OF DIRECTORS 董事簡介

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Chu Kar Wing**, aged 51, was appointed as independent non-executive director on 6 October 2004. Mr. Chu graduated from the Chinese University of Hong Kong with a degree in Social Science in 1979. He has over 20 years of experience in the banking industry and commerce. He is currently Executive Vice President of Visiontech International Holdings Limited and Vice President of EPI (Holdings) Limited. Mr. Chu also served as independent non-executive director of two Hong Kong listed companies, namely Emperor Entertainment Group Limited and China Power New Energy Development Company Limited.

**Dr. Loke Yu (alias Loke Hoi Lam)**, aged 58, was appointed as an independent non-executive director and chairman of the audit committee of the Company on 6 October 2004. Dr. Loke has over 30 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administration degree from Universiti Teknologi Malaysia and a Doctor of Business Administration degree from University of South Australia. He is a Fellow of The Institute of Chartered Accountants in England and Wales; Hong Kong Institute of Certified Public Accountants; and the Hong Kong Institute of Directors. He is also an Associate member of the Hong Kong Institute of Chartered Secretaries and a member of the Malaysian Institute of Accountants. He is the Qualified Accountant and Company Secretary of Minth Group Limited and also serves as an independent non-executive director of several companies listed on the Stock Exchange of Hong Kong Limited.

**Mr. Ku Ling Yu, John**, aged 60, was appointed as an independent non-executive director on 20 July 2005. Mr. Ku is a practising solicitor and Notary Public in the Hong Kong Special Administrative Region. Mr. Ku is also qualified to practise as a solicitor in England and Wales, and in Victoria, Australia. Mr. Ku served firstly as a non-executive director and later as an executive director of Magician Industries (Holdings) Limited during the period from June 2000 to March 2005.

### 獨立非執行董事

**朱嘉榮先生**，51歲，於二零零四年十月六日獲委任為獨立非執行董事。朱先生於一九七九年在香港中文大學畢業，取得社會科學院學士學位，於銀行及工商界等方面擁有逾二十年經驗。彼現任金科數碼國際控股有限公司常務副總裁及長盈集團（控股）有限公司副總裁。朱先生亦為兩家香港上市公司英皇娛樂集團有限公司及中國電力新能源發展有限公司之獨立非執行董事。

**陸海林博士**，58歲，於二零零四年十月六日獲委任為獨立非執行董事及本公司審核委員會主席。陸博士於私人及公眾公司之會計及審計工作、財務顧問及企業管理等方面擁有逾三十年經驗。彼持有馬來西亞科技大學工商管理碩士學位及南澳大學工商管理博士學位。彼為英格蘭及威爾斯特許會計師公會、香港會計師公會及香港董事學會之資深會員，亦是香港特許秘書公會及馬來西亞會計師公會之會員。彼現為敏實集團有限公司合資格會計師及公司秘書，亦為多家香港聯合交易所有限公司上市公司之獨立非執行董事。

**顧陵儒先生**，60歲，於二零零五年七月二十日獲委任為獨立非執行董事。顧先生為香港特別行政區之執業律師及公證人。顧先生亦為英格蘭及威爾斯及澳洲維多利亞之合資格執業律師。顧先生曾於二零零零年六月至二零零五年三月先後出任通達工業（集團）有限公司之獨立非執行董事及執行董事。



# CORPORATE GOVERNANCE REPORT 企業管治報告

## OVERVIEW

The board of directors (the "Board") of the Company is pleased to present this Corporate Governance Report in the annual report for the year ended 31 March 2008.

It is always a key concern of the Company to have high standards of corporate governance. It is important because the Board believes that good quality corporate governance would assist the management to monitor the Company's business activities effectively and thus equity holders' interests will be well protected.

The Board will discuss the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 15 of the GEM Listing Rules and the Company's compliance and deviations throughout the year ended 31 March 2008.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings throughout the year ended 31 March 2008.

## THE BOARD

The Board is responsible for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All Directors should take decisions objectively in the interests of the Company.

The Board currently comprises 11 members, consisting of seven executive directors, one non-executive director and three independent non-executive directors. Ms. Tong Pui Chi Lucia served as executive director for the whole year ended 31 March 2008. Mr. Chu Hon Pong, Mr. Li Heguo and Mr. An Jinping were appointed as executive directors on 9 October 2007. Mr. Liu Jing, Mr. Li Junhong and Mr. Law Kwok Chung were appointed as executive directors on 21 January 2008. Dr. Neil Kai Gu was appointed as non-executive director on 21 January 2008. Mr. Chu Kar Wing, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Ku Ling Yu John served as independent non-executive directors for the whole year ended 31 March 2008.

The Board meets at least four times a year to review the financial and operating performance of the Group.

## 概覽

本公司之董事會(「董事會」)欣然於本年報內提呈截至二零零八年三月三十一日止年度之企業管治報告。

本公司十分著重維持高標準之企業管治。此點實屬重要，因董事會相信，高質素之企業管治將有助管理層有效地監管本公司之業務活動，從而好好保障權益持有人之利益。

董事會將討論創業板上市規則附錄十五所載之企業管治常規守則(「企業管治守則」)載列之守則條文及本公司於截至二零零八年三月三十一日止年度遵守及偏離企業管治守則之情況。

## 董事進行之證券交易

本公司已採納有關董事進行證券交易之操守守則，條款不比創業板上市規則第5.48至5.67條之交易標準規定寬鬆。經向全體董事作出特定查詢後，董事於截至二零零八年三月三十一日止年度一直遵守有關操守守則及交易標準之規定。

## 董事會

董事會負責帶領及監控本公司，並共同負責透過指導及監管其事務推動本公司取得成功。所有董事均應作出客觀而符合本公司利益之決定。

董事會現時由十一名成員組成，包括七名執行董事、一名非執行董事及三名獨立非執行董事。唐佩芝小姐於截至二零零八年三月三十一日止整個年度內一直擔任執行董事。朱漢邦先生、李和國先生及安錦平先生於二零零七年十月九日獲委任為執行董事。劉京先生、李俊宏先生及羅國忠先生於二零零八年一月二十一日獲委任為執行董事。顧凱夫博士於二零零八年一月二十一日獲委任為非執行董事。朱嘉榮先生、陸海林博士及顧陵儒先生於截至二零零八年三月三十一日止整個年度內一直擔任獨立非執行董事。

董事會一年最少舉行四次會議，以檢討本集團之財務及營運表現。

## CORPORATE GOVERNANCE REPORT 企業管治報告

There were 25 Board meetings held for the year ended 31 March 2008. Individual attendance of each Board member at these meetings is as follows:

截至二零零八年三月三十一日止年度舉行了25次董事會會議。各董事會成員出席該等會議之情況如下：

Name of Directors	董事姓名	Attend/ Eligible to attend 出席次數/ 符合資格出席之次數
<b>Executive directors</b>	<b>執行董事</b>	
Mr. Liu Jing	劉京先生	1/2
Mr. Chu Hon Pong	朱漢邦先生	12/13
Mr. Li Heguo	李和國先生	1/8
Mr. An Jinping	安錦平先生	1/8
Mr. Li Junhong	李俊宏先生	1/2
Ms. Tong Pui Chi Lucia	唐佩芝小姐	22/23
Mr. Law Kwok Chung	羅國忠先生	6/6
Mr. Wong Chun Keung	黃進強先生	9/12
Mr. Wong Mo Wah Gordon	王武樺先生	14/16
Mr. Fung Cheuk Nang Clement	馮卓能先生	4/5
Mr. Ng Tin Shui	吳天墅先生	0/5
<b>Non-executive director</b>	<b>非執行董事</b>	
Dr. Neil Kai Gu	顧凱夫博士	1/2
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>	
Mr. Chu Kar Wing	朱嘉榮先生	9/12
Dr. Loke Yu (alias Loke Hoi Lam)	陸海林博士	12/12
Mr. Ku Ling Yu John	顧陵儒先生	12/12

In compliance with Rules 5.01 and 5.02 of the GEM Listing Rules in regarding to independent non-executive directors (the "INED(s)"), the Company has currently three INEDs, namely Mr. Chu Kar Wing, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Ku Ling Yu John. Dr. Loke has the appropriate accounting expertise. These INEDs can help the management to formulate the Group's development strategies, ensure the Board prepares its financial and other mandatory reports in strict compliance with required standards, and ensure the Company maintains appropriate system to protect the interests of the Company and its equity holders. The Board has received the annual confirmation in respect of their independence from each of the INEDs, and believes that their independence is in compliance with the GEM Listing Rules at the date of this annual report.

為遵守創業板上市規則有關獨立非執行董事（「獨立非執行董事」）之第5.01及第5.02條，本公司現有三名獨立非執行董事，分別為朱嘉榮先生、陸海林博士及顧陵儒先生。陸博士具備適當之會計專業知識。該等獨立非執行董事有助管理層制定本集團之發展策略，確保董事會嚴格遵守規定準則，編製其財務及其他強制刊發之報告，並確保本公司推行適當之制度，以保障本公司及其權益持有人的利益。董事會已收到各獨立非執行董事就其獨立性發出之年度確認書，並相信於本年報刊發日期，彼等之獨立性符合創業板上市規則之規定。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### DISTINCTIVE ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. Liu Jing is the chairman of the Company who is responsible for managing the Board and overseeing the formulation of corporate strategy of the Group. Mr. Li Heguo is the chief executive officer of the Company who is responsible for the overall management and business operations of the Group.

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

The CG Code 4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

All the non-executive directors of the Company have entered into service agreement with the Company which shall expire on 30 June 2011.

The CG Code 4.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Article 87 of the articles of association of the Company required that every director of the Company shall be subject to retirement by rotation at least once every three years.

### 主席及行政總裁之不同角色

根據企業管治守則，主席及行政總裁之角色應該分開，而不應由同一名人士擔任。主席及行政總裁之職責應清楚界定，並以書面載列。

劉京先生為本公司主席，負責管理董事會及監督本集團企業策略之制定。李和國先生為本公司行政總裁，負責本集團之整體管理及業務營運。

### 董事之委任及重選

企業管治守則4.1規定非執行董事的委任應有指定任期，並須接受重新選舉。

本公司所有非執行董事與本公司訂立服務協議，將於二零一一年六月三十日屆滿。

企業管治守則4.2規定每名董事(包括有指定任期之董事)應至少每三年輪值退任一次。

本公司組織章程細則第87條規定本公司每名董事應至少每三年輪值退任一次。

## CORPORATE GOVERNANCE REPORT 企業管治報告

## AUDIT COMMITTEE

An audit committee was established with written terms of reference in compliance with the relevant GEM Listing Rules. There are three members in the audit committee comprising three independent non-executive directors, namely, Mr. Chu Kar Wing, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Ku Ling Yu John. Dr. Loke Yu (alias Loke Hoi Lam) being the Chairman of the Audit Committee. The primary duties of the audit committee are to review the Company's annual report and accounts, half-yearly report and quarterly reports and to provide advices and comments thereon to the Board. The audit committee meets at least four times a year with management to review the accounting principles and practices adopted by the Group and to discuss audit findings, internal control and financial reporting matters. The audit committee met five times during the year ended 31 March 2008, individual attendance of each committee member at these meetings is as follows:

Committee members	委員會成員	Attend/ Eligible to attend 出席次數/ 符合資格出席之次數
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>	
Dr. Loke Yu (alias Loke Hoi Lam)	陸海林博士	5/5
Mr. Chu Kar Wing	朱嘉榮先生	4/5
Mr. Ku Ling Yu John	顧陵儒先生	5/5

The Group's audited consolidated results for the year ended 31 March 2008 have been reviewed by the audit committee.

## REMUNERATION COMMITTEE

A Remuneration Committee has been established with written terms of reference in accordance with the requirements of the CG Code. The Remuneration Committee comprises three independent non-executive directors, namely Mr. Chu Kar Wing, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Ku Ling Yu John, and one executive director Ms. Tong Pui Chi Lucia. Ms. Tong Pui Chi Lucia being the Chairperson of the Remuneration Committee. The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy, and structure for remuneration of all Directors and senior management, and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

## 審核委員會

本公司已根據創業板上市規則之有關規定成立一個審核委員會，並以書面列出其權責範圍。審核委員會由三名成員組成，包括三位獨立非執行董事朱嘉榮先生、陸海林博士及顧陵儒先生。陸海林博士為審核委員會之主席。審核委員會之主要職責為審閱本公司之年報及賬目、半年度報告及季度報告，並就此向董事會提供建議及意見。審核委員會一年最少與管理層舉行四次會議，以檢討本集團所採納之會計原則及慣例，並討論審核結果、內部監控及財務報告事宜。於截至二零零八年三月三十一日止年度內，審核委員會舉行了五次會議，各委員會成員出席該等會議之情況如下：

本集團截至二零零八年三月三十一日止年度之經審核綜合業績已經審核委員會審閱。

## 薪酬委員會

薪酬委員會已根據企業管治守則之規定成立，並以書面列出其權責範圍。薪酬委員會由三名獨立非執行董事，分別為朱嘉榮先生、陸海林博士、顧陵儒先生及一名執行董事唐佩芝小姐組成。唐佩芝小姐為薪酬委員會之主席。薪酬委員會之主要職責包括為董事會就本公司釐定酬金之政策提供意見，並為各董事及高級管理層釐定酬金，及依據董事會不時決定之公司目標及目的審閱全體執行董事及高級管理層之特定酬金組合。

## CORPORATE GOVERNANCE REPORT 企業管治報告

During the year under review, the Remuneration Committee held three meetings and the attendance record is set out below:

於回顧年度內，薪酬委員會舉行了三次會議，有關之出席記錄如下：

Committee members	委員會成員	Attend/ Eligible to attend 出席次數/ 符合資格出席之次數
<b>Executive director</b> Ms. Tong Pui Chi Lucia	<b>執行董事</b> 唐佩芝小姐	3/3
<b>Independent non-executive directors</b> Mr. Chu Kar Wing Dr. Loke Yu (alias Loke Hoi Lam) Mr. Ku Ling Yu John	<b>獨立非執行董事</b> 朱嘉榮先生 陸海林博士 顧陵儒先生	3/3 3/3 3/3

### REMUNERATION OF THE AUDITORS

For the year ended 31 March 2008, the Audit Committee had reviewed the performance of Messrs. NCN CPA Limited ("NCN") as the external auditors of the Company and proposed to re-appoint NCN as the external auditors. The auditors' remuneration for the year ended 31 March 2008 is HK\$200,000 (2007: HK\$300,000).

### 核數師酬金

截至二零零八年三月三十一日止年度，審核委員會已檢討德誠會計師事務所有限公司（「德誠」）作為本公司外聘核數師之表現，並建議續聘德誠為外聘核數師。截至二零零八年三月三十一日止年度之核數師酬金為200,000港元（二零零七年：300,000港元）。

### RESPONSIBILITY FOR PREPARATION OF THE ACCOUNTS

The Directors acknowledge their responsibility for preparing of the financial statements of the Group. In preparing the financial statements, the Hong Kong Accounting Standards have been adopted and appropriate accounting policies have been applied consistently. The Directors are not aware of any material uncertainties or events which may have a significant impact on the Company's ability to operate as a going concern. Accordingly, the Directors had prepared the financial statements of the Company on a going concern basis. The responsibility of the auditors is set out in the "Independent Auditors Report" in this annual report.

### 編製賬目之責任

董事知悉彼等須負責編製本集團之財務報表。於編製財務報表時，已採納香港會計準則，並貫徹採用適當之會計政策。董事概不知悉有任何重大不確定因素或事件或會對本公司能否作為持續基準經營造成重大影響。因此，董事已按持續基準編製本公司之財務報表。核數師之責任載於本年報之「獨立核數師報告」內。

### INTERNAL CONTROL

The Directors have overall responsibility for the establishment, maintenance and review of the Group's system of internal control. For the year ended 31 March 2008, the Directors periodically reviewed its internal control system to ensure its effectiveness and adequacy, which embraced financial, operational and risk management control.

### 內部監控

董事對建立、維持及檢討本集團之內部監控制度具有整體責任。截至二零零八年三月三十一日止年度，董事定期檢討其內部監控制度，以確保其有效及足夠，涉及範圍包括財務、經營及風險管理控制。

### COMMUNICATION WITH EQUITY HOLDERS

The Directors will meet with the Company's equity holders and answer enquires raised by them in the annual and special general meetings.

### 與權益持有人之間之溝通

董事將於股東週年大會及股東特別大會上與本公司之權益持有人會面，並回答彼等所提出之查詢。

## DIRECTORS' REPORT 董事會報告

The directors present their annual report and the audited financial statements for the year ended 31 March 2008.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in the sales of healthcare products in Hong Kong. The activities of its principal subsidiaries are set out in note 32 to the financial statements.

### RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2008 are set out on the consolidated income statement on page 29.

No interim dividend was declared for the year ended 31 March 2008 (2007: Nil).

The directors do not recommend the payment of a final dividend for the year ended 31 March 2008 (2007: Nil).

### FINANCIAL SUMMARY

A financial summary of the published results, assets, liabilities and minority interests of the Group for the last five financial years and reclassified as appropriated, is set out on page 88. This summary does not form part of the audited financial statements.

### RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 22 to the financial statements and in the consolidated statement of changes in equity, respectively.

### SHARE CAPITAL AND SHARE OPTIONS

Details of the Company's share capital are set out in note 21 to the financial statements.

Pursuant to the share option scheme adopted by the Company on 1 February 2002 and a refreshment of the scheme's mandatory limit on 8 November 2007 as approved by the shareholders of the Company, a total of 105,219,106 options have been granted on 16 November 2007 to the Participants to subscribe for a total of 105,219,106 shares of the Company at a price of HK\$1.10 per share. No share options have been exercised by the Participants since 16 November 2007 and up to the date of this report. Details of the Company's share option scheme are set out in note 27 to the financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

董事會謹此呈報董事會年度報告及截至二零零八年三月三十一日止年度之經審核財務報表。

### 主要業務

本公司乃一間投資控股公司。本集團之主要業務為在香港銷售保健產品。其主要附屬公司之業務活動載於財務報表附註32。

### 業績及股息

本集團截至二零零八年三月三十一日止年度之業績載於第29頁綜合損益表內。

截至二零零八年三月三十一日止年度並無宣派中期股息(二零零七年：無)。

董事會建議不派發截至二零零八年三月三十一日止年度之末期股息(二零零七年：無)。

### 財務概要

本集團過去五個財政年度之已公佈業績、資產、負債及少數股東權益財務概要已在適當情況下重新分類，並載於第88頁。此概要並不構成經審核財務報表之一部份。

### 儲備

有關本公司及本集團於本年度內之儲備變動詳情分別載於財務報表附註22及綜合權益變動表。

### 股本及購股權

有關本公司股本之詳情載於財務報表附註21。

根據本公司於二零零二年二月一日採納之購股權計劃及於二零零七年十一月八日獲本公司股東批准之計劃授權上限，總計105,219,106份購股權已於二零零七年十一月十六日向參與者授出，以按每股1.10港元之價格認購本公司總計105,219,106股股份。自二零零七年十一月十六日起截至本報告發表之日止，並無參與者行使購股權。本公司購股權計劃詳情載於財務報表附註27。

### 物業、廠房及設備

有關本集團於本年度內之物業、廠房及設備詳情載於財務報表附註13。

## DIRECTORS' REPORT 董事會報告

### DIRECTORS

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

#### Executive directors:

- Mr. Liu Jing *Chairman*  
(appointed on 21 January 2008)
- Mr. Chu Hon Pong *Vice Chairman*  
(appointed on 9 October 2007)
- Mr. Li Heguo *Chief Executive Officer*  
(appointed on 9 October 2007)
- Mr. An Jinping  
(appointed on 9 October 2007)
- Mr. Li Junhong  
(appointed on 21 January 2008)
- Ms. Tong Pui Chi Lucia
- Mr. Law Kwok Chung  
(appointed on 21 January 2008)
- Mr. Wong Chun Keung  
(resigned on 21 January 2008)
- Mr. Wong Mo Wah Gordon  
(resigned on 21 January 2008)
- Mr. Fung Cheuk Nang Clement  
(resigned on 9 October 2007)
- Mr. Ng Tin Shui  
(resigned on 9 October 2007)

#### Non-executive director

- Dr. Neil Kai Gu  
(appointed on 21 January 2008)

#### Independent non-executive directors

- Mr. Chu Kar Wing
- Dr. Loke Yu (alias Loke Hoi Lam)
- Mr. Ku Ling Yu John

In accordance with the provisions of the Company's Articles of Association, Mr. Liu Jing, Mr. Chu Hon Pong, Mr. Li Heguo, Mr. An Jinping, Mr. Li Junhong, Mr. Law Kwok Chung, Dr. Neil Kai Gu and Dr. Loke Hoi Lam will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

### 董事

本公司於本年度及直至本報告刊發日期之董事如下：

#### 執行董事：

- 劉京先生 *主席*  
(於二零零八年一月二十一日獲委任)
- 朱漢邦先生 *副主席*  
(於二零零七年十月九日獲委任)
- 李和國先生 *行政總裁*  
(於二零零七年十月九日獲委任)
- 安錦平先生  
(於二零零七年十月九日獲委任)
- 李俊宏先生  
(於二零零八年一月二十一日獲委任)
- 唐佩芝小姐
- 羅國忠先生  
(於二零零八年一月二十一日獲委任)
- 黃進強先生  
(於二零零八年一月二十一日辭任)
- 王武樺先生  
(於二零零八年一月二十一日辭任)
- 馮卓能先生  
(於二零零七年十月九日辭任)
- 吳天墅先生  
(於二零零七年十月九日辭任)

#### 非執行董事

- 顧凱夫博士  
(於二零零八年一月二十一日獲委任)

#### 獨立非執行董事

- 朱嘉榮先生
- 陸海林博士
- 顧陵儒先生

根據本公司組織章程細則之條文，劉京先生、朱漢邦先生、李和國先生、安錦平先生、李俊宏先生、羅國忠先生、顧凱夫博士及陸海林博士將於即將舉行之股東週年大會上退任，惟符合資格並願意膺選連任。

## DIRECTORS' REPORT 董事會報告

### DIRECTORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service agreement with the Company for an initial term of three years which will continue thereafter until terminated by either party by giving to the other not less than three months prior written notice. The non-executive director has entered into a service agreement with the Company which shall expire on 30 June 2011. The agreement may be terminated by either party by giving to the other not less than one month prior written notice. Each of the independent non-executive directors has entered into a service agreement with the Company which shall expire on 30 June 2011. The agreement may be terminated by either party by giving to the other not less than one month prior written notice.

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the "Directors' Service Contracts" and the "Continuing Connected Transactions", 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.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 March 2008, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

#### (1) Long positions in the shares of the Company

Name of directors	Type of interest	Number of shares	Interest in the Company's share capital 於本公司之股本權益
董事姓名	權益類別	股份數目	
Mr. Chu Hon Pong 朱漢邦先生	Personal 個人	155,150,967	14.73%
Ms. Tong Pui Chi Lucia 唐佩芝小姐	Personal 個人	1,300,000	0.12%
Mr. Law Kwok Chung 羅國忠先生	Personal 個人	300,000	0.03%

### 董事服務合約

各執行董事均與本公司訂立服務協議，初步為期三年，且會繼續生效直至其中一方向另一方發出不少於三個月之預先書面通知終止為止。非執行董事已與本公司訂立服務協議，將於二零一一年六月三十日屆滿。該協議可以任何一方向另一方作出不少於一個月書面通知而終止。各獨立非執行董事已與本公司訂立服務協議，將於二零一一年六月三十日屆滿。該協議可以任何一方向另一方作出不少於一個月書面通知而終止。

### 董事於重大合約之權益

除「董事之服務合約」及「持續關連交易」所披露者外，本公司或其任何附屬公司概無參與訂立本公司董事直接或間接擁有重大權益且於本年度完結時或本年度任何時間有效之重大合約。

### 董事及行政總裁於證券之權益

於二零零八年三月三十一日，本公司董事及行政總裁擁有根據證券及期貨條例（「證券及期貨條例」）第XV部之第7及第8分部須知會本公司及聯交所之本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券之權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益或淡倉），或根據證券及期貨條例第352條須記入本公司須保存之登記冊，或根據創業板上市規則第5.46條所述董事進行買賣之最低標準須知會本公司及聯交所之權益或淡倉如下：

#### (1) 於本公司股份之好倉



## DIRECTORS' REPORT 董事會報告

### (2) Long positions in the underlying shares of the Company

#### (a) Warrants

Name of directors	Type of interest	Number of shares entitled pursuant to the full exercise of the warrants held as at 31 March 2008 於二零零八年三月三十一日 悉數行使認股權證後 可獲發之股份數目
董事姓名	權益類別	
Mr. Chu Hon Pong 朱漢邦先生	Personal 個人	730,434
Mr. An Jinping 安錦平先生	Personal 個人	1,304,347
Mr. Li Heguo 李和國先生	Personal 個人	1,304,347
Mr. Li Junhong 李俊宏先生	Personal 個人	1,304,347
Ms. Tong Pui Chi Lucia 唐佩芝小姐	Personal 個人	339,130
Mr. Law Kwok Chung 羅國忠先生	Personal 個人	78,260

### (2) 於本公司相關股份之好倉

#### (a) 認股權證

#### (b) Share Options

#### (b) 購股權

Name of Directors	Date of grant of share options	Exercise price per share	Outstanding as at 01/04/2007 於 二零零七年 四月一日 尚未行使	Granted during the year 於年內 授出	Exercised during the year 於年內 行使	Lapsed/ cancelled during the year 於年內 失效/註銷	Outstanding as at 31/03/2008 於 二零零八年 三月三十一日 尚未行使	Expiry date 屆滿日期
董事姓名	購股權 授出日期	每股 行使價 HK\$ 港元						
Mr. Li Heguo 李和國先生	16/11/2007	1.10	-	7,500,000	-	-	7,500,000	16/11/2010
Ms. Tong Pui Chi Lucia 唐佩芝小姐	16/11/2007	1.10	-	7,500,000	-	-	7,500,000	16/11/2010
Mr. Chu Kar Wing 朱嘉榮先生	16/11/2007	1.10	-	1,000,000	-	-	1,000,000	16/11/2010
Dr. Loke Hoi Lam 陸海林博士	16/11/2007	1.10	-	1,000,000	-	-	1,000,000	16/11/2010
Mr. Ku Ling Yu John 顧陵儒先生	16/11/2007	1.10	-	1,000,000	-	-	1,000,000	16/11/2010

## DIRECTORS' REPORT 董事會報告

Save as disclosed above, as at 31 March 2008, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the "Directors' and Chief Executives' Interests In Securities" above, at no time during the reporting period 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 debt securities, including debentures, of the Company or any other body corporate, and none of the directors or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

### SUBSTANTIAL SHAREHOLDERS

As at 31 March 2008, the interests and short positions of persons in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

#### (1) Long positions in the shares of the Company

Name of shareholder	股東名稱	Direct/ indirect interest 直接/間接權益	Approximate percentage of shareholding 控股概約百分比
Excel Point Holdings Limited	Excel Point Holdings Limited	354,980,000	33.71%
Mr. Chu Hon Pong	朱漢邦先生	155,150,967	14.73%
Mr. Mo Shikang ("Mr. Mo", Note)	莫世康先生 ("莫先生", 附註)	150,000,000	14.24%
Asian Allied Limited ("Asian Allied", Note)	Asian Allied Limited ("Asian Allied", 附註)	150,000,000	14.24%
Super Win Development Limited ("Super Win", Note)	Super Win Development Limited ("Super Win", 附註)	150,000,000	14.24%
Chinese People Holdings Company Limited ("Chinese People", Note)	中民控股有限公司 ("中民控股", 附註)	150,000,000	14.24%

除上文所披露者外，於二零零八年三月三十一日，本公司董事及行政總裁並無擁有根據證券及期貨條例第XV部之第7及第8分部須知會本公司及聯交所之本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券之任何權益或淡倉(包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益或淡倉)，或根據證券及期貨條例第352條須記入本公司須保存之登記冊，或根據創業板上市規則第5.46條須知會本公司及聯交所之權益或淡倉。

### 董事收購股份或債券之權利

除於上文「董事及行政總裁於證券之權益」所披露者外，於報告期間內，本公司或其任何附屬公司概無參與訂立任何安排，致使本公司董事可藉收購本公司或任何其他法人團體之股份或債務證券(包括債券)而獲利，而各董事或彼等之配偶或十八歲以下之子女概無持有任何可認購本公司證券之權利，亦不曾行使任何該等權利。

### 主要股東

於二零零八年三月三十一日，擁有根據證券及期貨條例第XV部之第2及第3分部須向本公司披露所持有之本公司股份及相關股份之權益及淡倉，或直接或間接擁有可於本集團任何其他成員公司之股東大會之一切情況下附帶投票權利之任何類別股本之面值5%或以上之權益之人士，或根據證券及期貨條例第336條規定本公司須保存之登記冊所記錄之主要股東如下：

#### (1) 於本公司股份之好倉

# DIRECTORS' REPORT 董事會報告

**Note:**

As Chinese People is a subsidiary of Super Win, Super Win is deemed to have interest in the ordinary shares of the Company (the "Shares") held by Chinese People for the purpose of the SFO. For the purpose of SFO, Asian Allied is deemed to have interest in the Shares held by Super Win and Mr. Mo is deemed to have interest in the shares held by Asian Allied.

**(2) Long positions in the underlying shares of the Company**

**Name of shareholder**

**股東姓名**

Mr. Chu Hon Pong

朱漢邦先生

Save as disclosed above, as at 31 March 2008, the directors or chief executive officer of the Company were not aware of any other person (other than the directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under section 336 of the SFO.

**PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

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

**附註：**

由於中民控股乃Super Win之附屬公司，故根據證券及期貨條例，Super Win將視作擁有中民控股所持有之本公司股份（「該股份」）權益。根據證券及期貨條例，Asian Allied將視作擁有Super Win所持有之該股份權益及莫先生將視作擁有Asian Allied所持有之該股份權益。

**(2) 於本公司相關股份之好倉**

**Number of shares entitled pursuant to the full exercise of the warrants held as at 31 March 2008**

於二零零八年三月三十一日

悉數行使認股權證後可獲發之股份數目

730,434

除上文所披露者外，於二零零八年三月三十一日，就本公司董事或行政總裁所知，並無任何其他人士（不包括本公司董事或行政總裁）擁有根據證券及期貨條例第XV部之第2及第3分部須向本公司披露所持之本公司股份或相關股份之權益或淡倉，或直接或間接擁有可於本集團任何其他成員公司之股東大會之一切情況下附帶投票權利之任何類別股本之面值5%或以上之權益，或任何其他主要股東擁有須記入根據證券及期貨條例第336條規定本公司須保存之登記冊之權益或淡倉。

**購買、贖回或出售本公司之上市證券**

於本年度內，本公司或其任何附屬公司概無購買、贖回或出售本公司之任何上市證券。

## DIRECTORS' REPORT 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest suppliers of the Group accounted for approximately 66% of the Group's total purchases and the largest supplier of the Group accounted for approximately 22% of the Group's total purchases. Aggregate sales attributable to the Group's five largest customers were approximately 99% of the Group's sales while the largest customer of the Group accounted for approximately 96% of the Group's sales.

None of the directors, their associates or any shareholders of the Company (which to the knowledge of the directors own more than 5% of the issued capital of the Company) had any beneficial interest in the Group's major suppliers and customers for the financial year ended 31 March 2008.

### COMPETING INTERESTS

As at 31 March 2008, none of the directors, the management shareholders of the company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group.

### AUDITORS

The financial statements have been audited by NCN CPA Limited who retire and, being eligible, offer themselves for reappointment.

On behalf of the Board

**Chu Hon Pong**

*Vice Chairman*

Hong Kong, 19 May 2008

### 主要客戶及供應商

於本年度內，本集團前五名供應商佔本集團總購貨額約66%，而本集團最大供應商佔本集團總購貨額約22%。本集團前五名客戶之綜合銷售額佔本集團銷售額約99%，而本集團最大客戶佔本集團銷售額約96%。

各董事、彼等之聯繫人士或本公司任何股東（就各董事所知，擁有本公司已發行股本5%以上者）並無於截至二零零八年三月三十一日止財政年度內於上述本集團主要供應商及客戶中擁有任何實益權益。

### 競爭權益

於二零零八年三月三十一日，本公司各董事、管理層股東及彼等各自之聯繫人士（見創業板上市規則之定義）概無於與本集團業務構成嚴重競爭或可能構成嚴重競爭之業務中擁有任何權益。

### 核數師

財務報表已經德誠會計師事務所有限公司審核，德誠會計師事務所有限公司須退任，惟符合資格願意膺選連任。

代表董事會

*副主席*

**朱漢邦**

香港，二零零八年五月十九日

**INDEPENDENT AUDITORS' REPORT 獨立核數師報告**

**TO THE SHAREHOLDERS OF  
NEW CHINESE MEDICINE HOLDINGS LIMITED**  
*(incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of New Chinese Medicine Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 29 to 87, which comprise the consolidated and company balance sheets as at 31 March 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITORS' RESPONSIBILITY**

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

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

致新醫藥控股有限公司  
各股東  
*(於開曼群島註冊成立之有限公司)*

本核數師行已完成審核新醫藥控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於第29至第87頁之綜合財務報表,包括綜合及貴公司截至二零零八年三月三十一日之資產負債表,及截至該日止年度之綜合損益表、綜合權益變動表及綜合現金流量表,及重大會計政策概要及其他附註。

**董事對財務報表之責任**

貴公司董事須負責根據香港會計師公會發出之香港財務報告準則及香港公司條例之披露要求編製真實與公平之財務報表。這些責任包括設計、執行及維持有關編製真實與公平之財務報表之內部控制,使財務報表不會因故意欺騙或錯誤而出現重大錯誤陳述;選擇並採納適當會計政策;及作出於有關事宜內合理的會計估計。

**核數師之責任**

本核數師之責任乃根據本核數師審核工作之結果,對該等綜合財務報表作出獨立意見,並只向全體股東報告,除此以外本報告別無其他目的。本核數師不會就本報告內容而向任何其他人士承擔或負上責任。

本核數師根據香港會計師公會發出之香港核數準則進行審核工作。這些準則要求本核數師行遵守道德要求,及在計劃及進行核數工作中獲得充份憑證,就該等財務報表免除重大錯誤陳述作出合理之確定。

# INDEPENDENT AUDITORS' REPORT 獨立核數師報告

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

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

## OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2008 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### NCN CPA LIMITED

*Certified Public Accountants*

20/F., Hong Kong Trade Centre,  
161-167 Des Voeux Road,  
Central, Hong Kong,  
Hong Kong S.A.R., China

Hong Kong, 19 May 2008

### CHOI Man Chau Michael

Practising Certificate Number P01188

審核工作包括取得金額及財務報表所披露資料的充份核數憑證。所選擇程序取決於核數師的判斷、包括評估財務報表中重大錯誤陳述(不論是因故意欺騙或錯誤而產生的)的風險。在評估該等風險時,本核數師考慮實體編製真實與公平之財務報表之相關內部控制,以決定適用在該事宜中的審核程序,而非對就實體的內部控制之有效性作出意見。審核工作亦包括評估所採用的會計政策之合適性、董事作出的會計估計之合理性,及財務報表之整體呈列。

本核數師相信,本核數師已就審核意見獲得充分及合適審核憑證。

## 意見

本核數師認為,綜合財務報表均按照香港財務報告準則真實及公平地反映 貴集團及 貴公司於二零零八年三月三十一日之財務狀況及 貴集團於截至該日止年度之虧損及現金流量,並已根據香港公司條例之披露規定妥善編製。

### 德誠會計師事務所有限公司

*香港執業會計師*

中國香港特別行政區  
香港,中環  
德輔道中161-167號  
香港貿易中心20樓

香港,二零零八年五月十九日

### 蔡文洲

執業證書編號P01188

## CONSOLIDATED INCOME STATEMENT 綜合損益表

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

		Note(s) 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Turnover	營業額	5(a)	29,776	14,692
Cost of sales	銷售成本		(28,821)	(13,850)
Gross profit	毛利		955	842
Other revenue and net income	其他收益及收入淨額	5(b)	2,322	3,504
Administrative and other operating expenses	行政及其他經營開支		(16,646)	(10,698)
Loss from operations	經營活動之虧損		(13,369)	(6,352)
Finance costs	財務費用	6	-	(276)
Loss before tax	除稅前虧損	7	(13,369)	(6,628)
Income tax	所得稅	8	-	-
Loss for the year	年度虧損		(13,369)	(6,628)
Loss for the year attributable to:	應佔年度虧損：			
Equity holders of the Company	本公司之股本持有人		(13,369)	(6,628)
Minority interests	少數股東權益		-	-
			(13,369)	(6,628)
Loss per share	每股虧損	9	HK cents 港仙	HK cents 港仙
Basic	基本		(1.5)	(1.0)
Diluted	攤薄		不適用 N/A	不適用 N/A

**CONSOLIDATED BALANCE SHEET 綜合資產負債表**

As at 31 March 2008 於二零零八年三月三十一日

		Note(s) 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	135	181
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	15	586	1,867
Trade and other receivables	應收賬款及其他應收款項	17	24,449	6,729
Cash and bank balances	現金及銀行結存	18	48,333	11,538
			<b>73,368</b>	20,134
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	應付賬款及其他應付款項	19	1,555	5,083
<b>NET CURRENT ASSETS</b>	<b>流動資產淨額</b>		<b>71,813</b>	15,051
<b>NET ASSETS</b>	<b>資產淨額</b>		<b>71,948</b>	15,232
<b>CAPITAL AND RESERVES</b>	<b>股本及儲備</b>			
Share capital	股本	21	42,125	30,086
Reserves	儲備	22	29,823	(14,854)
Equity attributable to equity holders of the Company	本公司股本持有人 應佔權益		<b>71,948</b>	15,232
Minority interests	少數股東權益		-	-
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>71,948</b>	15,232

Approved and authorized for issue by the board of directors on 19 May 2008.

董事會已於二零零八年五月十九日批准及授權發行。

**Li Heguo**  
李和國  
Director  
董事

**Li Junhong**  
李俊宏  
Director  
董事



## BALANCE SHEET 資產負債表

As at 31 March 2008 於二零零八年三月三十一日

		Note(s) 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Investments in subsidiaries	於附屬公司之投資	14	-	-
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Amounts due from subsidiaries	應收附屬公司款項	16	50,024	-
Trade and other receivables	應收賬款及其他應收款項	17	18,379	126
Cash and bank balances	現金及銀行結存	18	4,230	6,648
			<b>72,633</b>	6,774
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	應付賬款及其他應付款項	19	101	287
<b>NET CURRENT ASSETS</b>	<b>流動資產淨額</b>		<b>72,532</b>	6,487
<b>NET ASSETS</b>	<b>資產淨額</b>		<b>72,532</b>	6,487
<b>CAPITAL AND RESERVES</b>	<b>股本及儲備</b>			
Share capital	股本	21	42,125	30,086
Reserves	儲備	22	30,407	(23,599)
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>72,532</b>	6,487

Approved and authorized for issue by the board of directors on 19 May 2008.

董事會已於二零零八年五月十九日批准及授權發行。

**Li Heguo**  
李和國  
Director  
董事

**Li Junhong**  
李俊宏  
Director  
董事

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

		本公司權益持有人應佔 Attributable to equity holders of the Company									
		Share capital	Share premium	Convertible bonds equity reserve	Share options reserve	Translation reserve	Special reserve	Accumulated losses	Total	Minority interests	Total equity
		股本	股份溢價	可換股債券股本儲備	購股權儲備	換算儲備	特別儲備	累計虧損	總額	股東權益少數	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2006	於二零零六年四月一日	22,690	18,269	3,036	-	322	(39,998)	(2,330)	1,989	-	1,989
Loss for the year	年度虧損	-	-	-	-	-	-	(6,628)	(6,628)	-	(6,628)
Transfer to profit or loss on disposal of foreign operations	出售海外業務時轉撥至溢利或虧損	-	-	-	-	(322)	-	-	(322)	-	(322)
Total recognised income and expense for the year	年度確認收入及支出總額	-	-	-	-	(322)	-	(6,628)	(6,950)	-	(6,950)
Recognition of equity-settled share-based payments	確認以權益方式結算及以股份為基礎之付款	-	-	-	5,824	-	-	-	5,824	-	5,824
Issue of ordinary shares upon exercise of share options	行使購股權時發行普通股	1,840	11,022	-	(5,824)	-	-	-	7,038	-	7,038
Issue of ordinary shares upon conversion of convertible bond	於可換股債券獲轉換時發行普通股	5,556	4,811	(3,036)	-	-	-	-	7,331	-	7,331
<b>At 31 March 2007 and 1 April 2007</b>	<b>於二零零七年三月三十一日及二零零七年四月一日</b>	<b>30,086</b>	<b>34,102</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39,998)</b>	<b>(8,958)</b>	<b>15,232</b>	<b>-</b>	<b>15,232</b>
Loss for the year	年度虧損	-	-	-	-	-	-	(13,369)	(13,369)	-	(13,369)
Total recognised income and expense for the year	年度確認收入及支出總額	-	-	-	-	-	-	(13,369)	(13,369)	-	(13,369)
Recognition of equity-settled share-based payments	確認以權益方式結算及以股份為基礎之付款	-	-	-	9,922	-	-	-	9,922	-	9,922
Issue of ordinary shares under share subscriptions	根據股份認購發行普通股	12,000	47,717	-	-	-	-	-	59,717	-	59,717
Issue of ordinary shares upon exercise of bonus warrants	於行使紅利認股權證時發行普通股	39	407	-	-	-	-	-	446	-	446
<b>At 31 March 2008</b>	<b>於二零零八年三月三十一日</b>	<b>42,125</b>	<b>82,226</b>	<b>-</b>	<b>9,922</b>	<b>-</b>	<b>(39,998)</b>	<b>(22,327)</b>	<b>71,948</b>	<b>-</b>	<b>71,948</b>

The special reserve of the Group 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 reorganization prior to the listing of the Company's shares in 2002.

本集團之特別儲備乃本公司股份於二零零二年上市前進行集團重組時，所收購附屬公司股份賬面價值與本公司就收購事項而發行股份賬面值兩者之差額。

## CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

	Note(s) 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<b>Operating activities</b>	<b>經營業務</b>		
Loss before tax	除稅前虧損	(13,369)	(6,628)
Adjustments for:	已就下列各項作出調整：		
Finance costs	財務費用	-	276
Interest income	利息收入	(873)	(332)
Gain on disposal of subsidiaries	出售附屬公司產生之收益	-	(1,728)
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	59	51
Equity-settled share-based payment expenses	以權益方式結算及以股份 為基礎之付款開支	9,922	5,824
Operating loss before changes in working capital	營運資金變動前之經營虧損	(4,261)	(2,537)
Decrease/(increase) in inventories	存貨減少／(增加)	1,281	(876)
Increase in trade and other receivables	應收賬款及其他應收款項增加	(17,720)	(5,714)
Decrease in trade and other payables	應付賬款及其他應付款項減少	(3,528)	(62)
<b>Net cash used in operating activities</b>	<b>經營業務所耗現金淨額</b>	<b>(24,228)</b>	<b>(9,189)</b>
<b>Investing activities</b>	<b>投資活動</b>		
Interest received	已收利息	873	332
Purchase of property, plant and equipment	購買物業、廠房及設備	(13)	(159)
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	-	-
<b>Net cash generated from investing activities</b>	<b>投資活動所得現金淨額</b>	<b>860</b>	<b>173</b>
<b>Financing activities</b>	<b>融資活動</b>		
Proceeds from issue of new ordinary shares	發行新普通股股份所得款項	60,163	7,038
<b>Net cash generated from financing activities</b>	<b>融資活動所得現金淨額</b>	<b>60,163</b>	<b>7,038</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金或現金等值物之 增加／(減少)淨額</b>	<b>36,795</b>	<b>(1,978)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>年初之現金及現金等值物</b>	<b>11,538</b>	<b>13,516</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>年末之現金及現金等值物</b>	<b>48,333</b>	<b>11,538</b>
<b>Analysis of the balances of cash and cash equivalents</b>	<b>現金及現金等值物結存分析</b>		
Cash and bank balances	現金及銀行結餘	48,333	11,538

# NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 1. GENERAL

New Chinese Medicine Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands and its shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company's registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, British West Indies. The Company's principal place of business in Hong Kong is situated at Room 802, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hunghom, Kowloon, Hong Kong.

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

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the sales of healthcare products in Hong Kong.

## 1. 一般資料

新醫藥控股有限公司(「本公司»)根據開曼群島公司法(經修訂)於開曼群島註冊成立為一間受豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所»)創業板(「創業板»)上市。

本公司註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, British West Indies。本公司在香港之主要營業地址位於香港九龍紅磡鶴翔街一號維港中心一期802室。

綜合財務報表以港元列賬，港元等同本公司功能貨幣。

本公司為一間投資控股公司。本公司及其附屬公司(統稱「本集團»)主要在香港從事保健產品銷售。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied a number of new standard, amendment and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are relevant to its operations and are effective for accounting periods beginning on or after 1 April 2007. The adoption of the new HKFRSs has no significant effect on the Group's accounting policies and amounts reported for the current and prior accounting periods in these financial statements.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective. The directors are in the process of making an assessment of the expected impact of these new and revised standards or interpretations upon initial application and so far consider that the application of these new standards or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)

香港會計準則第1號(經修訂)

HKAS 23 (Revised)

香港會計準則第23號(經修訂)

HKFRS 8

香港財務報告準則第8號

HK(IFRIC)-Int 12

香港(國際財務報告詮釋委員會)－詮釋第12號

HK(IFRIC)-Int 13

香港(國際財務報告詮釋委員會)－詮釋第13號

HK(IFRIC)-Int 14

香港(國際財務報告詮釋委員會)－詮釋第14號

Presentation of Financial Statements<sup>(3)</sup>

呈列財務報表<sup>(3)</sup>

Borrowing Costs<sup>(3)</sup>

借貸成本<sup>(3)</sup>

Operating Segments<sup>(3)</sup>

經營分部<sup>(3)</sup>

Service Concession Arrangements<sup>(1)</sup>

服務經營權安排<sup>(1)</sup>

Customer Loyalty Programmes<sup>(2)</sup>

客戶忠誠計劃<sup>(2)</sup>

HKAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction<sup>(1)</sup>

香港會計準則第19號－界定利益資產之限額、最低資本規定及其相互關係<sup>(1)</sup>

### 2. 應用新訂及經修訂香港財務報告準則

於本年度，本集團已應用香港會計師公會(「香港會計師公會」)頒佈之若干新訂準則、修訂及詮釋(「新訂香港財務報告準則」)，有關其經營業務並於二零零七年四月一日或之後開始之會計期間起生效。採納該等新訂香港財務報告準則對本集團之會計政策及於該等財務報表內呈報之本會計年度及過往會計年度之金額並無重大影響。

本集團並無提早應用下列已頒佈但尚未生效之新增及經修訂準則或詮釋。董事正評估初次應用該等新增及經修訂準則或詮釋之預期影響，到目前為止，認為應用該等新訂準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

<sup>(1)</sup> Effective for annual periods beginning on or after 1 January 2008

<sup>(2)</sup> Effective for annual periods beginning on or after 1 July 2008

<sup>(3)</sup> Effective for annual periods beginning on or after 1 January 2009

<sup>(1)</sup> 於二零零八年一月一日或之後開始之年度期間生效

<sup>(2)</sup> 於二零零八年七月一日或之後開始之年度期間生效

<sup>(3)</sup> 於二零零九年一月一日或之後開始之年度期間生效

# NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, which collectively include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared using the historical cost basis, except for certain financial instruments which are measured at fair values.

A summary of the significant accounting policies adopted by the Group is set out below.

### (a) 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.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests 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.

## 3. 主要會計政策

該等綜合財務報表乃根據所有適用之香港財務報告準則(包括香港會計師公會頒佈之所有適用之個別香港財務報告準則、香港會計準則及詮釋)、香港通用會計政策及香港公司法之披露規定編製。該等綜合財務報表亦遵守香港聯合交易所有限公司創業板證券上市規則之適用披露條文。

綜合財務報表已採用歷史成本基準編製，惟若干按公平值計量之財務工具除外。

本集團採納之重大會計政策概要載列如下。

### (a) 綜合賬目基準

綜合財務報表包括本公司及其附屬公司之財務報表。

於本年度所收購或出售之附屬公司之業績，由實際收購日起或截至實際出售日止(視適用情況而定)計入綜合損益表。

如有需要，將會就附屬公司財務報表作出調整，致使其會計政策與本集團其他成員公司所使用者貫徹一致。

所有集團內公司間之交易、結餘、收入及開支於綜合賬目時對銷。

綜合附屬公司之資產淨值時之少數股東權益與本集團之股本權益分開呈列。資產淨值內之少數股東權益包括於原業務合併日期之該等權益金額及自合併日期以來少數股東應佔之權益變動。少數股東應佔虧損超出少數股東於附屬公司應佔股本權益之差額，將對應本集團權益作出分配，惟少數股東有具約束力責任且有能力的作出額外投資以填補虧損則除外。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****(b) Business combinations**

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities, that meet the conditions for recognition under HKFRS 3 Business Combinations, are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups), that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognized and measured at fair value less costs to sell.

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

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

**(c) Goodwill**

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary, associate or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Capitalized goodwill on acquisitions of subsidiaries is presented separately.

**3. 主要會計政策(續)****(b) 業務合併**

附屬公司之收購事項採用收購會計法列賬。收購成本乃按為換取被收購公司控制權而於交換日期所給予資產之總公平值、所產生或所承擔之責任及本集團發行之權益工具，加上業務合併之直接應佔成本計算。被收購公司之可識別資產、負債及或然負債(符合根據香港財務報告準則第3號「業務合併」確認之條件)按收購當日之公平值確認，惟根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營之業務」分類為持作出售之非流動資產(或出售組別)按公平值減出售成本確認及計量則除外。

收購產生之商譽乃確認為資產並按成本(即業務合併高於本集團於可識別資產、負債及或然負債之公平淨值所佔權益之部分)作初步釐定。於重新評估後，倘本集團於被收購公司之已確認可識別資產、負債及或然負債之公平淨值所佔權益高於業務合併之成本，則該高出數額即時於損益確認。

被收購公司之少數股東權益初步按已確認之少數股東於資產、負債及或然負債之公平淨值之比例計算。

**(c) 商譽**

商譽乃指收購成本高於本集團於收購日期在附屬公司、聯營公司或共同控制實體可識別資產與負債之公平價值之權益數額。商譽初步按成本確認為資產，其後按成本減任何累計減值虧損計算。收購附屬公司時產生之資本化商譽將分開呈報。

# NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (c) Goodwill (continued)

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

On subsequent disposal of a subsidiary, an associate or a jointly controlled entity, the attributable carrying amount of capitalized goodwill is included in the determination of the amount of gain or loss on disposal.

### (d) Subsidiaries

A subsidiary is entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account.

In the Company's balance sheet, investments in subsidiaries are stated at cost less any impairment loss, unless the investment(s) is/are classified as held for sale.

### (e) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of the assets' (disposal groups') previous carrying amount and fair value less costs to sell.

## 3. 主要會計政策(續)

### (c) 商譽(續)

就檢測減值而言，商譽會分配至各個預期可受惠於合併協同效益之相關現金產生單位或現金生成單位組別。獲分配商譽之現金產生單位無論何時有跡象顯示該單位可能減值，會每年檢測減值。倘現金產生單位之可收回金額少於該單位賬面值，減值虧損會先分配至減少任何分配至該單位之商譽賬面值，繼而根據該單位各項資產賬面值按比例分配至該單位其他資產。商譽之任何減值直接於綜合損益表內確認。就商譽確認之減值虧損不會於其後期間撥回。

於出售附屬公司、聯營公司或共同控制實體後，資本化商譽之應佔賬面值計入出售之收益或虧損之釐定款項。

### (d) 附屬公司

附屬公司為本公司控制之實體。倘本公司有權直接或間接控制一間實體之財務及經營政策，並從其經營業務中獲利，則為控制該實體。現時可行使之潛在投票權於評估控制時予以考慮。

於本公司之資產負債表內，於附屬公司之投資按成本減任何減值虧損列賬，除非投資被分類為持作出售。

### (e) 持作出售之非流動資產

非流動資產及出售組別之賬面值如透過出售交易而非透過持續使用而收回，則會分類為持作出售。此條件僅於很有可能達成出售及資產(或出售組別)可於現況下即時出售時方告符合。

分類為持作出售之非流動資產(或出售組別)乃按資產(或出售組別)以往賬面值及公平值兩者中之較低者減出售成本計量。



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) Revenue recognition

Revenue, which is measured at the fair value of the consideration received or receivable, is recognized when it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably, on the following bases:

- (i) Sales income is recognized when goods are delivered and title has passed.
- (ii) Interest income is accrued on a time proportion basis, by reference to the principal outstanding using the effective interest method.
- (iii) Dividend income from investments is recognized when the shareholder's right to receive payment is established.

#### (g) Leases

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.

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs.

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

Interest in leasehold land is amortized over the lease term on a straight-line basis.

### 3. 主要會計政策(續)

#### (f) 收益確認

收益(按已收或應收代價之公平值計量)於經濟利益可能流入本集團及收益可按下列基準可靠計量時,予以確認:

- (i) 當交付貨品及所有權獲轉讓時,則確認貨品銷售。
- (ii) 利息收入乃按時間比例基準確認,參考尚餘本金額並採用實際利率計算。
- (iii) 來自投資之股息收入於股東收取付款之權利確立時予以確認。

#### (g) 租賃

凡租賃條款實質上將資產擁有權附帶之一切風險及回報撥歸予承租人之租賃,均列為融資租賃。所有其他租賃歸類為經營租賃。

根據融資租約持有之資產會以其於租賃開始時之公平值或(如屬較低者)最低租賃付款之現值確認為本集團之資產。出租人之相應負債計入資產負債表內列作融資租賃責任。租賃付款會於融資費用及租賃責任間作出分配,以就餘下負債中取得穩定之利率。融資費用直接於損益扣除,除非其直接與合資格資產有關,於該情況下,將根據本集團有關借貸成本之一般政策擴充資本。

根據經營租賃之應付租金按有關租賃年期以直線法在損益賬內扣除。作為訂立經營租約之獎勵而已收及應收之利益按有關租賃年期以直線法確認為租金開支減少。

租賃持有土地之利息按有關租賃年期以直線法攤銷。

# NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Hong Kong dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange 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 carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

## 3. 主要會計政策(續)

### (h) 外幣

各集團實體各自之財務報表以該實體經營所在之主要經濟環境之貨幣列值(其功能貨幣)。就綜合財務報表而言,各實體之業績及財務狀況以本集團之功能貨幣及綜合財務報表之呈列貨幣港元列值。

於編製各實體之財務報表時,以該實體之功能貨幣以外之貨幣(外幣)進行之交易,乃按交易日期適用匯率入賬。於各結算日,以外幣列值之貨幣項目乃按該結算日之適用匯率重新換算。按公平值列賬並以外幣列值之非貨幣項目,乃按釐定其公平值當日之適用匯率重新換算。按歷史成本計量並以外幣列值之非貨幣項目不予重新換算。

因結算貨幣項目及重新換算貨幣項目所產生之匯兌差額,於該期間計入損益賬,惟因構成本公司於海外業務投資淨額一部分之貨幣項目所產生之匯兌差額則除外,於此情況下,該等匯兌差額於綜合財務報表內之股本權益確認。因重新換算按公平值入賬之非貨幣項目所產生之匯兌差額計入期內損益賬,惟因重新換算損益而直接於股本權益確認之非貨幣項目所產生之差額除外。於此情況下,匯兌差額亦於股本權益內直接確認。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****(h) Foreign currencies (continued)**

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Hong Kong dollars using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case, the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable net assets arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate prevailing on the balance sheet date. Exchange differences arising are included in the translation reserve.

**(i) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

**(j) Employee benefits**

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

**3. 主要會計政策(續)****(h) 外幣(續)**

就綜合財務報表之呈列方式而言，本集團海外業務之資產與負債按於結算日適用之匯率以港元列值。收入及開支項目則按該期間之平均匯率換算，惟匯率於該期間大幅波動則除外，於此情況下，則採用各交易日期適用之匯率換算。所產生之匯兌差額(如有)確認為股本權益並轉撥至本集團之換算儲備。該等匯兌差額於出售海外業務期間之損益賬內確認。

收購海外業務產生之可識別資產淨值之商譽及公平值調整，當做該海外業務之資產及負債處理，並按結算日之現行匯率換算。所產生之匯兌差額計入換算儲備。

**(i) 借貸成本**

凡必須經過頗長時間以作擬定用途或銷售之合資格資產之收購、建造或生產直接應佔之借款成本，均加入該等資產之成本，直至該等資產幾乎可作擬定用途或銷售之時間為止。未用於合資格資產的特定借款用於暫時投資賺得的投資收益會於可資本化的借貸成本中扣除。

所有其他借貸成本乃於其產生的期間於損益賬中確認。

**(j) 僱員福利**

薪金、年度獎金、有薪年假、定額供款計劃之供款及各項非貨幣福利之成本，均在本集團僱員提供相關服務之年度內累計。倘延遲支付或結算會構成重大影響，則上述數額須按現值列賬。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****(j) Employee benefits (continued)**

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

Share options granted to employees are accounted for in accordance with the policies set out in note 3(q)(i)(1).

**(k) 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 recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are not recognized 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.

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

**3. 主要會計政策 (續)****(j) 僱員福利 (續)**

離職福利當且僅當本集團在有具體之正式計劃下採取明確行動終止僱傭關係或為自願離職者提供福利且該計劃實際上不大可能會撤回時確認。

向僱員授出之購股權根據載於附註3(q)(i)(1)之政策入賬。

**(k) 稅項**

稅項包括當期應付所得稅及遞延稅項。

即期應付稅項按本年度內之應課稅溢利計算。由於應課稅溢利不包括於其他年度之應課稅或可扣減之收入或開支項目，亦進一步剔除毋須課稅或不可扣減之綜合損益表項目，因此應課稅溢利與綜合損益表所列溢利不同。本集團之即期稅項負債乃根據於結算日前已訂定或大致上已訂定之稅率計算。

遞延稅項就財務報表內資產及負債之賬面值與計算應課稅溢利所採用相應稅基兩者間之差額確認，以資產負債表負債法入賬。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產以應課稅溢利可能用作抵銷可扣減暫時差額為限確認。倘來自商譽或初次確認不影響應課稅溢利或會計溢利之交易（業務合併除外）內之其他資產及負債產生暫時差額，則遞延稅項資產及負債不予確認。

於附屬公司投資所產生之應課稅暫時差額，乃確認為遞延稅項負債，惟本集團有能力控制暫時差額之撥回，且暫時差額可能不會於可見將來撥回之情況除外。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

## (k) 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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been enacted or substantively enacted by the balance sheet date. 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.

## (l) Property, plant and equipment

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

Depreciation is provided to write off the cost of items of property, plant and equipment, after taking into account of their estimated residual value, if any, using the straight-line method over their estimated useful lives, at the following rates:

Computer equipment and systems	30% per annum
Furniture, fixtures and equipment	20% per annum

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

An item of property, plant and equipment is derecognized 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 period in which the item is derecognized.

## 3. 主要會計政策(續)

## (k) 稅項(續)

遞延稅項資產之賬面值於每個結算日檢討，並撇減至不再可能有足夠應課稅溢利可供收回全部或部分資產時為限。

遞延稅項根據於結算日已制定成實質上已制定之稅率，按預期適用於清償負債或變賣資產期間之稅率計算。遞延稅項於損益賬扣除或計入，惟倘遞延稅項涉及於股本權益直接扣除或計入之項目，則遞延稅項亦於股本權益內處理。

## (l) 物業、廠房及設備

物業、廠房及設備以成本值減累計折舊及任何累計減值虧損列賬。

物業、廠房及設備項目在其估計可用年期及經計入其估計剩餘價值(如有)，以下列年度利率以直線法予以折舊以撇銷其成本：

電腦設備及系統	每年30%
傢俬、裝置及設備	每年20%

根據融資租賃持有之資產乃以持有資產之相同基準於預期可使用年期折舊，或(倘較短)於有關租賃年期折舊。

物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時不再確認。於不再確認該資產時產生之任何收益或虧損(以出售所得款項淨額與該項目之賬面值之差額計算)乃計入該項目不再確認期間之損益表內。

# NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (m) Impairment of tangible and intangible assets other than goodwill

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 any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount under other standard, in which case the impairment loss is treated as revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount under other standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

Impairment losses recognized in an interim financial report prepared in compliance with HKAS 34 Interim Financial Reporting are not reversed at the end of the financial year to which the interim period relates even if no loss, or a smaller loss, would have been recognized had the impairment been assessed only at the end of that financial year.

## 3. 主要會計政策(續)

### (m) 有形資產及無形資產(商譽除外)之減值

於每個結算日，本集團審閱其有形及無形資產之賬面值以釐定是否有任何跡象顯示該等資產承受減值虧損。倘任何有關跡象存在，將估計資產之可收回金額，以釐定減值虧損之程度(如有)。倘無法估計個別資產之可收回金額，則本集團會估計資產所屬之現金產生單位之可收回金額。

可收回金額指公平值減出售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量會按照可反映當前市場對貨幣之時間價值以及該資產之特定風險評估之稅前折現率折算至現值。

倘估計資產(或現金產生單位)之可收回金額低於其賬面值，則該資產(或現金產生單位)之賬面值將減至其可收回金額。減值虧損會即時在損益中確認，除非有關資產根據其他準則以重估金額入賬，在該情況下，減值虧損將根據該準則以重估減值處理。

倘減值虧損於其後撥回，資產(或現金產生單位)之賬面值將調高至其經修訂之估計可收回金額，惟經調高之賬面值不得超出該資產(現金產生單位)於過往年度未經確認減值虧損時之賬面值。減值虧損之撥回會即時在損益中確認，除非有關資產根據其他準則以重估金額入賬，在該情況下，減值虧損之撥回將根據該準則以重估增值處理。

遵照香港會計準則第34號「中期財務報告」編製之中期財務報告中確認之減值虧損不會於該中期期間之相關財政年度終結時撥回，即使假如減值僅於該財政年度終結時作評估將不會確認虧損或確認較少虧損。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

## (n) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises purchase price and direct expenses that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realizable value represents the estimated selling price in the ordinary course of business less all estimated expenses to be incurred in marketing, selling and distribution.

## (o) Financial instruments

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

(i) Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognized and derecognized 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.

## 3. 主要會計政策(續)

## (n) 存貨

存貨乃按成本及可變現淨值之較低者列賬。成本包括購買價及使存貨運抵其當前地點及達至其現況所產生之直接費用。成本採用先進先出法計算。可變現淨值乃指於日常業務過程中之估計銷售價格減市場推廣、銷售及分銷所產生之所有估計費用。

## (o) 財務工具

當集團實體成為工具合約條文之訂約方，即於綜合資產負債表確認財務資產及財務負債。財務資產及財務負債初次按公平值計量。收購或發行財務資產及財務負債（按公平值計入損益賬之財務資產及財務負債除外）直接應佔之交易成本，於初次確認時於財務資產或財務負債（按適用情況而定）之公平值計入或扣除。收購按公平值計入損益賬之財務資產或財務負債直接應佔之交易成本，即時於損益賬確認。

(i) 財務資產

本集團之財務資產分為四類，即按公平值計入損益之財務資產、貸款及應收款項、持有至到期日之投資及可出售財務資產。財務資產的所有定期買賣均於交易日確認或取消確認。定期買賣指根據有關市場規則或慣例設定的時限內交付財務資產的買賣。就每類財務資產所採納之會計政策如下。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

## (o) Financial instruments (continued)

## (i) Financial assets (continued)

**(1) 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 as at fair value through profit or loss on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of and identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

## 3. 主要會計政策(續)

## (o) 財務工具(續)

## (i) 財務資產(續)

**(1) 按公平值計入損益之財務資產**

按公平值計入損益之財務資產有兩個次類別，包括持作買賣之財務資產和在初始確認時指定按公平值計入損益之財務資產。

某項財務資產分類為持有作買賣若：

- 購入之主要目的為於不久將來購回；或
- 其為本集團聯合管理之財務工具之一部分及已物色組合，並擁有短期獲利之現時實際樣式；或
- 其為不指定及有效作為對沖工具之衍生工具。

倘出現下列情況，則持作買賣之財務資產以外之財務資產，可於初始確認時被劃分為按公平值計入損益：

- 有關劃分撤銷或大幅減低計量或確認可能出現不一致之情況；或
- 財務資產組成財務資產或財務負債各部分或兩者，並根據本集團既定風險管理或投資策略，按公平值基準管理及評估其表現，而分類資料則按該基準由內部提供；或
- 財務資產組成包含一種或以上嵌入式衍生工具之合約其中部分，而香港會計準則第39號允許整份合併合約(資產或負債)將劃分為按公平值計入損益之財務資產。



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

## (o) Financial instruments (continued)

## (i) Financial assets (continued)

**(1) Financial assets at fair value through profit or loss (continued)**

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 recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial assets.

**(2) 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 receivables, loan receivables, other receivables and bank balances) are carried at amortized cost using the effective interest method, less any identified impairment losses.

**(3) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. At each balance sheet date subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any identified impairment losses.

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

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognized in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognized in equity is removed from equity and recognized in profit or loss.

## 3. 主要會計政策(續)

## (o) 財務工具(續)

## (i) 財務資產(續)

**(1) 按公平值計入損益之財務資產(續)**

初始確認後在每個各結算日，按公平值計入損益之財務資產以公平值計量，公平值變動在出現期間直接在損益確認。於損益確認之收益或虧損淨額包括由財務資產賺得之股息或利息。

**(2) 貸款及應收款項**

貸款及應收款項為附帶固定或待定期款之非衍生財務資產，且並無在活躍市場報價。於初次確認後之各結算日，貸款及應收款項（包括應收賬款、應收貸款、其他應收款項及銀行結餘）乃採用實際利率法按已攤銷成本扣除任何已識別減值虧損列賬。

**(3) 持有至到期日之投資**

持有至到期日之投資為具有固定或可釐定付款及固定到期日令本集團管理層有正面意向及能力持有至到期之非衍生財務資產。於初始確認後之每個結算日，持有至到期日之投資乃以實際利率法按攤銷成本減任何已識別減值虧損計量。

**(4) 可供出售財務資產**

可供出售財務資產乃指定或並未分類為按公平值計入損益之財務資產、貸款及應收款項或持有至到期日之財務資產之非衍生工具。於初始確認後之每個結算日，可供出售財務資產按公平值計算。公平值之變動於權益中確認，直至該財務資產被出售或決定出現減值，屆時過往於權益中確認之累計收益或虧損會自權益中剔除，並於損益賬確認。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

## (o) Financial instruments (continued)

(i) Financial assets (continued)**(4) 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.

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

(ii) Financial liabilities

The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

**(1) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated as at fair value through profit or loss on initial recognition.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing in the near future; or
- it is a part of and identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

## 3. 主要會計政策 (續)

## (o) 財務工具 (續)

(i) 財務資產 (續)**(4) 可出售財務資產 (續)**

就並無活躍市場之市價報價及其公平值未能可靠計算及與其相關之衍生工具必須以交付有關非報價股本工具結付之可出售股本投資而言，於初始確認後之各個結算日按成本值減任何已識別減值虧損計算。

財務資產於自資產收取現金流量之權利屆滿時或於財務資產被轉讓時及於本集團轉讓財務資產所有權之絕大部分風險及回報時予以取消確認。於取消確認某項財務資產時，該資產賬面值與所收取及應收取之代價及直接於權益內確認之累計盈虧之總和之差額於損益中確認。

(ii) 財務負債及股本權益

本集團之財務負債一般獲分類為按公平值計入損益之財務負債及其他財務負債。就財務負債所採納之會計政策如下。

**(1) 按公平值計入損益之財務負債**

按公平值計入損益之財務負債有兩個次類別，包括持作買賣之財務負債和在初始確認時指定按公平值計入負債之財務負債。

倘若出現下列情況，則某項財務負債分類為持有作買賣：

- 購入之主要目的為於不久將來購回；或
- 其為本集團聯合管理之財務工具之一部分及已物色組合，並擁有短期獲利之現時實際樣式；或
- 其為不指定及有效作為對沖工具之衍生工具。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

## (o) Financial instruments (continued)

## (ii) Financial liabilities (continued)

**(1) Financial liabilities at fair value through profit or loss (continued)**

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss includes any interest paid on the financial liability.

**(2) Other financial liabilities**

Other financial liabilities (including bank and other borrowings, trade and other payables) are subsequently measured at amortized cost, using the effective interest method.

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

## 3. 主要會計政策(續)

## (o) 財務工具(續)

## (ii) 財務負債及股本權益(續)

**(1) 按公平值計入損益之財務負債(續)**

持作買賣之財務負債以外之財務負債，可於初始確認時被劃分為按公平值計入損益：

- 有關劃分撇銷或大幅減低計量或確認可能另外出現不一致之情況；或
- 財務負債組成財務資產或財務負債各部分或兩者，並根據本集團既定風險管理或投資策略，按公平值基準管理及評估其表現，而分類資料則按該基準由內部提供；或
- 財務負債組成包含一種或以上嵌入式衍生工具之合約其中部分，而香港會計準則第39號允許整份合併合約(資產或負債)將劃分為按公平值計入損益之財務資產。

初始確認後在每個各別結算日，按公平值計入損益之財務負債以公平值計量，公平值變動在出現期間直接在損益確認。於損益確認之收益或虧損淨額包括因財務負債而支付之利息。

**(2) 其他財務負債**

其他財務負債(包括銀行及其他借貸，應付賬款及其他應付款項)乃於其後以實際利率法按攤銷成本計量。

財務負債於有關合約訂明之責任獲解除、取消或屆滿時予以取消確認。已取消確認之財務負債之賬面值與已付代價之差額於損益中予以確認。

# NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (o) Financial instruments (continued)

#### (iii) Convertible bonds

Convertible bonds issued by the Company that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the convertible bonds into equity, is included in equity (convertible bonds equity reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortized cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the conversion option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible bonds equity reserve will be released to the retained profits. No gain or loss is recognized in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortized over the period of the convertible bonds using the effective interest method.

## 3. 主要會計政策 (續)

### (o) 財務工具 (續)

#### (iii) 可換股債券

本公司所發行包括負債及可換股期權部份之可換股債券於初步確認時被分別分類為相關之項目。以兌換固定金額現金或以固定數目之本公司本身股本工具之其他財務資產結算之可換股期權為股本工具。

於初步確認時，負債部份之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股債券之所得款項與轉往負債部份之公平值之差額，即代表可讓持有人將債券兌換為股本權益之認購期權應列入股本(可換股債券權益儲備)。

於往後期間，可換股債券之負債部份乃使用實際利率法按攤銷成本列賬。股本部份，即可將負債部份兌換為本公司普通股之期權，將保留於可換股債券權益儲備，直至兌換期權獲行使為止(在此情況下，可換股債券權益儲備之結餘將轉移至股份溢價)。倘期權於到期日尚未獲行使，可換股債券權益儲備之結餘將撥至保留溢利。期權兌換或到期時將不會於損益中確認任何盈虧。

發行可換股債券有關之交易成本，按所得款項之分配比例撥往負債及股本部份。股本部份有關之交易成本會直接於股本內扣除。負債部份有關之交易成本計入負債部份之賬面金額，並利用實際利率法於可換股債券期限內予以攤銷。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

## (o) Financial instruments (continued)

## (iv) Equity instruments

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

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments.

## (p) Financial guarantees, provisions and contingent liabilities

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

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Present obligation is disclosed as a contingent liability where it is not probable that an outflow of economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future event(s) is also disclosed as a contingent liability unless the probability of outflow of economic benefits is remote.

## 3. 主要會計政策(續)

## (o) 財務工具(續)

## (iv) 股本工具

由本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

購回本公司本身股本工具乃直接於權益中予以確認及削減。於購買、出售、發行或註銷本公司之本身股本工具時，任何盈虧概不會於損益中予以確認。

## (p) 財務擔保、撥備及或然負債

財務擔保合約指因指定債務人未能按債務工具之原有或經修改條款如期付款時，發行者需支付指定金額給持有人以補償其所遭受損失之合約。本集團已出具及並不是按公平值計入損益賬之財務擔保合約初步以公平值減發行財務擔保合約之直接應佔交易費用確認。於初步確認後，本集團以(i)按照香港會計準則第37號「撥備、或然負債及或然資產」釐定之金額；及(ii)初步確認之金額減(當合適時)按照香港會計準則第18號「收益」確認之累計攤銷兩者中之較高者計算財務擔保合約。

當本集團因過去事件而有現時責任時，及於將有可能需要流出經濟利益以履行責任及可靠估計可予以作出之情況下，撥備予以確認。倘若款項之時間價值屬重大，則撥備按預期履行責任之開支之現值予以列賬。

倘若將不可能需要流出經濟利益以履行責任或責任之款額不可予以充分可靠地計量，則現時之責任作為或然負債予以披露。因過去事件而產生及存在將僅由一項或多項未來事件之存在或不存在確認之可能性責任亦作為或然負債予以確認，除非流出經濟利益之可能性極微，則另當別論。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

## (q) Share-based payment transactions

(i) Equity-settled share-based payment transactions**(1) Share options granted to employees**

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

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The effect of the change in estimate, if any, is recognized in profit or loss with a corresponding adjustment to share options reserve.

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

**(2) Share options granted to suppliers**

For share options granted to suppliers in exchange for goods or services, they are measured at the fair value of the goods or services received. The fair values of the goods or services are recognized as expenses immediately, unless the goods or services qualify for recognition as assets. Corresponding adjustments have been made to equity (share options reserve).

(ii) Cash-settled share-based payment transactions

For cash-settled share-based payments, the Group measures the goods or services acquired and the liability incurred at the fair value of the liability. At each balance sheet date, the liability is remeasured at its fair value until the liability is settled, with any changes in fair value recognized in profit or loss.

## 3. 主要會計政策(續)

## (q) 股份為基礎之付款交易

(i) 以權益方式結算及以股份為基礎之付款交易**(1) 向僱員授出購股權**

就授予僱員之購股權而言，參考於授出日期已授出購股權之公平值釐定之所獲取服務之公平值於歸屬期間以直線基準支銷，而權益(購股權儲備)亦會相應增加。

於各結算日，本集團修訂其對預期將最終歸屬之購股權數目之估計。估計變動(如有)之影響於損益賬確認，並對購股權儲備作出相應調整。

於購股權獲行使時，過往於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於屆滿日期仍未行使，則過往於購股權儲備確認之金額將轉撥至保留溢利。

**(2) 向供應商授出購股權**

就授予供應商以換取貨品或服務之購股權而言，該等購股權按所獲取之貨品或服務之公平值計量。貨品或服務之公平值即時確認為開支，除非貨品或服務合資格被確認為資產。本公司將對權益(購股權儲備)作出相應調整。

(ii) 以現金結算及以股份為基礎之付款交易

就以現金結算股份為基礎之付款而言，本集團按負債之公平值計量所收購之貨品或服務及所產生之負債。於各結算日，負債以公平值重新計量直至負債被抵償，而任何公平值變動於損益賬確認。

# NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (r) Related parties

A party is considered to be related to the Group if:

- (i) The party, directly or indirectly through one or more intermediaries, (1) controls, is controlled by, or is under common control with, the Group; (2) has an interest in the Group that gives it significant influence over the Group; or (3) has joint control over the Group;
- (ii) The party is an associate;
- (iii) The party is a jointly-controlled entity;
- (iv) The party is a member of the key management personnel of the Group or its parent;
- (v) The party is a close member of the family of any individual referred to in (i) or (iv); or
- (vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides, with directly or indirectly, any individual referred to in (iv) or (v).

#### (s) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

### 3. 主要會計政策(續)

#### (r) 有關連人士

下列人士將視為與本集團有關連：

- (i) 該人士直接或間接透過一個或多個中介機構(1)控制本集團、受本集團控制或與本集團受共同控制；(2)擁有本集團權益而對本集團有重大影響力；或(3)共同控制本集團；
- (ii) 該人士為聯營公司；
- (iii) 該人士為共同控制實體；
- (iv) 該人士為本集團或其母公司之主要管理人員；
- (v) 該人士為(i)或(iv)項中所述任何個人之密切家庭成員；或
- (vi) 該人士為一間直接或間接受(iv)或(v)項中所述之任何個人控制或共同控制，或(iv)或(v)項所述之任何個人直接或間接對該實體行使重大影響或擁有重大投票權之實體。

#### (s) 分部報告

分部是本集團內一個從事提供產品或服務(業務分部)或在某一個經濟環境內提供產品或服務(地區分部)而可區別之分部，各分部所承受之風險及回報與其他分部所承受者不同。

按照本集團之內部財務申報制度，就此財務報表而言，本集團已選擇以業務分部資料作為主要申報格式，並以地區分部資料作為次要申報格式。

# NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (s) Segment reporting (continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

## 3. 主要會計政策(續)

### (s) 分部報告(續)

分部收入、支出、業績、資產及負債包括一個分部直接應佔之項目，與及可按合理基準向有關分部份配之項目。例如，分部資產可包括存貨、應收貿易賬款及物業、廠房及設備。分部收入、支出、資產及負債在集團內公司間結餘及集團內公司間交易互相對銷(此乃綜合賬目過程之一部份)前釐定，惟倘此等集團內公司間結餘及交易乃在本集團實體間某單一分部內產生者，則作別論。分部間之定價乃以類似其他外界人士提供之條款為基礎。

分部資本開支乃購入且預期可使用一個期間以上之分部資產(包括有形及無形)所產生之總成本。

未分配項目主要包括財務及企業資產、計息貸款、借款、稅項結餘、企業及融資費用。



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

## (a) Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations as discussed below, which have the most significant effect on the amounts recognized in the financial statements.

(i) Impairment of assets

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgment in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may effect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

(ii) Income taxes

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

## 4. 關鍵會計估計及判斷

## (a) 判斷

於應用本集團之會計政策時，除涉及下文所討論之估計外，管理層已作出下列對於財務報表內確認之款項有最重大影響之判斷。

(i) 資產減值

於釐定某項資產是否出現減值或原先導致減值之事件是否不再存在時，本集團於資產減值方面須作出判斷，尤其是於評估下列各項時：(1)可能影響資產價值之某項事件是否已發生或影響資產價值之有關事件是否不存在；(2)某項資產之賬面值是否可由未來現金流量之現值淨額支持，這根據資產之持續使用或撇除確認予以估計；及(3)於編製現金流量預測（包括該等現金流量預測是否採用適當比率予以貼現）時將予以應用之適當關鍵假設。管理層選用以釐定減值水平之假設之變動（包括現金流量預測之貼現率或增長率假設）可能對減值測試所採用之現值淨額產生重大影響。

(ii) 所得稅

遞延稅項乃採用負債法根據於結算日資產及負債之稅基與彼等就財務申報而言之賬面值間之所有暫時差額予以撥備。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

## (a) Judgments (continued)

(ii) Income taxes (continued)

Deferred tax assets are recognized for unused tax losses carried forward to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilized, based on all available evidence. Recognition primarily involves judgment regarding the future performance of the particular legal entity or tax group in which the deferred tax asset has been recognized. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realized, such as the existence of taxable temporary differences, tax planning strategies and the periods in which estimated tax losses can be utilized. The carrying amount of deferred tax assets and related financial models and budgets are reviewed at each balance sheet date and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilization periods to allow utilization of the carry forward tax losses, the asset balance will be reduced and charged to the income statement.

## (b) 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 the Group's assets and liabilities within the next financial year are discussed below.

(i) Impairment test of assets

The Group determines whether an asset is impaired at least on an annual basis or where an indication of impairment exists. This requires an estimation of the value in use of the asset. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

## 4. 關鍵會計估計及判斷(續)

## (a) 判斷(續)

(ii) 所得稅(續)

就結轉之未使用稅項虧損確認遞延稅項資產，惟以未來應課稅溢利可能可獲得，就此，根據所有可獲得之憑證，未使用稅項虧損可予以使用者為限。確認主要涉及有關遞延稅項資產已獲確認之特定合法實體或稅務集團之未來表現之判斷。於考慮是否有可令人信服之證據表明若干部分或全部遞延稅項資產將可能最終得以實現(例如應課稅暫時差額之存在、稅務規劃策略及估計稅務虧損可予以使用之期間)時亦評估其他各種不同因素。遞延稅項資產之賬面值及相關財務模式及判斷於各個結算日予以檢討，及倘若有不充分可令人信服證據表明足夠應課稅溢利於允許使用結轉稅項虧損之使用期間內將可獲得，則資產結餘將予以削減及於損益表內扣除。

## (b) 估計不明朗因素

有關未來及於結算日對之其他主要估計不明朗因素(其有導致對於未來財政年度內對本集團之資產及負債之賬面值作出重大判斷之重要風險)之關鍵假設討論如下。

(i) 資產之減值測試

本集團至少按年或於有減值跡象存在時釐定某項資產是否出現減值。這要求估計該資產之使用價值。估計使用價值要求本集團對來自資產之預期未來現金流量作出估計，並選擇適當貼現率以計算該等現金流量之現值。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS  
(continued)

## (b) Estimation uncertainty (continued)

(ii) Income taxes

The Group reviews the carrying amount of deferred tax assets, if any, at each balance sheet date and reduces the amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. This requires an estimation of the future taxable profits. Estimating the future taxable profits requires the Group to make an estimate of the expected future earnings from the Group and also to choose a suitable discount rate in order to calculate the present value of the earnings.

(iii) Depreciation of property, plant and equipment

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

## 4. 關鍵會計估計及判斷(續)

## (b) 估計不明朗因素(續)

(ii) 所得稅

本集團於各個結算日檢討遞延稅項資產(如有)之賬面值,並將款額減少至不再有可能可獲得足夠應課稅溢利以允許所有或部份遞延稅項資產可予以使用之程度。這要求估計未來應課稅溢利。估計未來應課稅溢利要求本集團之預期未來盈利作出估計,並選擇適當貼現率以計算盈利之現值。

(iii) 物業、廠房及設備之折舊

物業、廠房及設備於計及彼等之估計剩餘價值後以直線法按彼等之估計可使用年期予以折舊。可使用年期及剩餘價值之釐定涉及管理層判斷。本集團每年評估物業、廠房及設備之剩餘價值及可使用年期,及倘預期不同於原有估計,則有關差異可能影響估計出現變動之年度及未來期間之折舊。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 5. REVENUE

(a) An analysis of the Group's turnover for the year is as follows:

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Sales of goods 出售商品	<b>29,776</b>	14,692

## 5. 收益

(a) 本集團年內之營業額分析如下：

(b) An analysis of the Group's other revenue and net income for the year is as follows:

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Bank interest income 銀行利息收入	<b>873</b>	332
Gain on disposal of subsidiaries (note 25) 出售附屬公司收益(附註25)	-	1,727
Net foreign exchange gain 外匯收益淨額	-	1
Sundry income 雜項收入	<b>1,449</b>	1,444
	<b>2,322</b>	3,504

(b) 本集團年內之其他收益及收入淨額分析如下：

## 6. FINANCE COSTS

Imputed interest expense on the convertible bond (note 24) 可換股債券之推算利息開支(附註24)

	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Imputed interest expense on the convertible bond (note 24) 可換股債券之推算利息開支(附註24)	-	276

## 6. 財務費用

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

### 7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

### 7. 除稅前虧損

除稅前虧損已扣除下列各項：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)		
– salaries and allowances	– 薪金及津貼	2,920	1,995
– equity-settled share-based payments	– 以權益方式結算及以股份為基礎之付款	2,849	5,824
– contributions to defined contributions retirement benefits schemes	– 向界定供款退休福利計劃供款	74	39
		<b>5,843</b>	7,858
Auditors' remuneration	核數師酬金	200	300
Depreciation of property, plant and equipment	物業、廠房及設備折舊	59	51
Operating lease rentals in respect of rented premises	有關租賃物業之經營租賃租金	130	147
Carrying amount of inventories sold	已售存貨之賬面值	28,821	13,850
Other equity-settled share-based payments – consultants' fees	其他以權益方式結算及以股份為基礎之付款 – 顧問費用	7,073	–

### 8. INCOME TAX

Hong Kong profits tax is calculated at 17.5% (2007: 17.5%) of the estimated assessable profit arising in or derived from Hong Kong. Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdictions.

No provision for Hong Kong profits tax and income tax of other jurisdictions has been made as the Group has no assessable profits for the year (2007: Nil).

No deferred tax has been recognized for the year as there are no material temporary differences which will result in a liability to be payable in the foreseeable future and the stream of taxable profits which will be available to utilize the tax losses is unpredictable.

### 8. 所得稅

香港利得稅按年內估計應課稅溢利的17.5%計算(二零零七年: 17.5%)。於其他司法權區產生之稅項按有關司法權區當時適用的稅率計算。

由於本集團於本年度內並無產生應課稅溢利，故並無於財務報表內就香港利得稅及其他司法權區之收入稅作出撥備(二零零七年: 無)。

由於並無重大暫時差異引致在可見將來須支付負債，且無法預測可用作抵銷稅項虧損之應課稅溢利流量，故年內並無確認遞延稅項。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 8. INCOME TAX (continued)

The tax for the year can be reconciled to the accounting profit/(loss) as follows:

## 8. 所得稅

可與會計溢利／(虧損)對賬之年度稅項如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Loss before tax	除稅前虧損	<b>(13,369)</b>	(6,628)
Tax at the applicable rate of 17.5% (2007: 17.5%)	按17.5%之適用稅率 (二零零七年：17.5%)計算之稅項	<b>2,340</b>	1,160
Tax effect of income not taxable	毋須課稅收入之稅務影響	<b>153</b>	3,238
Tax effect of expenses not deductible and loss not allowable	不可扣除開支及不可扣稅虧損 之稅務影響	<b>(2,162)</b>	(246)
Tax effect of estimated tax losses not recognized	未確認估計稅項虧損之稅務影響	<b>(554)</b>	(547)
Tax effect of temporary differences not recognized	未確認暫時差異之稅務影響	<b>4</b>	13
Tax effect of utilization of tax loss previously not recognized	動用未於先前確認之稅項虧損 之稅務影響	<b>219</b>	-
Other	其他	-	(3,618)
Income tax credit/(charge)	所得稅計入／(扣除)	-	-

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

**9. LOSS PER SHARE**

The basic loss per share is calculated based on the loss attributable to equity holders of the Company of approximately HK\$13,369,000 (2007: approximately HK\$6,628,000) and the weighted average number of 895,834,747 (2007: 644,231,554) ordinary shares in issue during the year.

Diluted loss per share for the years ended 31 March 2008 and 31 March 2007 have not been disclosed as the share options and warrants and the convertible bond outstanding during these years had an anti-dilutive effect on the basic loss per share for these years.

**10. DIVIDEND**

No dividend has been paid during the year nor proposed for the year (2007: Nil).

**11. BUSINESS AND GEOGRAPHICAL SEGMENTS****(i) Business segments**

No business segment information is presented as the Group's operations for the years ended 31 March 2008 and 31 March 2007 were related solely to the sales of healthcare products in Hong Kong.

**(ii) Geographical segments**

In determining the Group's geographical segments, revenue is attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. No geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in and over 90% of the Group's assets are located in the People's Republic of China, including Hong Kong.

**9. 每股虧損**

本公司權益持有人應佔之每股基本虧損乃根據年內之本公司權益持有人應佔綜合虧損約13,369,000港元(二零零七年:約6,628,000港元)及已發行普通股之加權平均數895,834,747股(二零零七年:644,231,554股)普通股計算。

由於截至二零零八年三月三十一日及二零零七年三月三十一日止年度期間未行使的購股權及認股權證及可換股債券對該等年度每股基本虧損具反攤薄效果,因此並無陳列該等年度之每股攤薄虧損。

**10. 股息**

本年度並無派發或建議派發股息(二零零七年:無)。

**11. 業務及地區分類****(i) 業務分類**

本集團截至二零零八年三月三十一日及二零零七年三月三十一日止年度之相關經營業務為僅在香港出售保健產品,因此並無陳列業務分類資料。

**(ii) 地區分類**

在決定本集團之地區分類時,收益所歸屬之業務按顧客地區決定,而資產所歸屬之業務按資產所在地決定。本集團超過90%收益來自及超過90%資產位於中華人民共和國(包括香港),因此並無陳列地區分類資料。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 12. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

## (i) Directors' emoluments

The emoluments paid or payable to each of the Company's directors are as follows:

## 12. 董事及五名最高薪僱員之酬金

## (i) 董事酬金

已付或應付本公司各董事之酬金如下：

2008 二零零八年	Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及 其他利益 HK\$'000 千港元	Share-based payments 以股份為 基礎之付款 HK\$'000 千港元	Contributions to retirement benefits 退休福利 計劃供款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Executive directors:</b>					
<b>執行董事：</b>					
Mr. Wong Chun Keung (Resigned on 21 January 2008)	黃進強先生 (於二零零八年一月二十一日辭任)	-	-	-	-
Mr. Wong Mo Wah Gordon (Resigned on 21 January 2008)	王武權先生 (於二零零八年一月二十一日辭任)	-	88	-	5
Mr. Fung Cheuk Nang Clement (Resigned on 9 October 2007)	馮卓能先生 (於二零零七年十月九日辭任)	-	-	-	-
Mr. Ng Tin Shui (Resigned on 9 October 2007)	吳天墜先生 (於二零零七年十月九日辭任)	-	-	-	-
Mr. Liu Jing (Appointed on 21 January 2008)	劉京先生 (於二零零八年一月二十一日獲委任)	-	236	-	3
Mr. Chu Hon Pong (Appointed on 9 October 2007)	朱漢邦先生 (於二零零七年十月九日獲委任)	-	236	-	3
Mr. Li Heguo (Appointed on 9 October 2007)	李和國先生 (於二零零七年十月九日獲委任)	-	141	708	3
Mr. An Jinping (Appointed on 9 October 2007)	安錦平先生 (於二零零七年十月九日獲委任)	-	24	-	1
Mr. Li Junhong (Appointed on 21 January 2008)	李俊宏先生 (於二零零八年一月二十一日獲委任)	-	94	-	3
Ms. Tong Pui Chi Lucia	唐佩芝小姐	-	445	708	12
Mr. Law Kwok Chung (Appointed on 21 January 2008)	羅國忠先生 (於二零零八年一月二十一日獲委任)	-	94	-	2
<b>Non-executive director:</b>					
<b>非執行董事：</b>					
Dr. Neil Kai Gu (Appointed on 21 January 2008)	顧凱夫博士 (於二零零八年一月二十一日獲委任)	47	-	-	-
<b>Independent non-executive directors:</b>					
<b>獨立非執行董事：</b>					
Mr. Chu Kar Wing	朱嘉榮先生	96	-	94	-
Dr. Loke Hoi Lam	陸海林博士	96	-	94	-
Mr. Ku Ling Yu John	顧陵儒先生	96	-	94	-
Total	總計	335	1,358	1,698	32



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 12. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS (continued)

## 12. 董事及五名最高薪僱員之酬金(續)

## (i) Directors' emoluments (continued)

## (i) 董事酬金(續)

	Fees	Salaries	Share-based	Contributions	Total
		and other	payments	to retirement	
2007		benefits		benefits	
二零零七年	袍金	薪金及 其他利益	以股份為 基礎之付款	退休福利 計劃供款	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
<b>Executive directors:</b> 執行董事:					
Mr. Wong Chun Keung	—	—	—	—	—
Mr. Wong Mo Wah Gordon	—	189	886	8	1,083
Mr. Fung Cheuk Nang Clement	—	—	886	—	886
Ms. Tong Pui Chi Lucia	—	311	886	9	1,206
Mr. Ng Tin Shui (Appointed on 13 July 2006)	—	—	—	—	—
<b>Independent non-executive directors:</b> 獨立非執行董事:					
Mr. Chu Kar Wing	96	—	—	—	96
Dr. Loke Hoi Lam	96	—	—	—	96
Mr. Ku Ling Yu John	96	—	—	—	96
Total	288	500	2,658	17	3,463

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2007: Nil).

於年內，本集團並無向董事支付任何酬金，作為彼等加盟本集團或於加盟時之誘金或作為離職賠償(二零零七年：無)。

During the year, Mr. Li Heguo waived emoluments of HK\$128,710, Mr. Chu Hon Pong waived emoluments of HK\$128,710, Mr. An Jinping waived emoluments of HK\$194,645, Ms. Tong Pui Chi Lucia waived emoluments of HK\$48,226, Mr. Wong Chun Keung waived emoluments of HK\$462,967, Mr. Fung Cheuk Nang Clement waived emoluments of HK\$237,806, Mr. Wong Mo Wah Gordon waived emoluments of HK\$286,516 and Mr. Ng Tin Shui waived emoluments of HK\$237,806 (2007: Mr. Wong Chun Keung waived emoluments of HK\$576,000, Mr. Fung Cheuk Nang Clement waived emoluments of HK\$456,000, Ms. Tong Pui Chi Lucia waived emoluments of HK\$162,000, Mr. Wong Mo Wah Gordon waived emoluments of HK\$215,000 and Mr. Ng Tin Shui waived emoluments of HK\$327,290).

於本年度，李和國先生豁免酬金128,710港元，朱漢邦先生豁免酬金128,710港元，安錦平先生豁免酬金194,645港元及唐佩芝小姐豁免酬金48,226港元、黃進強先生豁免酬金462,967港元、馮卓能先生豁免酬金237,806港元、王武樺先生豁免酬金286,516港元及吳天墜先生豁免酬金237,806港元(二零零七年：黃進強先生豁免酬金576,000港元、馮卓能先生豁免酬金456,000港元、唐佩芝小姐豁免酬金162,000港元；王武樺先生豁免酬金215,000港元及吳天墜先生豁免酬金327,290港元)。

The directors consider that they are the only key management personnel of the Group and details of their compensation have been set out above.

董事認為，彼等為本集團之唯一主要管理層人員，有關彼等賠償之詳情載於上文。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 12. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS (continued)

## (ii) Five highest paid employees

During the year, the five highest paid individuals included three (2007: two) directors, of whom one was previously a non-director highest paid individual appointed as director on 21 January 2008, details of whose emoluments are set out above. The emoluments of the previously non-director highest paid individual before appointment as director and the other two (2007: two) non-director highest paid individuals are as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Salaries and other benefits	薪金及其他利益	548	736
Discretionary bonuses	酌情花紅	47	59
Contributions to retirement benefits schemes	退休福利計劃供款	17	30
Share-based payments	以股份為基礎之付款	1,152	3,165
		<b>1,764</b>	<b>3,990</b>

Emoluments of the non-director highest paid individuals, including the one who was appointed as director on 21 January 2008, fell within the following band:

		Number of individuals 人數	
		2008 二零零八年	2007 二零零七年
Within HK\$1,000,000	1,000,000港元內	3	3

## 12. 董事及五名最高薪僱員之酬金(續)

## (ii) 五名最高薪僱員

於本年度，本集團之五名最高薪人士包括三名(二零零七年：兩名)董事(其中一名之前為非董事最高薪人士，於二零零八年一月二十一日獲委任為董事，其酬金詳情已於上文載列)。獲委任為董事前為非董事之最高薪人士及其他兩名(二零零七年：兩名)最高薪人士(非董事)之酬金如下：

最高薪人士(非董事)(包括一名於二零零八年一月二十一日獲委任為董事之人士)之酬金介於下列範圍：

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

### 13. PROPERTY, PLANT AND EQUIPMENT The Group

### 13. 物業、廠房及設備 本集團

		Computer equipment and systems 電腦設備 及系統 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Cost:</b>	<b>成本：</b>			
At 1 April 2006	於二零零六年四月一日	42	41	83
Additions	添置	26	133	159
At 31 March 2007 and 1 April 2007	於二零零七年三月三十一日及 二零零七年四月一日	68	174	242
Additions	添置	13	-	13
At 31 March 2008	於二零零八年三月三十一日	81	174	255
<b>Accumulated depreciation and impairment:</b>	<b>累計折舊及減值：</b>			
At 1 April 2006	於二零零六年四月一日	9	1	10
Charges for the year	年度費用	18	33	51
At 31 March 2007 and 1 April 2007	於二零零七年三月三十一日及 二零零七年四月一日	27	34	61
Charges for the year	年度費用	24	35	59
At 31 March 2008	於二零零八年三月三十一日	51	69	120
<b>Net carrying amounts: At 31 March 2008</b>	<b>賬面淨值： 於二零零八年三月三十一日</b>	<b>30</b>	<b>105</b>	<b>135</b>
At 31 March 2007	於二零零七年三月三十一日	41	140	181

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 14. INVESTMENTS IN SUBSIDIARIES

## 14. 於附屬公司之投資

		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	40,005	40,005
Provision for impairment losses	減值虧損撥備	(40,005)	(40,005)
		-	-

Details of principal subsidiaries as at 31 March 2008, which materially affected the Group's results or net assets, are set out in note 32.

對本集團業績或資產淨值產生重大影響之重要附屬公司於二零零八年三月三十一日之詳情載於附註32。

## 15. INVENTORIES

## 15. 存貨

		The Group 本集團	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Goods held for sale	持作出售之商品	586	1,867

## 16. AMOUNTS DUE FROM SUBSIDIARIES

## 16. 應收附屬公司款項

		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Amounts due from subsidiaries	應收附屬公司款項	92,991	50,482
Provision for impairment loss:	減值虧損撥備：		
Beginning balance	年初結存	(50,482)	(39,128)
Amount provided during the year	年度撥備金額	-	(11,354)
Amount reversed during the year	年度撥回金額	7,515	-
Ending balance	年終結存	(42,967)	(50,482)
Net carrying amount	賬面淨值	50,024	-

The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

應收附屬公司款項乃無抵押、免息及按要求償還。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

### 17. TRADE AND OTHER RECEIVABLES

### 17. 應收賬款及其他應收款項

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Trade receivables	應收賬款總額	6,014	6,555	-	-
Deposits and prepayments	按金及預付款項	18,435	174	18,379	126
		<b>24,449</b>	6,729	<b>18,379</b>	126

The aging analysis of trade receivables is as follows:

應付賬款之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
0-30 days	0-30天	5,997	5,260	-	-
31-60 days	31-60天	-	1,240	-	-
Over 60 days	60天以上	17	55	-	-
		<b>6,014</b>	6,555	-	-

### 18. CASH AND BANK BALANCES

Cash and bank balances comprise cash held by the Group and short-term bank deposits with original maturity of three months or less.

### 18. 現金及銀行結存

現金及銀行結存包括本集團持有現金及原訂期限為三個月或更短之短期銀行存款。

### 19. TRADE AND OTHER PAYABLES

### 19. 應付賬款及其他應付款項

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Trade payables	應付賬款總額	421	2,641	-	-
Other payables and accruals	其他應付款項及 應計費用	1,134	2,442	101	287
		<b>1,555</b>	5,083	<b>101</b>	287

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 19. TRADE AND OTHER PAYABLES (continued)

The aging analysis of trade payables is as follows:

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
0-30 days	0-30天	421	2,594	-	-
31-60 days	31-60天	-	-	-	-
Over 60 days	60天以上	-	47	-	-
		<b>421</b>	<b>2,641</b>	<b>-</b>	<b>-</b>

## 19. 應付賬款及其他應付款項(續)

應付賬款之賬齡分析如下：

## 20. DEFERRED TAX

The major deferred tax assets/(liabilities) of the Group not recognized are analysed below:

## 20. 遞延稅項

本集團未確認之主要遞延稅項資產/(負債)分析如下：

		Property, plant and equipment 物業、廠房 及設備 HK\$'000 千港元	Unused tax losses 未動用之 稅項虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2006	於二零零六年四月一日	13	7,571	7,584
Net change in deferred tax assets/(liabilities) not recognized for the year	年度未確認之遞延稅項資產/(負債)變動淨值	9	179	188
At 31 March 2007 and 1 April 2007	於二零零七年三月三十一日及二零零七年四月一日	22	7,750	7,772
Change in tax rate	稅率變動	(1)	(443)	(444)
Net change in deferred tax assets/(liabilities) not recognized for the year	年度未確認之遞延稅項資產/(負債)變動淨值	(6)	315	309
<b>At 31 March 2008</b>	<b>於二零零八年三月三十一日</b>	<b>15</b>	<b>7,622</b>	<b>7,637</b>

The Company has no significant deferred tax assets or liabilities not recognized at 31 March 2008 (2007: Nil).

本公司於二零零八年三月三十一日並無重大未確認之遞延稅項資產或負債(二零零七年：無)。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

### 21. SHARE CAPITAL

### 21. 股本

		Number of shares 股份數目 '000 千股	Amount 總值 HK\$'000 千港元
Authorised (ordinary shares of HK\$0.04 each): At 1 April 2006, 31 March 2007 and 2008	法定(每股面值0.04港元之普通股): 於二零零六年四月一日、二零零七年及 二零零八年三月三十一日	5,000,000	200,000
Issued and fully paid (ordinary shares of HK\$0.04 each): At 1 April 2006	已發行及繳足 (每股面值0.04港元之普通股): 於二零零六年四月一日	567,250	22,690
Issue of new shares upon conversion of convertible bond (note (a))	轉換可換股債券時發行 新股份—附註(a)	138,889	5,556
Issue of new shares upon exercise of share options (note (b))	行使購股權時發行新股份—附註(b)	46,000	1,840
At 31 March 2007 and 1 April 2007	於二零零七年三月三十一日及 二零零七年四月一日	752,139	30,086
Issue of new shares under share subscriptions (note (c))	根據股份認購發行新股份—附註(c)	300,000	12,000
Issue of new shares upon exercise of bonus warrants (note (d))	行使紅利認股權證時發行 新股份—附註(d)	969	39
<b>At 31 March 2008</b>	<b>於二零零八年三月三十一日</b>	<b>1,053,108</b>	<b>42,125</b>

Notes:

**(a) Convertible bond**

On 9 October 2006, the convertible bond with an aggregate principal amount of HK\$10,000,000 was converted into 138,888,890 shares of the Company at the price of HK\$0.072 per share.

附註:

**(a) 可換股債券**

於二零零六年十月九日，本金合共10,000,000港元之可換股債券，按每股0.072港元之價格轉換為本公司138,888,890股股份。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

**21. SHARE CAPITAL (continued)****(b) Share options**

Share options granted on 29 November 2006 were exercised by option-holders during the year ended 31 March 2007 to subscribe for a total of 46,000,000 shares in the Company by payment of subscription monies of approximately HK\$7,038,000, of which approximately HK\$1,840,000 was credited to the share capital account and the balance of approximately HK\$5,198,000 was credited to the share premium account.

Share options granted on 16 November 2007 were still outstanding at 31 March 2008.

Details of the share options are set out in note 27.

**(c) Share subscriptions**

On 24 September 2007, 300,000,000 shares of the Company were issued under various subscription agreements, which were approved by resolutions duly passed at an extraordinary general meeting held by the Company on 18 September 2007, to subscribers at a total consideration of approximately HK\$60,000,000, of which approximately HK\$12,000,000 was credited to share capital account and the net balance after expenses of approximately HK\$47,717,000 was credited to the share premium account.

**(d) Bonus warrants**

On 29 June 2007, a bonus issue of warrants, which was approved by a resolution duly passed at an extraordinary general meeting held by the Company on 27 June 2007, was made in the proportion of one bonus warrant for every five shares held by the shareholders on the Register of Members on 27 June 2007, resulting in 150,427,778 warrants being issued. Each bonus warrant entitles the holder thereof to subscribe for one ordinary share at an initial subscription price of HK\$0.60 per share, from the date of issued to 30 June 2010.

On 24 September 2007, the subscription price of the existing bonus warrants was adjusted from HK\$0.60 per share to HK\$0.46 per new share, upon completion of the share subscriptions as mentioned in note (c) above.

Bonus warrants were exercised by warrant holders during the year ended 31 March 2008 to subscribe for shares in the Company by payment of subscription monies of approximately HK\$446,000, of which approximately HK\$39,000 was credited to share capital account and the balance of HK\$407,000 was credited to the share premium account, resulted in a total of 968,989 shares in the Company being issued.

**21. 股本(續)****(b) 購股權**

截至二零零七年三月三十一日止年度，於二零零六年十一月二十九日授出之購股權獲購股權持有人行使，以認購合共46,000,000股本公司股份，方式為支付認購款項約7,038,000港元，其中約1,840,000港元已計入股本賬，而餘下約5,198,000港元則已計入股份溢價賬。

二零零七年十一月十六日授出之購股權於二零零八年三月三十一日尚未行使。

購股權詳情載於附註27。

**(c) 股份認購**

於二零零七年九月二十四日，本公司300,000,000股股份根據各認購協議（該等協議透過於二零零七年九月十八日舉行之本公司股東特別大會上正式通過之決議案獲批准）按總代價約60,000,000港元向認購人發行，其中約12,000,000港元已計入股本賬，而其餘約47,717,000港元則已計入股份溢價賬。

**(d) 紅利認股權證**

於二零零七年六月二十九日，按於二零零七年六月二十七日名列股東名冊之股東每持有五股股份獲派發一份紅利認股權證之比例進行認股權證之紅利發行（透過本公司於二零零七年六月二十七日舉行之股東特別大會上正式通過之決議案獲批准），引致150,427,778份認股權證獲發行。每份紅利認股權證授權其持有人自發行之日起至二零一零年六月三十日，可按每股0.60港元之初步認購價認購一股普通股。

於二零零七年九月二十四日，上文附註(C)提及之股份認購完成時，現有紅利認股權證之認購價由每股0.60港元調整至每股新股份0.46港元。

截至二零零八年三月三十一日止年度，紅利認股權證獲紅利認股權證持有人行使以認購本公司股份，方式為支付認購款項約446,000港元，其中約39,000港元已計入股本賬，而其餘約407,000港元則已計入股份溢價賬，引致本公司總計968,989股股份獲發行。



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

### 22. RESERVES The Group

### 22. 儲備 本集團

		Share premium	Convertible bonds equity reserve	Share options reserve	Translation reserve	Special reserve	Accumulated losses	Total
		股份溢價	可換股債券股本儲備	購股權儲備	換算儲備	特別儲備	累計虧損	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2006	於二零零六年四月一日	18,269	3,036	-	322	(39,998)	(2,330)	(20,701)
Loss for the year	年度虧損	-	-	-	-	-	(6,628)	(6,628)
Transfer to profit or loss on disposal of foreign operations	出售海外業務時轉撥至溢利或虧損	-	-	-	(322)	-	-	(322)
Total recognised income and expense for the year	年度確認收入及開支總額	-	-	-	(322)	-	(6,628)	(6,950)
Recognition of equity-settled share-based payments	確認以權益方式結算及以股份為基礎之付款	-	-	5,824	-	-	-	5,824
Issue of ordinary shares upon exercise of share options	於可換股債券獲轉換時發行普通股	11,022	-	(5,824)	-	-	-	5,198
Issue of ordinary shares upon conversion of convertible bond	行使購股權時發行普通股	4,811	(3,036)	-	-	-	-	1,775
At 31 March 2007 and 1 April 2007	於二零零七年三月三十一日及二零零七年四月一日	34,102	-	-	-	(39,998)	(8,958)	(14,854)
Loss for the year	年度虧損	-	-	-	-	-	(13,369)	(13,369)
Total recognised income and expense for the year	年度確認收入及開支總額	-	-	-	-	-	(13,369)	(13,369)
Recognition of equity-settled share-based payments	確認以權益方式結算及以股份為基礎之付款	-	-	9,922	-	-	-	9,922
Issue of ordinary shares under share subscriptions	根據股份認購發行普通股	47,717	-	-	-	-	-	47,717
Issue of ordinary shares upon exercise of bonus warrants	行使紅利認股權證時發行普通股	407	-	-	-	-	-	407
At 31 March 2008	於二零零八年三月三十一日	82,226	-	9,922	-	(39,998)	(22,327)	29,823

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 22. RESERVES (continued)

## The Company

## 22. 儲備(續)

## 本集團

		Share premium	Convertible bonds equity reserve	Share options reserve	Accumulated losses	Total
		股份溢價	可換股債券股本儲備	購股權儲備	累計虧損	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 April 2006	於二零零六年四月一日	18,270	3,036	-	(37,039)	(15,733)
Loss for the year	年度虧損	-	-	-	(20,662)	(20,662)
Total recognised income and expense for the year	年度確認收入及開支總額	-	-	-	(20,662)	(20,662)
Recognition of equity-settled share-based payments	確認以權益方式結算及以股份為基礎之付款	-	-	5,824	-	5,824
Issue of ordinary shares upon conversion of convertible bond	於可換股債券獲轉換時發行普通股	11,021	-	(5,824)	-	5,197
Issue of ordinary shares upon exercise of share options	行使購股權時發行普通股	4,811	(3,036)	-	-	1,775
At 31 March 2007 and 1 April 2007	於二零零七年三月三十一日及二零零七年四月一日	34,102	-	-	(57,701)	(23,599)
Loss for the year	年度虧損	-	-	-	(4,040)	(4,040)
Total recognised income and expense for the year	年度確認收入及開支總額	-	-	-	(4,040)	(4,040)
Recognition of equity-settled share-based payments	確認以權益方式結算及以股份為基礎之付款	-	-	9,922	-	9,922
Issue of ordinary shares upon share subscriptions	根據股份認購發行普通股	47,717	-	-	-	47,717
Issue of ordinary shares upon exercise of bonus warrants	行使紅利認股權證時發行普通股	407	-	-	-	407
<b>At 31 March 2008</b>	<b>於二零零八年三月三十一日</b>	<b>82,226</b>	<b>-</b>	<b>9,922</b>	<b>(61,741)</b>	<b>30,407</b>

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

**22. RESERVES (continued)**

The Company's reserves available for distribution include the share premium and accumulated profits/(losses). Under the Companies Law (Revised) Chapter 22 of the Cayman Islands (the "Companies Law"), the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution or dividend payments the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends may be declared and paid out of the profits of the Company, realized or unrealized, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution, dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Law.

In the opinion of the directors, as at 31 March 2008, the Company's reserves available for distribution to shareholders amounted to approximately HK\$20,485,000 (2007: Nil).

**23. CAPITAL DISCLOSURE**

The Group's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- (ii) to provide an adequate return to shareholders.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. No changes were made in the objectives, policies and processes during the years ended 31 March 2007 and 2008.

The Group monitors capital on the basis of gearing ratio, which is calculated as total liabilities over total assets. The Group's strategy is to maintain the gearing ratio at a satisfactory level. The gearing ratio as at 31 March 2008 was 2% (2007: 25%).

**22. 儲備(續)**

本公司可分派儲備即股份溢價及累計溢利/(虧損)。根據開曼群島法律第22章公司法(經修訂)(「公司法」),本公司股份溢價可向股東分派或支付股息,惟須遵守本公司組織章程大綱或細則,且只可在本公司於緊隨分派或支付股息後,仍有能力償還於日常業務過程中到期的債務,方何作出分派或支付股息。根據本公司組織章程細則,股息只可從本公司已變現或未變現溢利或從溢利轉撥往董事認為不再需要之任何儲備中撥資宣派或支付。在取得普通決議案的同意下,股息亦可自股份溢價賬或公司法授權可作此用途之任何其他資金或賬目中撥資宣派或支付。

董事認為,於二零零八年三月三十一日,本公司可供向股東分派之儲備約為20,485,000港元(二零零七年:無)。

**23. 資本披露**

本集團於管理資本之目標為:

- (i) 確保企業持續經營之能力,以使其能夠持續為股東提供回報及為利益相關者帶來利益;及
- (ii) 向股東提供充足回報。

本集團根據經濟條件變動及相關資產之風險特性管理資本架構及對其作出調整。為維持或調整資本架構,本集團可能調整向股東支付股息之金額、向股東返還資本、發行新股、或出售資產以減輕負債。截至二零零七年及二零零八年三月三十一日止年度,並無於目標、政策及過程作出變動。

本集團按資產負債比率(總負債除以總資產)基準監控資本。本集團之策略為維持資產負債比率於令人滿意之水平。二零零八年三月三十一日之資產負債比率為2%(二零零七年:25%)。

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## 24. CONVERTIBLE BOND

The Company issued a convertible bond with an aggregate principal amount of HK\$10,000,000 to a creditor on 27 January 2006. The major terms of the convertible bond are as follows:

### Maturity date:

The convertible bond is due and will mature on the fifth anniversary of the date of issue of the convertible bond. The Company shall repay the principal amount outstanding under the convertible bond to the bondholder(s) on the fifth anniversary of the date of issue of the convertible bond.

### Redemption:

Ten certificates in respect of the convertible bond in the principal amount of HK\$1,000,000 each were issued to the creditor by the Company. The convertible bond may be redeemed at the option of the Company in whole (in an amount of HK\$1,000,000 each), but not in part, on giving not less than 30 nor more than 60 days' notice to the bondholder(s) at their principal amount without any interest.

The directors have assessed the fair value of this early redemption right and considered the fair value to be insignificant.

### Interest:

The convertible bond shall not bear any interest.

### Conversion rights:

The bondholder(s) shall have the right to convert the convertible bond in an amount or integral multiple of HK\$1,000,000 of the outstanding principal amount of the convertible bond into shares of HK\$0.04 each in the capital of the Company at any time following the date of issue of the convertible bond at the initial conversion price of HK\$0.072 per share (subject to adjustments).

### Conversion shares:

Assuming full conversion of the convertible bond, the Company will issue 138,888,890 new shares of HK\$0.04 each. The conversion shares will rank pari passu in all respects with the then existing shares in issue.

## 24. 可換股債券

本公司於二零零六年一月二十七日向債權人發行本金總額合共10,000,000港元之債券。債券之主要條款如下：

### 到期日：

可換股債券於可換股債券發行日期起計五周年時到期及屆滿。本公司須於可換股債券發行日期起計五周年屆滿時向可換股債券持有人償還可換股債券之未償還本金額。

### 贖回：

本公司已向債權人發行十份本金額為每份1,000,000港元之可換股債券證書。本公司可選擇透過向可換股債券持有人發出不少於30日亦不超過60日之通知，按本金額（不計任何利息）贖回可換股債券之全部（以每份1,000,000港元計）（但非部份）。

董事已評估此提早贖回權之公平值，並認為該公平值並不重大。

### 利息：

可換股債券並無任何利息。

### 換股權：

債權人有權於可換股債券發行日期後任何時間按初步換股價每股股份0.072港元（可予調整）轉換可換股債券之未償還本金額（金額為1,000,000港元或其完整倍數）為本公司之股本中每股面值0.04港元之股份。

### 換股股份：

假設可換股債券獲全數轉換，本公司將發行138,888,890股每股面值0.04港元之新股份。換股股份將在各方面與當時現有之已發行股份享有同等權益。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

### 24. CONVERTIBLE BOND (continued)

#### Transferability:

Subject to the approval of the Company, the convertible bond may be assigned or transferred to any party or parties other than a party connected with the Company or any of the connected persons as defined in the GEM Listing Rules. The Company has undertaken to the Stock Exchange that it will disclose to the Stock Exchange any dealings by any of the connected persons as defined in the GEM Listing Rules from time to time in the convertible bond immediately upon the Company becoming aware of such dealings.

#### Voting right:

Holder of the convertible bond (or any part thereof) will not be entitled to attend or vote at any shareholders' and/or warrant holders' meetings of the Company by reason only of it being a holder of the convertible bond (or any part thereof).

#### Listing and trading of the convertible bond:

No application will be made for the listing of and permission to deal in the convertible bond on the Stock Exchange or any other stock exchange.

The convertible bond contains two components, liability and equity elements. The equity element is presented in equity headed "Convertible bonds equity reserve". The effective interest rate of the liability component is 7.5%.

The movements of the liability component of the convertible bond for the years ended 31 March 2007 are set out below:

		HK\$'000 千港元
Liability component at 1 April 2006	於二零零六年四月一日之負債部份	7,054
Imputed interest charged	推算利息支出	277
		7,331
Conversion into the Company's shares	轉換為本公司股份	(7,331)
<b>Liability component at 31 March 2007</b>	<b>於二零零七年三月三十一日之負債部份</b>	<b>-</b>

On 9 October 2006, the convertible bond with an aggregate principal amount of HK\$10,000,000 was converted into 138,888,890 shares of the Company at the price of HK\$0.072 per share.

### 24. 可換股債券(續)

#### 轉讓：

待本公司批准後，可換股債券可轉讓或轉售予除與本公司關連之人士或創業板上市規則界定之任何關連人士以外之任何人士。本公司已向聯交所承諾將於知悉任何與創業板上市規則界定之關連人士不時進行可換股債券之任何買賣後，即時向聯交所披露該等買賣。

#### 投票權：

可換股債券(或其任何部份)之持有人將無權僅因其可換股債券(或其任何部份)持有人之身份出席本公司之任何股東及/或認股權證持有人大會或於會上投票。

#### 可換股債券上市及買賣：

本公司將不會申請批准可換股債券於聯交所或任何其他證券交易所上市及買賣。

可換股債券包括兩部分：負債部分及權益部分。權益部分已呈列於權益，標題為「可換股債券權益儲備」。負債部分之有效利率為7.5%。

可換股債券負債部分截至二零零七年三月三十一日止年度之變動如下：

於二零零六年十月九日，本金總額為10,000,000港元之可換股債券以每股0.072港元轉換為本公司138,888,890股股份。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 25. DISPOSAL OF SUBSIDIARIES

On 19 December 2006, the Company disposed of its entire equity interests in its subsidiaries, NCM Shoji Co. Limited and New Chinese Medicine (Website) Limited, at a consideration of HK\$2. Details of the assets and liabilities disposed of are as follows:

		2007 二零零七年 HK\$'000 千港元
Deposits and prepayments	按金及預付款項	1
Other creditors and accruals	其他應付款項及應計費用	(1,406)
		(1,405)
Release of translation reserve	釋出之換算儲備	(322)
Gain on disposal of subsidiaries	出售附屬公司收益	1,727
Total consideration, satisfied by cash	以現金繳付之總代價	-
Net cash inflow arising on disposal	出售產生之現金流入淨額	-

## 26. COMMITMENTS

## (a) Operating lease commitments

As the balance sheet date, the Group's commitments for future minimum lease payments under non-cancelable operating leases are as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Within 1 year	一年內到期	12	130
After 1 year but within 5 years	第二年至第五年到期 (包括首尾兩年)	-	23
		12	153

The operating lease related to warehouse facilities for a term of two years from 5 June 2006 to 4 June 2008 at a monthly rental of HK\$10,800.

## 25. 出售附屬公司

於二零零六年十二月十九日，本公司以代價2港元出售其附屬公司NCM Shoji Co. Limited及新中藥(網頁)有限公司的全數權益。有關出售的資產及負債如下：

## 26. 承擔

## (a) 經營租約承擔

於結算日，本集團根據有關租賃物業之不可撤銷經營租約於以下期內到期之未來最少租金承擔如下：

有關倉庫設備之經營租約自二零零六年六月五日生效，直至二零零八年六月四日終止，為期兩年，每月租金10,800港元。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 26. COMMITMENTS (continued)

## (b) Capital commitments

At the balance sheet date, the capital commitments outstanding not provided for in the financial statements are as follows:

## 26. 承擔(續)

## (b) 資本承擔

於結算日，未於財務報表內撥備之本集團尚未償付之資本承擔如下：

		The Group 本集團		The Company 本公司	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Acquisition of subsidiary contracted for	收購附屬公司 (已訂約)	25,000	—	25,000	—
Deposit paid	已付按金	(15,000)	—	(15,000)	—
		10,000	—	10,000	—

## 27. SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was approved on 1 February 2002 pursuant to a written resolution of the Company.

The purpose of the Share Option Scheme is to enable the Company to grant options to selected individuals to subscribe for shares in the Company as incentives or rewards for their contributions to the Group. The Board may, at its discretion, invite any full-time or part-time employee of the Company or any member of the Group, including any director of any member of the Group and any advisor or consultant (in areas of technical, financial or corporate managerial) of the Company or any of its subsidiaries to take up options to subscribe for the shares in the Company for a consideration of HK\$1 per each lot of share options granted. The Share Option Scheme will remain valid for a period of 10 years commencing on 1 February 2002. The option period shall not be less than 3 years and shall not exceed 10 years from the date of acceptance of option. There is no minimum period for which an option must be held before it can be exercised. HK\$1 is payable on acceptance of an option within 28 days from the date of grant.

## 27. 購股權計劃

本公司根據一項書面決議案於二零零二年二月一日批准本公司之購股權計劃(「購股權計劃」)。

購股權計劃旨在讓本公司向經挑選人士授出可認購本公司股份之購股權，作為彼等對本集團所作貢獻之獎勵或回報。董事會可酌情邀請本公司或本集團任何成員公司之任何全職或兼職僱員，包括本集團任何成員公司之任何董事及本公司或其任何附屬公司之任何顧問或諮詢人(屬於技術、財務或企業管理領域)，以接納可認購本公司股份之購股權，每批所授出購股權之代價為1港元。購股權計劃將於二零零二年二月一日起計十年期間內維持有效。認購股權期間由接納購股權日期起計不得少於三年及不得超過十年。目前並無規定購股權須於行使前持有之最短期間。接納購股權應付之1港元須於授出日期起計28日內支付。

# NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 27. SHARE OPTION SCHEME (continued)

The total number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 46,900,000 shares, which represent 10% of the shares in issue as at 7 March 2002, being the date of listing of the Company's shares on GEM, unless approval from the Company's shareholders has been obtained. The total number of shares issued and to be issued upon exercise of the options granted and to be granted to each individual in any twelve-month period up to and including the date of grant shall not exceed 1% of the shares in issue at the date of grant unless approval from Company's shareholders has been obtained. By an ordinary resolution duly passed at an extraordinary general meeting of the Company held on 8 November 2007, the total number of shares in respect of with options may be granted under the Share Option Scheme was increased to 105,213,889 shares, which represents 10% of the total number of shares in issue at 22 October 2007.

Options may be exercised at any time during the specified option period. The exercise price shall be determined by the directors of the Company, and shall be at least the highest of (i) the closing price of the Company's shares as stated on GEM's daily quotation sheets on the date of grant; (ii) the average closing price of the Company's shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

The overall limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes involving the issue or grant of options must not exceed 30% of the Company's shares in issue from time to time.

## 27. 購股權計劃(續)

根據購股權計劃可授出之購股權涉及之股份總數合計不得超過46,900,000股股份，相等於二零零二年三月七日(本公司股份在創業板上市日期)之已發行股份10%，惟已取得本公司股東批准者除外。於截至授出日期(包括該日)止任何十二個月期間內向每名人士授出及將授出之購股權於行使時已發行及將發行之股份總數不得超過於授出日期之已發行股份1%，惟已取得本公司股東批准者除外。根據一項於二零零七年十一月八日舉行之本公司股東特別大會上正式通過之普通決議案，附有購股權(根據購股權計劃獲授出)之股份總數增至105,213,889股，佔二零零七年十月二十二日已發行股份總數之10%。

購股權可於指定之購股權期間內任何時間行使。行使價須由本公司董事釐定，並至少為下列三者中之最高者：(i)於授出日期在創業板每日報價表載列之本公司股份收市價；(ii)緊接授出日期前五個營業日之本公司股份平均收市價及(iii)本公司股份面值。

根據購股權計劃和涉及發行或授出購股權之任何其他計劃所授出及有待行使之所有尚未行使購股權於行使時可能發行之股份數目整體上限不得超過不時已發行之本公司股份30%。



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For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

### 27. SHARE OPTION SCHEME (continued)

The following table discloses movements of the Company's share options under the Share Option Scheme for the year ended 31 March 2007:

### 27. 購股權計劃(續)

下表披露截至二零零七年三月三十一日止年度購股權計劃下本公司之購股權變動：

Grantee	Date of grant	Exercise price	Exercise period	Outstanding as at 1 April 2006 於二零零六年四月一日 尚未行使之購股權 '000 千股	Granted during the year 年度授出之購股權 '000 千股	Exercised during the year 年度行使之購股權 '000 千股	Outstanding as at 31 March 2007 於二零零七年三月三十一日 尚未行使之購股權 '000 千股
承授人	授出日期	行使價 HK\$ 港元	行使期間				
<b>Director</b>							
<b>董事</b>							
Mr. Wong Mo Wah Gordon	29/11/2006	0.153	29/11/2006 to 28/11/2009	-	7,000	7,000	-
王武樺先生			29/11/2006 至28/11/2009				
Mr. Fung Cheuk Nang Clement	29/11/2006	0.153	29/11/2006 to 28/11/2009	-	7,000	7,000	-
馮卓能先生			29/11/2006 至28/11/2009				
Ms. Tong Pui Chi Lucia	29/11/2006	0.153	29/11/2006 to 28/11/2009	-	7,000	7,000	-
唐佩芝小姐			29/11/2006 至28/11/2009				
Sub-total 小計				-	21,000	21,000	-
Employees	29/11/2006	0.153	29/11/2006 to 28/11/2009	-	25,000	25,000	-
僱員			29/11/2006 至28/11/2009				
Total 總計				-	46,000	46,000	-

The closing share price immediately before the date on which the share options were granted was HK\$0.15. The weighted average share price at the dates of exercise of the share options was HK\$0.18.

緊接授出購股權之前之股份收市價為0.15港元。行使購股權日股份之加權平均價為0.18港元。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

### 27. SHARE OPTION SCHEME (continued)

The fair value of the share options granted during the year was HK\$0.1266 per option and the Group recognized a share option expense of approximately HK\$5,824,000 during the year ended 31 March 2007.

The fair value of equity-settled share options granted during the year was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs into the model used for the year ended 31 March 2007:

Expected volatility: 192.44%  
Risk-free interest rate: 3.475%  
Expected life of option: 3 years

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other feature of the share options granted was incorporated into the measurement of fair value.

The 46,000,000 share options exercised during the year resulted in the issue of 46,000,000 ordinary shares of the Company and new share capital of approximately HK\$1,840,000 and share premium of approximately HK\$11,022,000 (before issue expenses).

### 27. 購股權計劃(續)

年內所授出購股權之公平值為0.1266港元，本集團截至二零零七年三月三十一日止年度確認之購股權開支約為5,824,000港元。

年內授出以權益方式結算及以股份為基礎之購股權公平值按授出日期以畢蘇期權定價模式估計，並考慮授出購股權之條款。下圖列出該模式截至二零零七年三月三十一日的輸入數據：

預計股價波動：192.44%  
無風險息率：3.475%  
購股權預計年期：3年

預計股價波動反映歷史波動反映未來趨勢的估計，但該未來趨勢不一定為實際結果。授出之購股權沒有其他特質計入公平值之計算中。

年內行使的46,000,000購股權令本公司發行46,000,000股普通股及新發行的股本約1,840,000港元及股份溢價約11,022,000港元(扣除發行開支前)。

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For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

### 27. SHARE OPTION SCHEME (continued)

The following table discloses movements of the Company's share options under the Share Option Scheme for the year ended 31 March 2008:

### 27. 購股權計劃(續)

下表披露截至二零零八年三月三十一日止年度購股權計劃下本公司之購股權變動：

Grantee	Date of grant	Exercise price	Exercise period	Outstanding as at 1 April 2007 於二零零七年四月一日 尚未行使之購股權 '000 千股	Granted during the year 年度授出之購股權 '000 千股	Exercised during the year 年度行使之購股權 '000 千股	Outstanding as at 31 March 2008 於二零零八年三月三十一日 尚未行使之購股權 '000 千股
承授人	授出日期	行使價 HK\$ 港元	行使期間				
<b>Director</b>							
<b>董事</b>							
Mr. Li Heguo	16/11/2007	1.1	16/11/2007 to 16/11/2010	-	7,500	-	7,500
李和國先生			16/11/2007 至16/11/2010				
Ms. Tong Pui Chi Lucia	16/11/2007	1.1	16/11/2007 to 16/11/2010	-	7,500	-	7,500
唐佩芝小姐			16/11/2007 至16/11/2010				
Mr. Chu Kar Wing	16/11/2007	1.1	16/11/2007 to 16/11/2010	-	1,000	-	1,000
朱嘉榮先生			16/11/2007 至16/11/2010				
Dr. Loke Hoi Lam	16/11/2007	1.1	16/11/2007 to 16/11/2010	-	1,000	-	1,000
陸海林博士			16/11/2007 至16/11/2010				
Mr. Ku Ling Yu John	16/11/2007	1.1	16/11/2007 to 16/11/2010	-	1,000	-	1,000
顧陵儒先生			16/11/2007 至16/11/2010				
Sub-total 小計				-	18,000	-	18,000
Employees	16/11/2007	1.1	16/11/2007 to 16/11/2010	-	12,219	-	12,219
僱員			16/11/2007 至16/11/2010				
Consultants	16/11/2007	1.1	16/11/2007 to 16/11/2010	-	75,000	-	75,000
顧問			16/11/2007 至16/11/2010				
Total 總計				-	105,219	-	105,219

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For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 27. SHARE OPTION SCHEME (continued)

The closing share price immediately before the date on which the share options were granted was HK\$1.1.

The fair value of the share options granted during the year was HK\$0.0943 per option and the Group recognized a share option expense of approximately HK\$9,922,000 during the year ended 31 March 2008.

The fair value of equity-settled share options granted during the year was estimated as at the date of grant, using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs into the model used for the year ended 31 March 2008:

Expected volatility: 83.23%  
Risk-free interest rate: 2.705%  
Expected life of option: 3 years

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other feature of the share options granted was incorporated into the measurement of fair value.

## 28. RETIREMENT BENEFIT SCHEME

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group and its employees are each required to contribute 5% of relevant payroll costs to the scheme. During the year ended 31 March 2008, the total amount contributed by the Group to the scheme and charged to the consolidated income statement amounted to approximately HK\$74,000 (2007: HK\$39,000). As at 31 March 2008, there were no forfeited contributions available for the Group to offset contributions payable in future years (2007: Nil).

## 27. 購股權計劃 (續)

緊隨授出購股權之前之股份收市價為1.1港元。

年內所授出購股權之公平值為0.0943港元，本集團截至二零零八年三月三十一日止年度確認之購股權開支約為9,922,000港元。

年內授出以權益方式結算及以股份為基礎之購股權公平值按授出日期以畢蘇期權定價模式估計，並考慮授出購股權之條款。下圖列出該模式截至二零零八年三月三十一日的輸入數據：

預計股價波動：83.23%  
無風險息率：2.705%  
購股權預計年期：3年

預計股價波動反映歷史波動反映未來趨勢的估計，但該未來趨勢不一定為實際結果。授出之購股權沒有其他特質計入公平值之計算中。

## 28. 退休福利計劃

本集團為所有香港合資格僱員參加強制性公積金計劃。該計劃之資產乃與本集團之資產分開，並由受託人控制。本集團及僱員各按有關薪金之5%作出供款。截至二零零八年三月三十一日止年度，本集團參加強制性公積金計劃並於綜合損益表中扣除之供款總額約為74,000港元（二零零七年：39,000港元）。於二零零八年三月三十一日，本集團並無可抵銷未來年度應付供款之沒收供款（二零零七年：無）。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

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## 29. LITIGATION

The Group was involved in the following litigations:

- (a) A writ of summons was filed by two plaintiffs against, among others, Wondergold Limited ("Wondergold"), a subsidiary of the Company, on 4 January 2005 regarding, inter alia, a claim for breach of an agreement by Wondergold and other losses and damages (including but not limited to the damages for breach of trust by Wondergold, damages for detinue and/or conversion and the net proceeds for sale of goods and the repayment of HK\$1,500,000 which was already repaid by Wondergold) alleged to be suffered by the plaintiffs. The plaintiffs also sought an injunction against Wondergold to restrain Wondergold from selling or disposing of or in any way deal with the said goods. It was adjudged and declared by the High Court of Hong Kong on 16 June 2006, the goods and those remaining unsold as pleaded in the Amended Statement of Claim as at 22 November 2004 are the property of one of the plaintiffs. It was further adjudged that Wondergold has to give an account as at 22 November 2004 of all sales of the goods achieved on the premises, of the net proceeds of those sales and of the goods remaining unsold on the premises and an order for payment to one of the plaintiffs, of all sum found due on the taking of the account and all further proper accounts, inquiries and directions as pleaded in the Amended Statement of Claim; damages for detinue and/or conversion to be assessed; and costs of the High Court action. On 8 August 2006, Wondergold's monthly profit and loss accounts were presented to the plaintiffs' lawyer. As at the date of approval of these financial statements, no further action was taken by the two plaintiffs. The directors consider that no further provision in respect of the claim is necessary.
- (b) A writ of summons was filed by Brilliant Wealth Investment Limited in the District Court against Wondergold on 20 September 2005 for arrears of rent, rates, management fees, air-conditioning charges and mesne profits in the sum of HK\$568,371.55 and for damages to be assessed. It was adjudged by the District Court of Hong Kong on 6 March 2006 that Wondergold has to pay the plaintiff the sum of HK\$568,371.55 together with interest thereon, which had been fully provided for in Wondergold's financial statements. As at the date of approval of these financial statements, no further action was taken by the plaintiff.

## 29. 訴訟

本集團涉及以下訴訟：

- (a) 兩名原告人於二零零五年一月四日對(其中包括)本公司之附屬公司暉富有限公司(「暉富」)發出傳訊令狀,就(其中包括)暉富違反協議及原告人聲稱所蒙受之其他損失及損害(包括但不限於暉富違反信託之損害、非法扣留及/或侵佔之損害以及出售貨品之所得款項淨額以及償還隨後暉富已償還之1,500,000港元)提出申索。原告人亦尋求對暉富頒佈禁制令,禁止暉富出售或處置或以任何形式買賣上述貨品。香港高等法院於二零零六年六月十六日裁定及宣判於二零零四年十一月二十二日經修訂的索償書中所陳述的貨物及該等未經出售之貨物為其中一名原告人之貨物,高等法院並裁定暉富須就二零零四年十一月二十二日所有於處所內出售之貨物、出售淨額及處所未出售之剩餘貨物報賬,並支付其中一名原告人所有賬目中及其他妥當賬目的款項,解釋陳述於經修訂的索償書中的疑問並遵照指示行動;支付待評估的非法扣留及/或侵佔之損害;及高等法院之訴訟費用。於二零零六年八月八日,暉富之每月損益表已呈交原告人之律師。截至本財務報表獲批准日,兩名原告人並沒有再作出進一步行動。董事認為並無需要為該索償作出進一步之撥備。
- (b) Brilliant Wealth Investment Limited於二零零五年九月二十日在區域法院發出針對暉富之傳訊令狀,內容有關結欠租金、差餉、管理費、空氣調詳費及中間收益568,371.55港元及有待評定之損失。香港區域法院於二零零六年三月六日作出裁決,暉富須向原告人支付568,371.55港元(連同利息),該款項已於暉富之財務報表內全數撥備。截至本財務報表獲批准日,原告人並沒有再作出進一步行動。

# NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 30. EVENTS AFTER THE BALANCE SHEET DATE

- (a) On 30 April 2008, a resolution was duly passed at an extraordinary general meeting held by the Company to approve a second supplemental agreement dated 3 April 2008 entered into between the Company and K.K.M. Securities Limited relating to the extension of the completion of the placing of 400,000,000 new shares of the Company at HK\$1.00 per new share, which had been approved by a resolution duly passed at an extraordinary general meeting held by the Company on 31 January 2008 and to be completed on or before 30 April 2008, for another 3 months from 30 April 2008.

No new shares have been issued under the placing agreement up to the date of this approval of these financial statements.

- (b) On 30 April 2008, a resolution was duly passed at an extraordinary general meeting held by the Company to approve a sale and purchase agreement dated 18 December 2007 and a supplemental agreement dated 9 January 2008 entered into between the Company and 中民實業有限公司, a connected person of the Company under the GEM Listing Rules, relating to the acquisition of the entire issued and paid up capital of 北京中民安園投資有限公司 (a company which was incorporated in the People's Republic of China ("PRC") and had entered into 8 acquisition agreements with the respective owners of 8 cemetery companies to acquire shares in the cemetery companies at a total consideration of RMB248 million) at a consideration of HK\$25 million of which HK\$15 million was paid as deposit (details were disclosed in a circular issued by the Company on 14 April 2008).

The acquisitions have not been completed up to the date of approval of these financial statements.

## 30. 結算日後事項

- (a) 於二零零八年四月三十日，本公司舉行之股東特別大會上正式通過一項決議案，批准本公司與新同得有限公司就推遲配售協議之完成於二零零八年四月三日訂立之第二份補充協議，自二零零八年四月三十日起另三個月內完成本於二零零八年四月三十日或之前完成之按每股新股份1.00港元配售本公司400,000,000股新股份(透過本公司於二零零八年一月三十一日舉行之股東特別大會上正式通過之一項決議案獲批准)。

截至該等財務報表獲批准之日止，並無新股份根據配售協議獲發行。

- (b) 於二零零八年四月三十日，本公司於舉行之股東特別大會上正式通過一項決議案，批准本公司與中民實業有限公司(根據創業板上市規則，為本公司之關連人士)於二零零七年十二月十八日訂立之買賣協議及二零零八年一月九日訂立之補充協議，內容有關按代價25,000,000港元收購北京中民安園投資有限公司(一間於中華人民共和國(「中國」)註冊成立之公司，該公司與8間墓園公司之各自擁有人訂立8份收購協議，按總代價人民幣248,000,000元收購該等墓園公司之股份)之全部已發行及繳足股本，其中支付15,000,000港元作為按金(詳情載於本公司二零零八年四月十四日發出之通函)。

收購事項截至該等財務報表獲批准之日尚未完成。

# NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 31. FINANCIAL INSTRUMENTS

The Group's major financial instruments include bank balances, trade and other receivables, trade and other payables and convertible bond. Details of these financial instruments are disclosed in the 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.

### (a) Market risk

#### (i) Currency risk

Foreign currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. The directors consider that the Group does not have significant foreign currency risk.

#### (ii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets and liabilities as at 31 March 2008, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

#### (iii) Price risk

The Group is not subject to significant price risk.

### (b) Credit risk

Credit risk arises from the possibility that the counterparty to a transaction is unwilling or unable to fulfill its obligation with the results that the Group thereby suffers financial loss. The carrying amounts of trade and other receivables, and bank balances and cash included in the consolidated balance sheet represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk. The Group monitors the trade receivables on an ongoing basis and only trades with creditworthy third parties. In addition, all the Group's bank balances and cash are deposited with major banks in Hong Kong. The Group has policies in place for the control and monitoring of such credit risk.

### (c) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

## 31. 財務工具

本集團之主要財務工具包括銀行結餘、應收賬款及其他應收款項、應付賬款及其他應付賬項及可換股債券。此等財務工具之詳情於有關附註內披露。與此等財務工具有關之風險及如何減低相關風險之政策載於下文。管理層管理及監控該等風險，以確保及時採取有效措施。

### (a) 市場風險

#### (i) 貨幣風險

外幣風險於未來商業交易及已確認資產與負債以非本集團功能貨幣面值呈列時產生。董事認為本集團沒有重大貨幣風險。

#### (ii) 現金流及公平值利率風險

由於本集團截至二零零八年三月三十一日沒有重大附息資產及負債，本集團之收益及經營現金流大致不受市場利率轉變影響。

#### (iii) 價格風險

本集團並未受到重大價格風險影響。

### (b) 信貸風險

信貸風險於交易對方可能不願意或不能夠承擔責任時產生，令本集團承受財務虧損。貿易及其他應收款項，及銀行結餘及現金於綜合資產負債表之賬面值乃本集團就財務資產之最高可承受信貸風險，此外並沒有其他財務資產面對信貸風險的威脅。本集團一直監管貿易應收款項，並只與可信賴的第三方進行貿易。而且，本集團所有銀行結餘及現金均存款於香港主要銀行。本集團有合適的政策監控該信貸風險。

### (c) 流動資金風險

就管理流動資金風險而言，本集團監督及維持其視為足以為本集團營運提供資金，以及減輕現金流量波動影響之現金及現金等值物水平。管理層定期審閱其主要資金狀況，以確保具備足夠財務資源以符合其財務責任。

## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

## 32. PARTICULARS OF PRINCIPAL SUBSIDIARIES

## 32. 附屬公司詳情

Name of subsidiary 附屬公司名稱	Place of incorporation 註冊成立地點	Legal form 法定類別	Issued and fully paid up share capital 已發行及全面繳足股本	Proportion of nominal value of issued share capital held by the Company		Principal activities (Place of operation) 主要業務 (營業地點)
				Directly 直接 %	Indirectly 間接 %	
New Chinese Medicine (BVI) Limited	British Virgin Islands 英屬處女群島	Limited liability company 有限責任公司	Ordinary 普通股 US\$200 200美元	100	–	Investment holding 投資控股 (Hong Kong) (香港)
New Chinese Medicine Limited 新醫藥有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary 普通股 HK\$10,000 10,000港元	–	100	Investment holding and provision of secretarial services 投資控股及提供秘書服務 (Hong Kong) (香港)
New Chinese Medicine (HK) Limited 新中藥(香港)有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary 普通股 HK\$10,000 10,000港元	–	100	Inactive 暫無營業 (Hong Kong) (香港)
Wonggold Limited 暉富有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary 普通股 HK\$10,000 10,000港元	–	100	Inactive 暫無營業 (Hong Kong) (香港)
Harvest Rich Limited 勤億有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary 普通股 HK\$10,000 10,000港元	–	51	Inactive 暫無營業 (Hong Kong) (香港)
NCM Group (BVI) Limited	British Virgin Islands 英屬處女群島	Limited liability company 有限責任公司	Ordinary 普通股 US\$1 1美元	100	–	Investment holding 投資控股 (Hong Kong) (香港)



## NOTES TO FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

### 32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

### 32. 附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation 註冊成立地點	Legal form 法定類別	Issued and fully paid up share capital 已發行及全面繳足股本	Proportion of nominal value of issued share capital held by the Company 本公司持有已發行股本面值百分比		Principal activities (Place of operation) 主要業務 (營業地點)
				Directly 直接 %	Indirectly 間接 %	
NCM Healthcare Limited 新醫藥保健有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary 普通股 HK\$2 2港元	–	100	Trading of healthcare products 保健產品貿易 (Hong Kong) (香港)
NCM Healthcare (HK) Limited 新醫藥保健(香港)有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary 普通股 HK\$2 2港元	–	100	Trading of healthcare products 保健產品貿易 (Hong Kong) (香港)
Asia Honest (H.K.) Limited 誠宇(香港)有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary 普通股 HK\$1 1港元	–	100	Provision of management services 提供管理服務 (Hong Kong) (香港)
Quick Faith Limited	British Virgin Islands 英屬處女群島	Limited liability company 有限責任公司	Ordinary 普通股 US\$1 1美元	–	100	Inactive 暫無營業 (Hong Kong) (香港)
北京中民安園經濟諮詢有限公司	The People's Republic of China 中華人民共和國	Limited liability company 有限責任公司	Ordinary 普通股 HK\$20,000,000 20,000,000港元	–	100	Business consultancy 商業諮詢 (The People's Republic of China) (中華人民共和國)

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

概無附屬公司擁有任何於本年度完結時或本年度內任何時間存在之債務證券。

# FINANCIAL SUMMARY 財務摘要

For the year ended 31 March 2008 截至二零零八年三月三十一日止年度

The summarised consolidated results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements of the Group, are set out below:

本集團過去五個財政年度之綜合業績、資產及負債概述(摘錄自本集團經審核財務報表)載列如下:

## RESULTS

## 業績

		Year ended 31 March 截至三月三十一日止年度				2008
		2004	2005	2006	2007	2008
		二零零四年	二零零五年	二零零六年	二零零七年	二零零八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Turnover	營業額	636	8,011	9,016	14,692	<b>29,776</b>
Loss before tax	除稅前虧損	(23,882)	(3,425)	(1,332)	(6,628)	<b>(13,369)</b>
Income tax	所得稅	(5)	-	-	-	-
Loss before minority interests	除少數股東權益前虧損	(23,887)	(3,425)	(1,332)	(6,628)	<b>(13,369)</b>
Minority interests	少數股東權益	-	5	-	-	-
Loss attributable to equity holders	股本持有人應佔虧損	(23,887)	(3,420)	(1,332)	(6,628)	<b>(13,369)</b>

## ASSETS AND LIABILITIES

		As at 31 March 於三月三十一日				2008
		2004	2005	2006	2007	2008
		二零零四年	二零零五年	二零零六年	二零零七年	二零零八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	總資產	2,524	1,767	15,596	20,315	<b>73,503</b>
Total liabilities and minority interests	總負債及少數股東權益	(16,058)	(18,868)	(13,607)	(5,083)	<b>(1,555)</b>
Net assets/(liabilities)	資產淨值/(負債淨額)	(13,534)	(17,101)	(1,989)	15,232	<b>71,948</b>



新醫藥控股有限公司  
New Chinese Medicine Holdings Limited

Room 802, Tower 1, Harbour Centre  
1 Hok Cheung Street, Hunghom, Kowloon, Hong Kong  
香港九龍紅磡鶴翔街1號維港中心1座802室

[www.ncm.com.hk](http://www.ncm.com.hk)