



ALCO HOLDINGS LIMITED

股份代號：328 Stock Code: 328

ANNUAL REPORT 2011 年報

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Corporate Information

Directors

Mr LEUNG Kai Ching, Kimen (*Chairman*)
Mr LEUNG Wai Sing, Wilson
Mr KUOK Kun Man, Andrew
Mr WONG Po Yan, *G.B.M., J.P.**
The Hon LI Wah Ming, Fred, *S.B.S., J.P.**
Mr LAU Wang Yip, Derrick*

** Independent non-executive directors*

Company Secretary

Mr KUOK Kun Man, Andrew

Principal Bankers

Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited
China Construction Bank Corporation Hong Kong Branch
DBS Bank (Hong Kong) Limited
Bank of Tokyo-Mitsubishi UFJ

Auditor

PricewaterhouseCoopers

Legal Advisers to the Company

Mallesons Stephen Jaques

Legal Advisers on Bermuda Law

Conyers, Dill & Pearman

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office and Principal Place of Business

11th Floor, Zung Fu Industrial Building
1067 King's Road
Quarry Bay
Hong Kong

Principal Registrars

HSBC Bank Bermuda Limited
6 Front Street
Hamilton HM11
Bermuda

Registrars in Hong Kong

Tricor Abacus Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Website

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

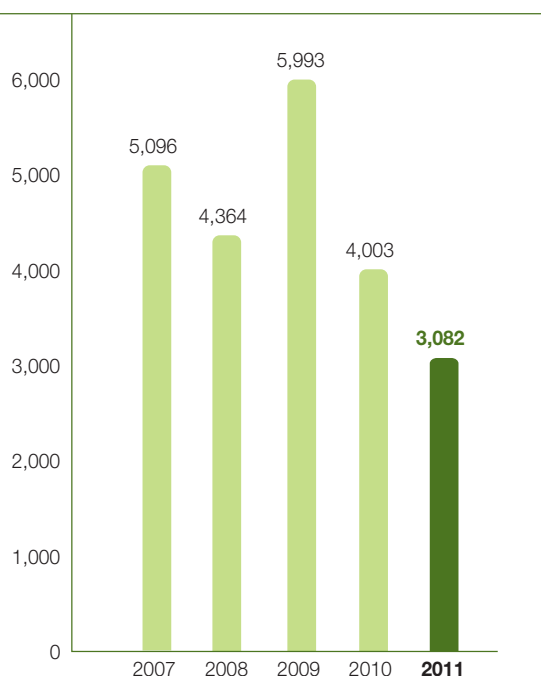
Stock Code

328

Financial Highlights

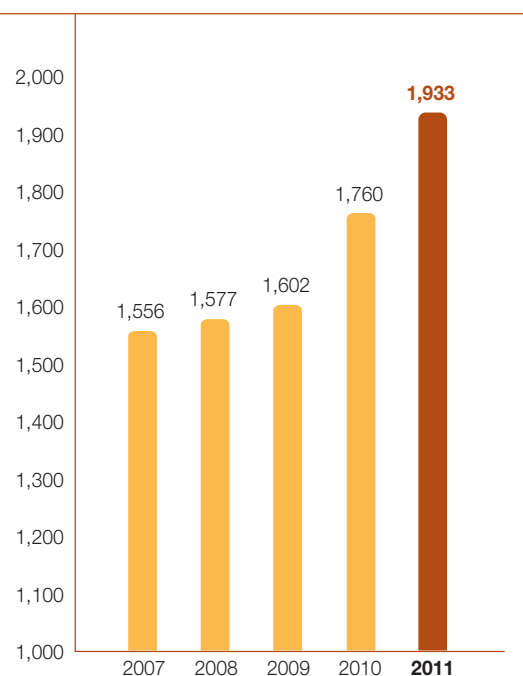
REVENUE

(HK\$ MILLION)



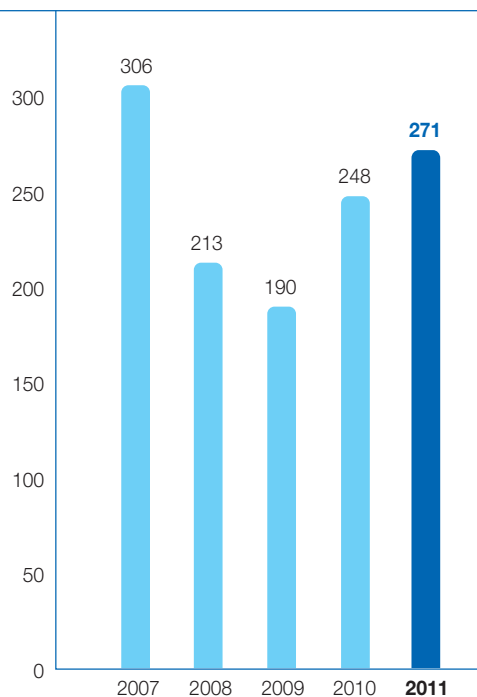
EQUITY

(HK\$ MILLION)

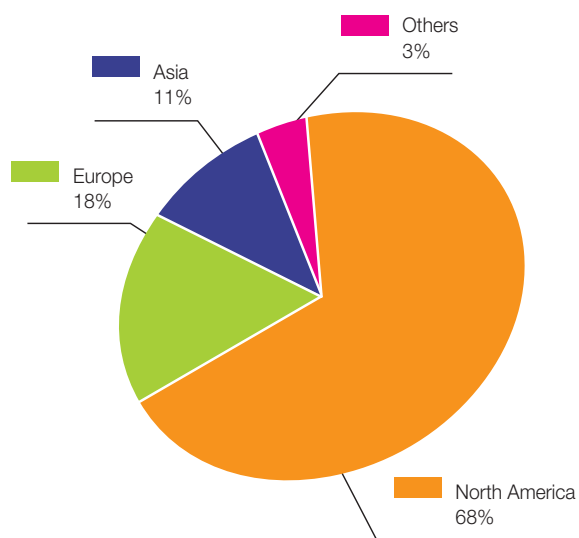


PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

(HK\$ MILLION)



REVENUE BY GEOGRAPHICAL SEGMENT IN 2011



Chairman's Statement



Chairman LEUNG KAI CHING, KIMEN

GROUP RESULTS AND DIVIDENDS

On behalf of the Board of Directors, I am pleased to present the financial results of Alco Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31st March 2011.

During the review year, the Group recorded profit attributable to shareholders of HK\$271 million (2010: HK\$248 million) though turnover contracted by 23% year on year to HK\$3.1 billion (2010: HK\$4.0 billion). Apart from the management's commitment to maintaining a reasonable profit level when selecting orders and employing stringent measures to control costs, a revaluation gain of HK\$78 million from an industrial building in Fanling and a compensation gain of HK\$34 million from a piece of land in Houjie Town, also contributed to the Group's results. Basic earnings per share were HK47.9 cents, compared with HK44.6 cents in 2010.

The Board of Directors remains dedicated to observing a dividend policy that delivers stable returns to shareholders. Accordingly, the payment of a final dividend of HK14 cents (2010: HK14 cents) and a special dividend of HK8 cents (2010: HK6 cents) has been recommended which, with the inclusion of an interim dividend of HK10 cents per share already paid (2010: HK9 cents), represents a total dividend of HK32 cents for the financial year (2010: HK29 cents).

The final dividend and special dividend will be paid on 9th September 2011 to the Group's shareholders upon approval at the upcoming Annual General Meeting.

REVIEW OF OPERATIONS

Though the global economy has made certain progress since the financial crisis, some European countries and North America continued to experience a very slow path of recovery. Combined with intense competition, the Group endured intense cost and pricing pressure. Nevertheless, through our commitment to preserving a reasonable profit margin when selecting orders, delivering a product mix that observes current trends for smart electronics, and further implementation of inventory and production controls, we were able to maintain our competitiveness and a strong financial position – paramount for the Group to move forward.



Chairman's Statement

Profit Margin Preceding Turnover

Recently, consolidation of the audio-visual manufacturing industry has become more intense as a greater number of Mainland Chinese manufacturers have entered the export market with the intent of using a low price strategy to compete. Our pursuit of quality over quantity and reasonable profit margin over turnover – a policy that we have observed over the past several years – has proved essential for allowing us to protect our market position and financial health amidst such competition. We have also been able to maintain a relatively stable gross margin of 12.5% (2010: 13.9%) due to our commitment to only accepting orders from trusted customers who share our vision of providing quality products; maintaining ties with customers with sound financial credentials; and compiling a portfolio of products that offer unique functions and features.



Addressing Market Needs for Smart Electronics

In order to safeguard our leading position in the market, we are constantly in step with the latest industry trends for smart consumer electronic products which provide integrated solutions and have continuously incorporated value-added features into our audio and visual products. During the review year, LCD TVs, high-end audio items and portable DVD/Blu-ray players continued to constitute our main revenue sources. The trend to replace CCFL (Cold Cathode Fluorescent Lamps) TVs with LED backlight LCD TVs is expected to continue to drive European market demand in the coming year. To address interest in multifunctional consumer electronic products and internet connectivity, we continued to develop audio and visual



products and home theatre systems with value-added features such as iPhone and iPad docking as well as internet access. We further upgraded our Blu-ray disk products by adding new functions, including video streaming and internet connection via numerous user-friendly and popular applications (“apps”).

Controlling Costs and Cash flow

The ability to control costs remains at the heart of our efforts to protect the Group's competitiveness. Product optimisation, standardisation of parts and components, and streamlining of production processes, such as the use of Cell Production Concept, are among the practices that we have continued to employ to stay ahead, yet without sacrificing our commitment to quality and the high functionality of our products. Through workflow management and aforementioned streamlining of production, we have also reduced our dependence on human labour; maintaining a lean, efficient workforce that allows us to be less affected by rising labour rates or migration of workers.

Keeping Check of Our Dollars and Cents

Another facet of operations that the Group has meticulously scrutinised is cash flow. Since a strong cash position provides an important buffer against uncertain market condition, it is the reason why we have long sought to maintain a high level of liquidity, well before the latest financial turmoil. We will continue to closely monitor our inventories and receivables, minimising the risks of obsolescence and bad debts.

Chairman's Statement



Impact of Japan's Natural Disasters

The earthquake and tsunami that struck Japan in March 2011 resulted in disruptions to the supply chain of certain electronic components. As far as the Group is concerned, we experienced little impact on our production because we used considerable volume of electronic components from suppliers in Korea, Taiwan and Mainland China.

PROSPECTS

Though more countries are moving out of the economic trough, there remain others, such as the United States and several European countries, which continue to grapple with issues ranging from high unemployment to soaring debt. Despite the

lacklustre performance of certain markets, we remain cautiously optimistic that the consumer electronics segment will make further progress, driven by gradually strengthening consumption sentiment as well as the fast development of smart electronics, which is spurred on by consumers' insatiable desire for such products.

To ensure that we are not merely a bystander amid such progress, the Group will endeavour to develop even more attractive products that leverage the latest trends and fully capitalises on our strong R&D capabilities.

As we have been an early entrant in the LED-backlight LCD TV and Blu-ray disk player markets, we have proven our ability to identify and adopt the latest technologies that possess strong consumer appeal. Continuing to use such prowess, we will investigate the application of 3D technology in Blu-ray disk player products and Wi-Fi connectivity in our consumer electronics products, both of which have been gaining popularity in recent years. Moreover, further integration of audio and video players with iPad docking features, along with iPod and iPhone docking capabilities, will help to build an even stronger line-up of docking products. We have also started investigating 3D TVs, tablet PCs and video streaming players, all of which are expected to become main stream and popular products for the Group's mass merchants customers and consumers. All of these endeavours will go



Chairman's Statement

towards strengthening the Group's reputation as a leading consumer electronics manufacturer and brand.

What will certainly help to strengthen our stature as a reputable manufacturer is the soon-to-open Dongguan production facility, which has a site area of approximately 2.8 million square feet and a floor area of approximately 2.5 million square feet. Construction efforts are progressing well with topping out work expected in October 2011, following which renovation will be made. Production lines will be operational in the first half of 2012 as scheduled. The state-of-the-art facility will enable us to optimise production as well as open the way for the assembly of new product lines. Aside from greater production efficiency and flexibility, the Dongguan site employs various environmental friendly features for reducing energy consumption and sewage treatment, thus allowing the Group to do its part to protect the environment as well.

Moving ahead, we will continue to devise and employ strategies that enable us to grasp emerging opportunities, and thereby strengthen our market position and protect the Group's financial health. We will also seek to fulfil our vision of offering high-quality products that satisfy market needs, as well as further develop and launch products that pave the way for long-term growth.



APPRECIATION

On behalf of the Board of Directors, I would like to extend my gratitude to the management and staff for their dedication, diligence and unwavering support. Likewise, I wish to offer my appreciation to the Group's business partners, shareholders and customers for their long-standing cooperation, trust and patronage.

LEUNG Kai Ching, Kimen

Chairman

Hong Kong, 28th June 2011



Biographical Details of Directors and Senior Management

Executive Directors

Mr LEUNG Kai Ching, Kimen, aged 78, is the founder and Chairman of the Group. He has more than 44 years of experience and is one of the pioneers in the electronics industry in Hong Kong. He has in-depth knowledge in the electronics field and is responsible for formulating the Group's overall strategy and development.

Mr LEUNG Wai Sing, Wilson, aged 51, is a son of the Chairman of the Group, joined the Group in 1985. He is the Chief Executive Officer of the Group and takes full charge of the Group's overall strategy and operations. He holds a master of science degree in electrical engineering from Queen's University, Canada.

Mr KUOK Kun Man, Andrew, aged 57, joined the Group in 1990 and is the Company Secretary and Director of the Group. He holds a master degree in business administration and has more than 34 years of experience in finance and accounting with multinational organisations.

Independent Non-executive Directors

Mr WONG Po Yan, *G.B.M., J.P.*, aged 88, joined the Group in 1992 and was the chairman of United Oversea Enterprises, Limited, the former vice-chairman of The Committee for the Basic Law of the Hong Kong Special Administrative Region under the Standing Committee of the National People's Congress, the honorary chairman of the Nuclear Safety Consultative Committee for Guangdong Daya Bay and Ling Ao Nuclear Power Stations, the chairman of the Advisory Board of One Country Two Systems Research Institute Limited and the honorary president of The Chinese Manufacturers' Association of Hong Kong.

The Hon LI Wah Ming, Fred, *S.B.S., J.P.*, aged 56, joined the Group in 1992 and is a member of the Legislative Council. He holds a bachelor degree in arts from the University of Waterloo, Canada and a master degree in social work from the University of Toronto, Canada.

Mr LAU Wang Yip, Derrick, aged 50, joined the Group in 2000 and was a managing director of a financial institution. Holding a master degree of management science in accounting, he has extensive experience in investment banking.

Biographical Details of Directors and Senior Management

Senior Management

Mr Colin Frederick LIVERMORE, aged 56, joined the Group in 1991 and is the managing director of Alco International Limited. He has over 31 years of experience in the marketing of consumer electronic products and is responsible for formulating the marketing strategy primarily to European customers.

Mr HO Ping Hung, Joe, aged 63, joined the Group in 2008 and is the Group's General Manager – Manufacturing. He is responsible for the day-to-day operations of Group's manufacturing plants in China. He holds a Master Degree in Economics/Business and a Diploma in Engineering. He has over 32 years solid background management in both OEM and EMS industries.

Mr LEUNG Wai Lap, David, aged 50, is a son of the Chairman of the Group. He joined the Group in 2005 and is the senior sales manager of the Group. He oversees the sales and marketing for the Group's products and service in North America.

Mr LEUNG Wai Ming, Jimmy, aged 42, is a son of the Chairman of the Group. He joined the Group in 1993 and is the Group's purchasing manager. He has more than 18 years of experience in the field of audio electronic products.

Ms PANG Siu Mui, Wendy, aged 60, joined the Group in 1971 and is the assistant to the Chairman. She is responsible for the scheduling of production and administration for the Group.

Mr CHOW Koon Shing, Stephen, aged 60, joined the Group in 1972 and is the shipping manager of Alco Electronics Limited. He has over 36 years of experience in shipping.

Mr LEUNG Kam Fai, Peter, aged 54, joined the Group in 1979. He is the Group's material planning and control manager. He has over 32 years of experience in the audio field.

Mr LEONG Ue Cheong, aged 53, joined the Group in 1978 and is the shipping manager of Alco International Limited. He has over 33 years of experience in shipping.

Mr LAU Kwok Wai, Francis, aged 60, joined the Group in 1986 and is a director of Alco Plastic Products Limited. He has over 26 years of experience in the plastics industry and is responsible for the operations of the plastics factory.

Mr HO Man Shuen, Francis, aged 52, joined the Group in 1999. He is the general manager of quality assurance and is responsible for the Group's restructuring of quality management systems. He holds a master of science degree in manufacturing and business management and has over 29 years of experience in research and development, manufacturing and quality control of electronic products.

Mr CHOW Tung Yiu, Tony, aged 41, joined the Group in 1997 and is the Group's management information system manager. He holds a master of science degree in information systems and has over 18 years of experience in developing manufacturing systems.

Mr LIU Lup Man, Stephen, aged 39, joined the Group in 2005 and is the Group's financial controller. He holds a bachelor degree from the University of Toronto, Canada, and is a Fellow Member of the HKICPA and the ACCA. He has over 16 years of experience in auditing and accounting.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the applicable code provisions set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except for deviation from the Code provision A.4.1.

THE BOARD

The Board is responsible for the formulation of the Group’s business and strategic decisions and monitoring the performances of the management team.

Four Board meetings were held during the year ended 31st March 2011. The attendance of each director is set out as follows:

| Members of the Board | Attendance Record |
|--|-------------------|
| <i>Executive Directors</i> | |
| Mr LEUNG Kai Ching, Kimen | 4/4 |
| Mr LEUNG Wai Sing, Wilson | 3/4 |
| Mr KUOK Kun Man, Andrew | 4/4 |
| <i>Independent Non-executive Directors</i> | |
| Mr WONG Po Yan | 3/4 |
| The Hon LI Wah Ming, Fred | 3/4 |
| Mr LAU Wang Yip, Derrick | 4/4 |

The Company has received an annual confirmation of independence from the three independent non-executive directors in accordance with rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all independent non-executive directors are independent.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr LEUNG Kai Ching, Kimen is the chairman and Mr LEUNG Wai Sing, Wilson is the chief executive officer.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Under the Code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. The non-executive directors of the Company are not appointed for a specific term. However, according to the Bye-laws of the Company, independent non-executive directors of the Company will retire by rotation every year and their appointments will be reviewed when they are due for re-election. In the opinion of the Company, this meets the same objective as the Code.

Mr LEUNG Wai Sing, Wilson and Mr WONG Po Yan will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

Corporate Governance Report

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of the directors, all the directors confirmed that they had complied with the required standards as set out in the Model Code and its code of conduct regarding directors’ securities transactions with the Company for the 12 months ended 31st March 2011.

REMUNERATION COMMITTEE

The Company has established a remuneration committee with written terms of reference in accordance with the Code provisions.

The remuneration committee currently comprises Mr WONG Po Yan (chairman of the remuneration committee), Mr LAU Wang Yip, Derrick and The Hon LI Wah Ming, Fred, all of whom are independent non-executive directors.

The primary duties of the remuneration committee are to make recommendation on the policy and structure for the remuneration of the directors and senior management, and to consider and approve remuneration of the directors and senior management by reference to corporate goals and objectives. The existing remuneration package contains a combination of basic salary, discretionary performance bonus and fringe benefits. For the year, the remuneration committee was of the opinion that the remuneration packages were fair and commensurate with the market.

One remuneration committee meeting was held during the year ended 31st March 2011 and the attendance of each committee member is set out as follows:

| Members | Attendance Record |
|---------------------------|-------------------|
| Mr WONG Po Yan | 1/1 |
| Mr LAU Wang Yip, Derrick | 1/1 |
| The Hon LI Wah Ming, Fred | 1/1 |

AUDIT COMMITTEE

The audit committee currently comprises Mr LAU Wang Yip, Derrick (chairman of the audit committee), Mr WONG Po Yan and The Hon LI Wah Ming, Fred, all of whom are independent non-executive directors.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the financial statements of the Group for the year ended 31st March 2011.

Two audit committee meetings were held during the year ended 31st March 2011 and the attendance of each committee member is set out as follows:

| Members | Attendance Record |
|---------------------------|-------------------|
| Mr LAU Wang Yip, Derrick | 2/2 |
| Mr WONG Po Yan | 2/2 |
| The Hon LI Wah Ming, Fred | 1/2 |

Corporate Governance Report

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for the preparation of the financial statements of the Group. In preparing the financial statements, the Hong Kong Financial Reporting Standards have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

The auditor's responsibilities are set out in the Independent Auditor's Report.

AUDITOR'S REMUNERATION

For the year ended 31st March 2011, the remuneration paid to the Company's auditor, Messrs. PricewaterhouseCoopers, is set out as follows:

| Services rendered | Fees paid/payable HK\$'000 |
|----------------------------|-------------------------------|
| Audit-related services | 2,380 |
| Non audit-related services | |
| Tax compliance services | 331 |

CONCLUSION

The Board believes that good corporate governance can safeguard the effective allocation of resources and protect shareholders' interest. The management will try to maintain, strengthen and improve the standard and quality of the Group's corporate governance.

Report of the Directors

The directors submit their report together with the audited financial statements for the year ended 31st March 2011.

PRINCIPAL ACTIVITIES AND SEGMENT ANALYSIS

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 34 to the consolidated financial statements.

Analyses of the Group's performance for the year by product and geographical area are set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 23.

The directors have declared an interim dividend of HK10 cents per ordinary share, totalling HK\$57,669,000.

The directors recommended the payment of a final dividend of HK14 cents per ordinary share and a special dividend of HK8 cents per ordinary share, totalling HK\$127,116,000

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total equity and total equity per share as at 31st March 2011 were HK\$1,933 million (2010: HK\$1,760 million) and HK\$3.35 (2010: HK\$3.16) respectively.

The Group maintains a strong financial position. As at 31st March 2011, we had cash and deposits of HK\$902 million. After deducting bank loans of HK\$116 million, we had net cash of HK\$786 million. The Group has adequate liquidity for future working capital requirements. Subsequent to balance sheet date, the Group sold one of its investment properties and there would be a net cash inflow (after deducting the related mortgage loan and transaction cost) of approximately HK\$130 million to the Group. This will further fortify our financial position.

In order to optimising inventory level, management has put much effort in improving just-in-time delivery and in parts standardisation. Our inventory as at 31st March 2011 was HK\$429 million (2010: HK\$473 million). We have been closely monitoring the inventory level to reduce the risk of obsolescence and to maintain a healthy working capital.

Trade receivables balance as at 31st March 2011 was HK\$702 million (2010: HK\$521 million). It is our policy to adopt a prudent credit policy and to deal with creditworthy customers, in order to minimise credit risk. The receivables were substantially settled by June 2011 according to the payment terms.

Trade payables balance as at 31st March 2011 was HK\$794 million (2010: HK\$729 million).

As at 31st March 2011, we had banking facilities of HK\$1,748 million, of which HK\$116 million were utilised. Among the used facilities, HK\$50 million shall be payable in the first year and HK\$66 million shall be payable in the second to seventh years.

Report of the Directors

LIQUIDITY AND FINANCIAL RESOURCES *(continued)*

Capital expenditure on fixed assets during the year was HK\$30 million (2010: HK\$34 million), mainly on the purchase of moulds. All expenditures were financed from internal resources. As at 31st March 2011, we had capital commitments contracted but not provided for in respect of moulds, plant and machinery amounting to HK\$1,521,000 (2010: HK\$914,000). In addition, the Group's production facility in Houjie Town will be relocated to a new factory. Upon the completion of the new factory, we expect to spend approximately HK\$150 million for the relocation and renovation.

Due to peg-rate system, we have limited exposure to trade-related foreign exchange risk as substantially all of our sales, purchases and borrowings are denominated in United States dollars and Hong Kong dollars. Adhering to the policy of not engaging in currency speculation, there was no gain or loss from speculative activities during the reporting financial year.

Following the signing of the revised Settlement Agreement on the Clearing of Renminbi business in July 2010, corporations are now able to conduct Renminbi business through the banks in Hong Kong. Taking this opportunity, we have diversified our cash portfolio by investing in RMB denominated deposits and bonds, totally RMB343 million. This provides a natural hedge against the cost impact caused by the potential appreciation of RMB.

EMPLOYEES

As at 31st March 2011, the Group had approximately 6,900 (2010: 7,900) employees in Hong Kong and the PRC. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. We also provide other benefits including medical insurance, provident fund and education subsidies to all eligible staff.

MAJOR SUPPLIERS AND CUSTOMERS

The purchases and sales attributable to the Group's major suppliers and customers expressed as a percentage of total purchases and sales of the Group for the year ended 31st March 2011 are as follows:

Purchases

| | |
|-----------------------------------|-----|
| – the largest supplier | 8% |
| – five largest suppliers combined | 28% |

Sales

| | |
|-----------------------------------|-----|
| – the largest customer | 35% |
| – five largest customers combined | 84% |

None of the directors, their associates or shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above at any time during the year.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in Note 28 to the consolidated financial statements.

Report of the Directors

DONATIONS

Charitable and other donation made by the Group during the year amounted to HK\$52,000.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in Note 14 to the consolidated financial statements.

PRINCIPAL PROPERTIES

Details of the principal properties held for investment purposes are set out on page 85.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in Note 27 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st March 2011 amounted to approximately HK\$107,648,000 (2010: HK\$46,475,000), comprising retained profits and contributed surplus.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 86.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor its subsidiary companies has purchased or sold any of the Company's shares during the year ended 31st March 2011 and the Company has not redeemed any of its shares during the same financial year.

BANK LOANS AND OTHER BORROWINGS

An analysis of the Group's bank borrowings at 31st March 2011 is set out below:

| | Bank borrowings | |
|----------------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Within one year | 49,771 | 76,400 |
| In the second year | 12,771 | 39,400 |
| In the third to fifth year | 35,315 | 6,600 |
| Over five years | 18,150 | – |
| | 116,007 | 122,400 |

Report of the Directors

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March 2011 are set out in Note 34 to the consolidated financial statements.

RETIREMENT BENEFIT SCHEMES

Details of the Group's retirement benefit schemes are set out in Note 8 to the consolidated financial statements.

DIRECTORS

The directors during the year were:

Mr LEUNG Kai Ching, Kimen

Mr LEUNG Wai Sing, Wilson

Mr KUOK Kun Man, Andrew

Mr WONG Po Yan, G.B.M., J.P.¹

The Hon LI Wah Ming, Fred, S.B.S., J.P.¹

Mr LAU Wang Yip, Derrick¹

¹ Independent non-executive directors

In accordance with clause 87(1) of the Company's Bye-laws, Mr LEUNG Wai Sing, Wilson and Mr WONG Po Yan will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

On 1st April 2010, each of the executive directors entered into a service contract with the Company for a term of 3 years and shall continue until terminated by either party giving to the other not less than 6 months notice in writing.

The independent non-executive directors do not have any service contracts with the Company or its subsidiaries.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on pages 8 and 9.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business 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' INTEREST IN COMPETING BUSINESS

None of the directors of the Company has an interest in a business which competes or may compete with the business of the Group.

Report of the Directors

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

(a) Long positions in ordinary shares of HK\$0.10 each of the Company

As at 31st March 2011, the interests and short positions of each director and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

| | Number of shares held | | | Total | Percentage of the issued share capital of the Company |
|---------------------------|-----------------------|-----------------------|------------------------------------|-------------|---|
| | Personal interest | Corporate interest | Equity derivatives – share options | | |
| Mr LEUNG Kai Ching, Kimen | 20,150,000 | 225,911,400 (note) | 750,000 | 246,811,400 | 42.72% |
| Mr LEUNG Wai Sing, Wilson | 45,390,000 | – | 750,000 | 46,140,000 | 7.99% |
| Mr KUOK Kun Man, Andrew | 752,000 | – | 750,000 | 1,502,000 | 0.26% |
| Mr WONG Po Yan | – | – | 500,000 | 500,000 | 0.09% |
| The Hon LI Wah Ming, Fred | 260,000 | – | 250,000 | 510,000 | 0.09% |
| Mr LAU Wang Yip, Derrick | – | – | 500,000 | 500,000 | 0.09% |

Note:

These shares were owned by Shunde Investments Limited, a company incorporated in the British Virgin Islands with limited liability, of which Mr LEUNG Kai Ching, Kimen is the sole shareholder.

(b) Long positions in underlying shares of the Company

Other than as disclosed under the heading "Share Option Scheme", at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors or the chief executives or their spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Report of the Directors

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION *(continued)*

(b) Long positions in underlying shares of the Company *(continued)*

Save as disclosed above, as at 31st March 2011, other than one ordinary share each in the Hong Kong incorporated subsidiaries of the Company held in trust for the Group by Mr LEUNG Kai Ching, Kimen, none of the directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations required to be disclosed pursuant to the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31st March 2011, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives.

| Name | Capacity in which shares were held | No. of Shares Long position | Equity Derivatives Share options | Total | Percentage of the issued share capital of the Company |
|-------------------------------|------------------------------------|-----------------------------|----------------------------------|-------------|---|
| Shundean Investments Limited | Beneficial owner | 225,911,400 (note i) | – | 225,911,400 | 39.10% |
| Webb David Michael | Beneficial owner | 40,397,400 | – | 40,397,400 | 6.99% |
| LEUNG Wai Lap, David | Beneficial owner | 34,828,190 | 750,000 | 35,578,190 | 6.16% |
| DJE Investment S.A. | Investment manager | 33,830,980 (note ii) | – | 33,830,980 | 5.86% |
| DJE Kapital AG | Investment manager | 33,830,980 (note ii) | – | 33,830,980 | 5.86% |
| Dr. Jens Alfred Karl Ehrhardt | Investment manager | 33,830,980 (note ii) | – | 33,830,980 | 5.86% |

Report of the Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY *(continued)*

Notes:

- (i) These shares were owned by Shundean Investments Limited, a company incorporated in the British Virgin Islands with limited liability, of which Mr LEUNG Kai Ching, Kimen is the sole shareholder.
- (ii) These shares were held by DJE investment S.A. which is controlled by DJE Kapital AG, which in turn is controlled by Dr. Jens Alfred Karl Ehrhardt.

Save as disclosed above, as at 31st March 2011, according to the register of interests required to be kept by the Company under Section 336 of Part XV of the SFO, there was no person, other than the directors of the Company, whose interests are set out in the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, who had any interest or short position in the shares or underlying shares of the Company.

SHARE OPTION SCHEME

On the special general meeting which was held on 21st August 2003, shareholders of the Company approved the termination of the share option scheme adopted by the Company on 6th November 1992 which expired on 5th November 2002 and approved the adoption of a new share option scheme (the "Scheme"). The Scheme is valid and effective for a period of ten years from the date of adoption.

Pursuant to the Scheme, the Company may grant options to directors and employees of the Company or any of its subsidiaries, for the purpose of providing incentives, to subscribe for shares in the Company.

The maximum number of shares which may be issued upon exercise all options granted and yet to be exercised under all share option schemes shall not exceed 30% of the issued shares of the Company from time to time.

The number of shares which may be issued upon exercise of all options to be granted under the Scheme shall not exceed 10% of the issued shares of the Company on the date of adoption.

The total number of options granted to an individual grantee in any 12-month period must not exceed 1% of the issued shares of the Company.

The period within which the shares must be taken up under an option is any period as determined by the Board, which shall not be more than 10 years from date of grant or the expiry date of the Scheme, whichever is earlier.

The subscription price of the share options shall not be less than the higher of (i) the closing price of the shares on The Stock Exchange on the date of grant; (ii) the average closing price of the shares on The Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a share.

An option grantee shall pay HK\$1 to the Company for the acceptance of an option.

40,810,000 share options have been granted by the Company since the adoption of the Scheme. Details of which are set out in Note 27 to the consolidated financial statements.

Report of the Directors

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws in Bermuda.

CORPORATE GOVERNANCE

The Company is maintaining a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in Corporate Governance Report on pages 10 to 12.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the financial statements of the Group for the year ended 31st March 2011.

The audit committee currently comprises three independent non-executive directors of the Company, namely Mr WONG Po Yan, *G.B.M., J.P.*, The Hon LI Wah Ming, Fred, *S.B.S., J.P.* and Mr LAU Wang Yip, Derrick.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to and within the knowledge of the directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares at all times during the year ended 31st March 2011 and up to the date of this report.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming Annual General Meeting of the Company.

On behalf of the Board

LEUNG Kai Ching, Kimen
Chairman

Hong Kong, 28th June 2011

Independent Auditor's Report



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALCO HOLDINGS LIMITED *(incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of Alco Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 23 to 84, which comprise the consolidated and company balance sheets as at 31st March 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda 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 about whether the consolidated financial statements are free from material misstatement.

Independent Auditor's Report

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st March 2011, and of the Group's profit 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.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 28th June 2011

Consolidated Income Statement

For the year ended 31st March 2011

| | Note | 2011 HK\$'000 | 2010 HK\$'000 |
|---|------|------------------|------------------|
| Revenue | 5 | 3,082,330 | 4,003,213 |
| Cost of goods sold | 7 | (2,698,147) | (3,447,672) |
| Gross profit | | 384,183 | 555,541 |
| Other income | 6 | 145,205 | 14,451 |
| Selling expenses | 7 | (144,560) | (216,833) |
| Administrative expenses | 7 | (103,856) | (93,428) |
| Other operating expenses | 7 | (1,600) | (4,718) |
| Exchange gain on loans and receivables | 18 | 3,140 | 14,397 |
| Operating profit | | 282,512 | 269,410 |
| Finance income | 9 | 8,189 | 5,989 |
| Finance costs | 9 | (889) | (1,381) |
| Profit before income tax | | 289,812 | 274,018 |
| Income tax expense | 10 | (18,401) | (25,725) |
| Profit for the year attributable to equity holders of the Company | | 271,411 | 248,293 |
| Earnings per share attributable to equity holders of the Company | | | |
| – basic | 12 | HK47.9 cents | HK44.6 cents |
| – diluted | 12 | HK47.6 cents | HK44.6 cents |
| Dividends | 13 | 184,785 | 163,265 |

The notes on pages 29 to 84 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31st March 2011

| | Note | 2011 HK\$'000 | 2010 HK\$'000 |
|---|------|------------------|------------------|
| Profit for the year attributable to equity holders of the Company | | 271,411 | 248,293 |
| Other comprehensive (loss)/income, net of tax | | | |
| Fair value gain on available-for-sale financial assets | 19 | 48 | 40,485 |
| Currency translation differences | | (86) | (2,828) |
| Other comprehensive (loss)/income for the year, net of tax | | (38) | 37,657 |
| Total comprehensive income for the year attributable to equity holders of the Company | | 271,373 | 285,950 |

The notes on pages 29 to 84 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As at 31st March 2011

| | Note | As at 31st March 2011 HK\$'000 | As at 31st March 2010 HK\$'000 (Restated) | As at 1st April 2009 HK\$'000 (Restated) |
|---|------|---|---|--|
| Non-current assets | | | | |
| Property, plant and equipment | 14 | 252,813 | 324,943 | 378,324 |
| Investment properties | 15 | 312,388 | 75,020 | 65,970 |
| Leasehold land and land use rights | 16 | 7,821 | 11,997 | 12,389 |
| Intangible assets | 17 | 69,426 | 76,827 | 81,658 |
| Deferred income tax assets | 29 | 18,826 | 7,072 | – |
| Loans and receivables | 18 | 97,884 | 78,501 | 64,104 |
| Available-for-sale financial assets | 19 | 136,689 | 136,641 | 96,156 |
| | | 895,847 | 711,001 | 698,601 |
| Current assets | | | | |
| Inventories | 22 | 429,187 | 472,688 | 703,846 |
| Trade and other receivables | 23 | 714,757 | 535,383 | 608,697 |
| Cash and cash equivalents | 24 | 902,404 | 1,039,830 | 872,307 |
| | | 2,046,348 | 2,047,901 | 2,184,850 |
| Current liabilities | | | | |
| Trade and other payables | 25 | 878,433 | 819,062 | 831,317 |
| Current income tax liabilities | | 14,551 | 57,891 | 38,439 |
| Borrowings | 26 | 49,771 | 76,400 | 74,808 |
| | | 942,755 | 953,353 | 944,564 |
| Net current assets | | 1,103,593 | 1,094,548 | 1,240,286 |
| Total assets less current liabilities | | 1,999,440 | 1,805,549 | 1,938,887 |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | 27 | 57,780 | 55,666 | 55,666 |
| Reserves | 28 | 1,875,424 | 1,703,883 | 1,545,966 |
| Total equity | | 1,933,204 | 1,759,549 | 1,601,632 |
| Non-current liabilities | | | | |
| Borrowings | 26 | 66,236 | 46,000 | 307,761 |
| Deferred income tax liabilities | | – | – | 29,494 |
| | | 66,236 | 46,000 | 337,255 |
| Total equity and non-current liabilities | | 1,999,440 | 1,805,549 | 1,938,887 |

The financial statements on pages 23 to 84 were approved by the Board of Directors on 28th June 2011 and were signed on its behalf.

LEUNG Kai Ching, Kimen
Director

LEUNG Wai Sing, Wilson
Director

The notes on pages 29 to 84 are an integral part of these consolidated financial statements.

Balance Sheet

As at 31st March 2011

| | Note | 2011 HK\$'000 | 2010 HK\$'000 |
|---|------|------------------|------------------|
| Non-current assets | | | |
| Investments in subsidiaries | 20 | 482,180 | 348,177 |
| Current assets | | | |
| Other receivables | 23 | 105 | 105 |
| Current income tax assets | | 4 | – |
| Cash and cash equivalents | 24 | 307 | 89 |
| | | 416 | 194 |
| Current liabilities | | | |
| Other payables | 25 | 215 | 278 |
| Current income tax liabilities | | – | 1 |
| | | 215 | 279 |
| Net current assets/(liabilities) | | 201 | (85) |
| Total assets less current liabilities | | 482,381 | 348,092 |
| Capital and reserves attributable to equity holders of the Company | | | |
| Share capital | 27 | 57,780 | 55,666 |
| Reserves | 28 | 424,601 | 292,426 |
| Total equity | | 482,381 | 348,092 |

The financial statements on pages 23 to 84 were approved by the Board of Directors on 28th June 2011 and were signed on its behalf.

LEUNG Kai Ching, Kimen
Director

LEUNG Wai Sing, Wilson
Director

The notes on pages 29 to 84 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31st March 2011

| | Attributable to equity holders of the Company | | | |
|--|---|----------------------------|-------------------------------|-------------------|
| | Share capital HK\$'000 | Other reserves HK\$'000 | Retained earnings HK\$'000 | Total HK\$'000 |
| At 1st April 2009 | 55,666 | 208,345 | 1,337,621 | 1,601,632 |
| Comprehensive income | | | | |
| Profit for the year | – | – | 248,293 | 248,293 |
| Other comprehensive income/(loss) | | | | |
| Fair value gain on available-for-sale financial assets | – | 40,485 | – | 40,485 |
| Currency translation differences | – | (2,828) | – | (2,828) |
| Total comprehensive income | – | 37,657 | 248,293 | 285,950 |
| Transactions with owners | | | | |
| 2010 interim dividend | – | – | (50,100) | (50,100) |
| 2009 final dividend | – | – | (77,933) | (77,933) |
| Total transactions with owners | – | – | (128,033) | (128,033) |
| At 31st March 2010 | 55,666 | 246,002 | 1,457,881 | 1,759,549 |
| At 1st April 2010 | 55,666 | 246,002 | 1,457,881 | 1,759,549 |
| Comprehensive income | | | | |
| Profit for the year | – | – | 271,411 | 271,411 |
| Other comprehensive income/(loss) | | | | |
| Fair value gain on available-for-sale financial assets | – | 48 | – | 48 |
| Currency translation differences | – | (86) | – | (86) |
| Total comprehensive (loss)/income | – | (38) | 271,411 | 271,373 |
| Transactions with owners | | | | |
| Shares issued from exercise of share options | 2,114 | 59,219 | – | 61,333 |
| Equity compensation | – | 11,783 | – | 11,783 |
| 2011 interim dividend | – | – | (57,669) | (57,669) |
| 2010 final and special dividends | – | – | (113,165) | (113,165) |
| Total transactions with owners | 2,114 | 71,002 | (170,834) | (97,718) |
| At 31st March 2011 | 57,780 | 316,966 | 1,558,458 | 1,933,204 |

The notes on pages 29 to 84 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31st March 2011

| | Note | 2011 HK\$'000 | 2010 HK\$'000 |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 30 | 166,548 | 641,240 |
| Interest received | | 8,189 | 5,989 |
| Interest paid | | (889) | (1,381) |
| Profits tax paid | | (73,495) | (42,839) |
| Net cash generated from operating activities | | 100,353 | 603,009 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (29,909) | (34,266) |
| Proceeds from sale of property, plant and equipment | | 3,556 | 1,887 |
| Deferred development costs paid | | (12,107) | (11,515) |
| Purchase of loans and receivables | | (16,243) | – |
| Purchase of an investment property | | (128,206) | – |
| Proceeds from disposal of land and buildings | | 43,515 | – |
| Net cash used in investing activities | | (139,394) | (43,894) |
| Cash flows from financing activities | | | |
| Proceeds from issuance of ordinary shares upon exercise of share options | | 61,333 | – |
| Proceeds from borrowings | | 72,600 | 12,000 |
| Repayments of borrowings | | (78,993) | (272,169) |
| Dividends paid to the Company's shareholders | | (170,834) | (128,033) |
| Net cash used in financing activities | | (115,894) | (388,202) |
| Net (decrease)/increase in cash and cash equivalents | | (154,935) | 170,913 |
| Cash and cash equivalents at beginning of the year | | 1,039,830 | 872,307 |
| Effect of foreign exchange rate change | | 17,509 | (3,390) |
| Cash and cash equivalents at end of the year | 24 | 902,404 | 1,039,830 |

The notes on pages 29 to 84 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

31st March 2011

1 GENERAL INFORMATION

Alco Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are engaged in designing, manufacturing and selling of consumer electronic products and plastic products.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 28th June 2011.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of Appendix 16 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and available for-sale financial assets, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

New/revised standards, amendments to standards and interpretations adopted by the Group

The adoption of all the new/revised standards, amendments to standards and interpretations which are effective from 1st April 2010 does not have a material impact on the Group’s consolidated financial statements except for HKAS 17 (Amendment) “Leases”. The effect of the adoption of this amendment is as follows:

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

New/revised standards, amendments to standards and interpretations adopted by the Group (continued)

HKAS 17 (Amendment) – Leases

The amendment to HKAS 17 “Leases” removes the specific guidance which previously required that land element held under a lease should be classified as an operating lease. It provides new guidance which indicates that entities should use judgement to decide whether the lease transfers the significant risk and rewards of ownership of the land in accordance with the criteria set out in HKAS 17. The Group has made a reassessment of the existing land lease arrangements and certain “Leasehold land and land use rights” have been reclassified to “Property, plant and equipment” and the corresponding “Amortisation of leasehold land and land use rights” has been reclassified to “Depreciation of property, plant and equipment” retrospectively. Comparative information has been restated to reflect this change in accounting policy. The adoption of amendment to HKAS 17 has the following impact on the consolidated financial statements due to the reclassification as aforesaid:

| | 31st March 2011 HK\$'000 | 31st March 2010 HK\$'000 | 1st April 2009 HK\$'000 |
|--|---|--------------------------------|-------------------------------|
| Increase in property, plant and equipment | 46,133 | 46,194 | 46,259 |
| Decrease in leasehold land and land use rights | 46,133 | 46,194 | 46,259 |

| | Year ended 31st March | |
|---|------------------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Increase in depreciation of property, plant and equipment | 61 | 65 |
| Decrease in amortisation of leasehold land and land use rights | 61 | 65 |

The new accounting policy has been applied retrospectively by re-presenting the opening balances at 1st April 2009, with consequential reclassification adjustments to comparatives for the year ended 31st March 2010. The reclassification has had no effect on reported profit, total comprehensive income or equity for any period presented.

As a result of the above retrospective reclassification, an additional consolidated statement of financial position as at 1st April 2009 is presented in accordance with the requirements of HKAS 1 “Presentation of financial statements”.

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

New/revised standards, amendments to standards and interpretations that are not yet effective and have not been early adopted by the Group

The following new/revised standards, amendments to standards and interpretations have been published but are not yet effective for the financial year ended 31st March 2011 and have not been early adopted by the Group:

| | | Effective for annual periods beginning or after |
|--|--|---|
| HKFRS 1 (Amendment) | Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters | 1st July 2010 |
| HKFRS 1 (Amendment) | Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters | 1st July 2011 |
| HKFRS 7 (Amendment) | Disclosures – Transfers of Financial Assets | 1st July 2011 |
| HKFRS 9 | Financial Instruments | 1st January 2013 |
| HKAS 1 (Amendment) | Presentation of Financial Information | 1st January 2011 |
| HKAS 12 (Amendment) | Deferred Tax: Recovery of Underlying Assets | 1st January 2012 |
| HKAS 24 (Revised) | Related Party Disclosures | 1st January 2011 |
| HK(IFRIC)-Int 14 (Amendment) | Prepayments of a Minimum Funding Requirement | 1st January 2011 |
| HK(IFRIC)-Int 19 | Extinguishing Financial Liabilities with Equity Instruments | 1st July 2010 |
| Various improvements to HKFRSs published by the HKICPA in May 2010 | | |

The Group has already commenced an assessment of the impact of the above new/revised standards, amendments to standards and interpretations but is not yet in a position to state whether these new/revised standards, amendments to standards and interpretations would have a significant impact to its results of operations and financial position.

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Consolidation

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

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

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

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management committee that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Translation differences on non-monetary financial assets such as equity investments classified as available-for-sale are included in other comprehensive income.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Foreign currency translation *(continued)*

(c) Group companies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

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

2.5 Leasehold land and land use rights

Leasehold land and land use rights classified as operating leases are stated at cost less accumulated amortisation and accumulated impairment losses. Cost mainly represents consideration paid for the rights to use the land from the date the respective rights were granted. Amortisation of leasehold land and land use rights is calculated on a straight-line basis over the period of the rights.

2.6 Property, plant and equipment

Leasehold land classified as financial lease and all other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over the shorter of the unexpired lease term or their estimated useful lives.

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Property, plant and equipment *(continued)*

Depreciation on buildings and moulds is calculated using the straight-line method to allocate their costs over their estimated useful lives of 40 years and 4 years respectively. Other property, plant and equipment are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a reducing balance basis. The principal depreciation rates are as follows:

| | |
|-----------------------------------|--------------|
| Leasehold improvements | 20% |
| Furniture, fixtures and equipment | 20% |
| Plant and machinery | 14.5% to 20% |
| Motor vehicles | 20% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other operating expenses" in the consolidated income statement.

2.7 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property.

Investment property comprises leasehold land and buildings.

Investment property is carried at fair value. The valuations are performed by independent valuers based on an open market value basis related to individual property in accordance with the guidance issued by the International Valuation Standards Committee.

Changes in the fair value are recognised in the consolidated income statement as part of "other income".

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Intangible assets

(a) Acquired licence right

An acquired licence right is carried at cost less accumulated amortisation. The economic useful life of an acquired licence right is estimated at the time of purchase (Note 4(b)).

Amortisation is calculated using the straight-line method to allocate the cost of the acquired licence over its estimated useful life of 10 years.

Licence right is tested for impairment annually, in accordance with HKAS 36.

(b) Deferred development costs

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (directly attributable to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (i) it is technically feasible to complete the developing/developed product so that it will be available for use or sale;
- (ii) management intends to complete the developing/developed product and use or sell it;
- (iii) there is an ability to use or sell the developing/developed product;
- (iv) it can be demonstrated how the developing/developed product will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the developing/developed product are available; and
- (vi) the expenditure attributable to the developing/developed product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as expenses as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised over a period of 30 months to reflect the pattern in which the relevant economic benefits are recognised.

Development assets are tested for impairment annually, in accordance with HKAS 36.

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Impairment of non-financial assets

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

2.10 Financial assets

2.10.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'loans and receivables', 'trade and other receivables' and 'cash and cash equivalents' in the consolidated balance sheet (Notes 2.12 and 2.13).

(b) Available-for-sale financial assets

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

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Financial assets *(continued)*

2.10.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale financial assets are recognised in other comprehensive income.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is evidenced that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. Impairment testing of trade receivables is described in Note 2.12.

2.11 Inventories

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

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account and the loss is recognised in the consolidated income statement within "other operating expenses". When a receivable is uncollectible, it is written off against the provision account for receivables. Subsequent recoveries of amounts previously written off are credited against "other operating expenses" in the consolidated income statement.

2.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares and share options are shown in equity as a deduction from the proceeds. Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's equity holders.

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

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

2.17 Current and deferred income tax

The tax expense for the year comprises current and deferred tax and is recognised in the consolidated income statement.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Current and deferred income tax *(continued)*

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

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group operates a number of defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity which assumes the obligations to pay pensions to the employees. The Group has no legal or constructive obligations to pay further contributions if fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expenses when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.18 Employee benefits *(continued)*

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.19 Share-based payments

The Group operates equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

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

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.20 Provisions

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

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

Notes to the Consolidated Financial Statements

31st March 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.22 Leases

Operating lease (as the lessee)

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

Finance lease (as the lessee)

The Group has land leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Operating lease (as the lessor)

Where the Group leases out assets under operating leases, the assets are included in the consolidated balance sheet according to their nature, as set out in Note 2.7. Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 2.21 (ii).

2.23 Dividend distribution

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

Notes to the Consolidated Financial Statements

31st March 2011

3 FINANCIAL RISK MANAGEMENT

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

Risk management is carried out by the Group's treasury function. The Group adopts a conservative and balanced treasury policy which focuses on the financial risks factors as below and seeks to minimise potential adverse effects on the Group's financial performance.

3.1 Financial risk factors

(a) *Market risk*

(i) *Foreign exchange risk*

The Group's transactions are mainly denominated in Hong Kong dollar ("HKD"), United States dollar ("USD"), Renminbi ("RMB") and British Pound ("GBP"). The majority of assets and liabilities are denominated in HKD, USD, GBP and Korean Won ("KRW"), and there are no significant assets and liabilities denominated in other currencies.

Since HKD is pegged to USD, the Group does not have significant currency risks and it is the Group's policy not to engage in speculative activities. The Group has not entered into any contracts to hedge its exposure for foreign exchange risk.

At 31st March 2011, if RMB had strengthened/weakened by 10% against HKD with all other variables held constant, post-tax profit for the year would have been approximately HK\$37,927,000 higher/lower (2010: HK\$1,702,000 lower/higher), mainly as a result of the foreign exchange differences on translation of RMB denominated cash and bank balances and other payables.

At 31st March 2011, if GBP had strengthened/weakened by 10% against HKD with all other variables held constant, post-tax profit for the year would have been approximately HK\$12,346,000 (2010: HK\$8,807,000) higher/lower, mainly as a result of the foreign exchange differences on translation of GBP denominated cash and bank balances.

At 31st March 2011, if KRW had strengthened/weakened by 10% against HKD with all other variables held constant, post-tax profit for the year would have been approximately HK\$8,136,000 (2010: HK\$7,850,000) higher/lower, mainly as a result of the foreign exchange differences on translation of KRW denominated loans and receivables.

Notes to the Consolidated Financial Statements

31st March 2011

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(a) Market risk *(continued)*

(ii) Cash flow and fair value interest rate risk

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

The Group's interest rate risk arises from bank borrowings. The Group's bank borrowings are carried at floating rates which expose the Group to cash flow interest rate risk. The Group has not entered into any interest rate swaps to hedge its exposure to interest rate risk.

As at 31st March 2011, the Group's borrowings at variable rates were denominated in HKD.

At 31st March 2011, if interest rates on all borrowings had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been HK\$1,160,000 (2010: HK\$1,224,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

At 31st March 2011, if interest rates on all interest-bearing bank and cash deposits had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been HK\$9,183,000 (2010: HK\$10,390,000) higher/lower due to interest income earned on market interest rate.

The total bank loans held by the Group as at 31st March 2011 were all with floating rates.

(b) Credit risk

Credit risk arises from cash and cash equivalents and short-term deposits with banks and financial institutions, loans and receivables, as well as credit exposures to customers, including outstanding receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's cash and short-term deposits are placed with reputable banks and financial institutions. For credit exposures from customers, management assesses the credit quality of each individual major customer, taking into account its financial position, past experience and other factors.

Notes to the Consolidated Financial Statements

31st March 2011

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The Group maintains its liquidity mainly through funding generated from its daily operations and maintaining funding availability under committed credit facilities.

Banking facilities have been put in place for contingency purposes. As at 31st March 2011, the Group's total available banking facilities amounted to approximately HK\$1,748 million (2010: HK\$1,716 million).

The table below analyses the Group's and the Company's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | Less than 1 year HK\$'000 | Between 1 and 2 years HK\$'000 | Between 2 and 5 years HK\$'000 | Over 5 years HK\$'000 | Total HK\$'000 | Carrying amount HK\$'000 |
|--------------------------|---------------------------------|---|---|-----------------------------|-------------------|--------------------------------|
| Group | | | | | | |
| At 31st March 2010 | | | | | | |
| Borrowings | 76,897 | 39,936 | 6,972 | – | 123,805 | 122,400 |
| Trade and other payables | 819,062 | – | – | – | 819,062 | 819,062 |
| At 31st March 2011 | | | | | | |
| Borrowings | 50,066 | 12,908 | 35,671 | 18,315 | 116,960 | 116,007 |
| Trade and other payables | 878,433 | – | – | – | 878,433 | 878,433 |
| Company | | | | | | |
| At 31st March 2010 | | | | | | |
| Other payables | 278 | – | – | – | 278 | 278 |
| At 31st March 2011 | | | | | | |
| Other payables | 215 | – | – | – | 215 | 215 |

Notes to the Consolidated Financial Statements

31st March 2011

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, raise or repay bank borrowings, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings net of cash and cash equivalents divided by total equity as shown in the consolidated balance sheet.

The gearing ratios at 31st March 2011 and 2010 were as follows:

| | 2011 HK\$'000 | 2010 HK\$'000 |
|--|------------------|------------------|
| Borrowings (<i>Note 26</i>) | 116,007 | 122,400 |
| Less: Cash and cash equivalents (<i>Note 24</i>) | (902,404) | (1,039,830) |
| Net surplus cash | (786,397) | (917,430) |
| Total equity | 1,933,204 | 1,759,549 |
| Gearing ratio | Not applicable | Not applicable |

3.3 Fair value estimation

The Group's investments in financial instruments are measured in the consolidated balance sheet at fair value. The fair value measurements are disclosed by level of the following fair value measurement hierarchy.

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Notes to the Consolidated Financial Statements

31st March 2011

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

The following table presented the assets (liabilities: Nil) that were measured at fair value at 31st March 2011 of the Group:

| | Level 1 HK\$'000 | Level 2 HK\$'000 | Level 3 HK\$'000 | Total HK\$'000 |
|-------------------------------------|---------------------|---------------------|---------------------|-------------------|
| Assets | | | | |
| Available-for-sale financial assets | | | | |
| – Equity securities (Note 19) | – | – | 136,689 | 136,689 |

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group engaged CB Richard Ellis, an independent valuer, to perform the valuation by the use of discounted cash flow model based on market conditions existed at the balance sheet date and business forecast provided by management. A discount rate of 15.1% was used in the valuation.

The carrying value less impairment provision of trade and other receivables and trade and other payables is a reasonable approximation of their fair values. The fair value of long-term financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the changes in level 3 instruments for the year ended 31st March 2011.

| | Available- for-sale financial assets HK\$'000 |
|------------------------------------|---|
| Opening balance | 136,641 |
| Gains recognised in other reserves | 48 |
| Closing balance | 136,689 |

Notes to the Consolidated Financial Statements

31st March 2011

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

(a) Estimate of fair value of investment properties

In arriving at the fair value of the properties, the independent valuers have to make assumptions and economic estimates. Should these assumptions and estimates change, or not be met, the valuation as adopted in the financial statements will be affected.

(b) Estimate of useful lives of property, plant and equipment and intangible assets

The Group has significant property, plant and equipment and intangible assets. The Group is required to estimate the useful lives of property, plant and equipment and intangible assets in order to ascertain the amount of depreciation and amortisation charges for each reporting period.

The useful lives are estimated at the time of purchase of these assets after considering future technology changes, business developments and the Group's strategies. The Group performs annual reviews to assess the appropriateness of the estimated useful lives. Such review takes into account any unexpected adverse changes in circumstances or events, including declines in projected operating results, negative industry or economic trends and rapid advancement in technology. The Group extends or shortens the useful lives and/or makes impairment provisions according to the results of the review.

(c) Impairment of non-financial assets

At each balance sheet date, the Group reviews internal and external sources of information to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment
- leasehold land and land use rights
- intangible assets
- investments in subsidiaries

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated income statement whenever the carrying amount of an asset exceeds its recoverable amounts. If an indication of impairment is identified, the Group is required to estimate the recoverable value, representing the greater of the asset's fair value less cost to sell or its value in use. Changes in any of these estimates could result in a material change to the asset's carrying value in the financial statements.

Notes to the Consolidated Financial Statements

31st March 2011

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(continued)*

(d) Fair value estimation of available-for-sale financial assets

The fair value of available-for-sale financial assets which are not traded in an active market is determined by using valuation techniques. In conjunction with external advisers, the Group uses its judgment to select an appropriate valuation method and makes assumptions that are mainly based on market conditions existing at the issue date and each subsequent balance sheet date. The valuation model requires the input of both observable and unobservable data. Changes in these unobservable and subjective input assumptions can materially affect the fair value estimate of available-for-sale financial assets.

(e) Recognition of deferred income tax assets

According to the accounting policy as stated in Note 2.17, a deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised, and it is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised.

In determining the deferred income tax asset to be recognised, management is required to estimate the realisation of deferred tax assets. Any difference between these estimates and the actual outcome will impact the Group's result in the period in which the actual outcome is determined.

(f) Provision for obsolete or slow moving inventories

The Group makes provision for obsolete or slow moving inventories based on consideration of ageing of raw materials and work in progress and the net realisable value of finished goods. The identification of inventory obsolescence and estimated selling price in the ordinary course of business requires the use of judgment and estimates.

Notes to the Consolidated Financial Statements

31st March 2011

5 REVENUE AND SEGMENT INFORMATION

Revenues recognised during the year are as follows:

| | Group | |
|------------------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Revenue | | |
| Consumer electronic products | 3,081,106 | 3,998,776 |
| Plastic products | 1,224 | 4,437 |
| | 3,082,330 | 4,003,213 |

(a) Segment analysed by products

The senior management (being the chief operating decision-maker) has determined the operating segments based on the reports reviewed by the management committee.

The Group mainly operates in the People's Republic of China (the "PRC") and Hong Kong and is principally engaged in designing, manufacturing and selling of consumer electronic products and plastic products.

Consumer electronic products – Design, manufacture and sale of consumer electronic products

Plastic products – Manufacture and sale of plastic and packaging products

The Group's inter-segment transactions mainly consist of sale of plastic products among subsidiaries. The transactions were entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

Revenue is allocated geographically based on the places/countries in which the customers are located.

Management assesses the performance of the operating segments based on a measure of operating profit. Other information provided is measured in a manner consistent with that in the financial statements.

Segment assets consist primarily of property, plant and equipment, leasehold land and land use rights, intangible assets, deposits, loans and receivables, available-for-sale financial assets, inventories, receivables and operating cash and exclude items such as investment properties and deferred tax assets.

Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings.

Capital expenditure comprises additions to property, plant and equipment, investment properties, leasehold land and land use rights and intangible assets.

Notes to the Consolidated Financial Statements

31st March 2011

5 REVENUE AND SEGMENT INFORMATION (continued)

(a) Segment analysed by products (continued)

| | Group | | | | | | | |
|---|--|---------------------------------|-------------------------|-------------------|--|---------------------------------|-------------------------|-------------------|
| | 2011 | | | | 2010 | | | |
| | Consumer electronic products HK\$'000 | Plastic products HK\$'000 | Elimination HK\$'000 | Group HK\$'000 | Consumer electronic products HK\$'000 | Plastic products HK\$'000 | Elimination HK\$'000 | Group HK\$'000 |
| Segment revenue | | | | | | | | |
| External sales | 3,081,106 | 1,224 | - | 3,082,330 | 3,998,776 | 4,437 | - | 4,003,213 |
| Inter-segment sales | - | 115,586 | (115,586) | - | - | 119,488 | (119,488) | - |
| | 3,081,106 | 116,810 | (115,586) | 3,082,330 | 3,998,776 | 123,925 | (119,488) | 4,003,213 |
| Segment results | 282,604 | (92) | | 282,512 | 270,052 | (642) | | 269,410 |
| Finance income | | | | 8,189 | | | | 5,989 |
| Finance costs | | | | (889) | | | | (1,381) |
| Profit before income tax | | | | 289,812 | | | | 274,018 |
| Income tax expense | | | | (18,401) | | | | (25,725) |
| Profit for the year attributable to equity holders of the Company | | | | 271,411 | | | | 248,293 |
| Segment assets | 2,565,144 | 45,837 | | 2,610,981 | 2,621,442 | 55,368 | | 2,676,810 |
| Unallocated corporate assets | | | | 331,214 | | | | 82,092 |
| Total assets | | | | 2,942,195 | | | | 2,758,902 |
| Segment liabilities | 867,646 | 10,787 | | 878,433 | 807,764 | 11,298 | | 819,062 |
| Unallocated corporate liabilities | | | | 130,558 | | | | 180,291 |
| Total liabilities | | | | 1,008,991 | | | | 999,353 |
| Capital expenditure | 41,943 | 73 | | 42,016 | 45,146 | 635 | | 45,781 |

Notes to the Consolidated Financial Statements

31st March 2011

5 REVENUE AND SEGMENT INFORMATION (continued)

(b) Segment analysed by geographical areas

The segment revenue for the years ended 31st March 2011 and 2010 are as follows:

| | Group | |
|---------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| North America | 2,114,295 | 2,782,269 |
| Europe | 545,834 | 661,599 |
| Asia | 337,482 | 403,890 |
| Others | 84,719 | 155,455 |
| | 3,082,330 | 4,003,213 |

The analysis of revenue by geographical segment is based on the destination to which the shipments are made.

Primarily all of its assets and capital expenditure for the years ended 31st March 2011 and 2010 were located or utilised in the PRC and Hong Kong.

Details of the customers accounting for 10% or more of total revenue are as follows:

| | Group 2010 HK\$'000 |
|------------|---------------------------|
| Customer A | 1,004,678 |
| Customer B | 955,965 |
| Customer C | 503,387 |

| | Group 2011 HK\$'000 |
|------------|---------------------------|
| Customer A | 1,085,689 |
| Customer B | 430,645 |
| Customer C | 410,016 |
| Customer D | 400,425 |

These are ranked from the highest to the lowest based on their revenue contributions for the years presented and not directly comparable year to year.

Notes to the Consolidated Financial Statements

31st March 2011

6 OTHER INCOME

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Fair value gain on investment properties (<i>Note a</i>) | 109,162 | 9,050 |
| Rental income from investment properties | 3,834 | 5,203 |
| (Loss)/gain from sale of moulds | (1,335) | 162 |
| Compensation gain on disposal of land & buildings (<i>Note b</i>) | 33,508 | – |
| Others | 36 | 36 |
| | 145,205 | 14,451 |

- (a) This includes the revaluation gain of HK\$78 million from an investment property in Fanling. The investment property was subsequently sold in April 2011 (*Note 35*).
- (b) For the purpose of re-development, the local government of Houjie Town requested the Group to surrender a piece of land and building in Houjie Town formerly used by the Group as a polyfoam factory (the "Property") in return for a consideration of approximately HK\$44 million. The compensation gain on disposal of the Property was the difference between the consideration and its carrying value as at the date of disposal.

7 EXPENSES BY NATURE

Expenses included in cost of goods sold, selling expenses, administrative expenses and other operating expenses are analysed as follows:

| | Group | |
|---|------------------|--------------------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 (Restated) |
| Amortisation of intangible assets | 19,508 | 16,137 |
| Amortisation of leasehold land and land use rights | 283 | 392 |
| Auditor's remuneration | 2,400 | 2,508 |
| Cost of inventories | 1,984,760 | 2,632,467 |
| Depreciation of property, plant and equipment | 67,484 | 77,048 |
| Employee benefit expenses (including directors' emoluments) (<i>Note 8</i>) | 325,378 | 313,404 |
| (Gain)/loss on disposal of property, plant and equipment | (570) | 1,083 |
| Operating lease rental in respect of land and buildings | 33,587 | 32,591 |
| Research and development costs | 25,799 | 22,577 |
| Write-off of intangible assets | – | 209 |
| Write-off/impairment of property, plant and equipment | 25,738 | 7,629 |

Notes to the Consolidated Financial Statements

31st March 2011

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Wages and salaries | 293,260 | 296,106 |
| Pension costs – defined contribution retirement schemes (<i>Note a</i>) | 3,248 | 3,286 |
| Other staff benefits | 16,914 | 12,646 |
| Termination benefits | 173 | 1,366 |
| Equity compensation – share options | 11,783 | – |
| | 325,378 | 313,404 |

(a) Defined contribution retirement schemes

Before 1st December 2000, the Group operated a defined contribution retirement scheme (the "ORSO Scheme") in Hong Kong for all qualified employees. The rate of contribution payable by the Group was 5% of the individual employee's basic salaries.

With effect from 1st December 2000, the Mandatory Provident Fund Scheme (the "MPF Scheme") was set up under the MPF Scheme Ordinance for existing staff who opted for this scheme and eligible staff recruited on or after that date. The ORSO Scheme has remained in place with the introduction of the MPF Scheme. Under the MPF Scheme, eligible employees and the Group are each required to contribute 5% on the employees' monthly net salaries with a maximum of HK\$1,000 for employees' monthly contribution.

Contributions to the ORSO Scheme and MPF Scheme charged to the consolidated income statement for the year amounted to approximately HK\$3,248,000 (2010: HK\$3,286,000). No forfeited contribution in respect of the defined contribution retirement scheme was utilised during the year (2010: HK\$28,000). Forfeiture contributions of approximately HK\$13,000 (2010: HK\$13,000) was available as at 31st March 2011 to reduce future contributions.

Contributions totaling approximately HK\$454,000 (2010: HK\$543,000) were payable to the ORSO Scheme and MPF Scheme at the year end and were included in other payables and accruals.

(b) Directors' and senior management's emoluments

The remuneration of every director of the Company for the year ended 31st March 2010 is set out below:

| Name of Director | Fee HK\$'000 | Salary HK\$'000 | Discretionary bonuses HK\$'000 | Employer's contribution to pension scheme HK\$'000 | Subtotal HK\$'000 | Equity Compensation – share options HK\$'000 | Total HK\$'000 |
|---------------------------|-----------------|--------------------|--------------------------------------|--|----------------------|--|-------------------|
| Mr LEUNG Kai Ching, Kimen | – | 4,389 | 4,279 | 188 | 8,856 | – | 8,856 |
| Mr LEUNG Wai Sing, Wilson | – | 4,389 | 4,564 | 188 | 9,141 | – | 9,141 |
| Mr KUOK Kun Man, Andrew | – | 1,847 | 2,567 | 79 | 4,493 | – | 4,493 |
| Mr WONG Po Yan | 120 | – | – | – | 120 | – | 120 |
| The Hon LI Wah Ming, Fred | 120 | – | – | 6 | 126 | – | 126 |
| Mr LAU Wang Yip, Derrick | 120 | – | – | 6 | 126 | – | 126 |

Notes to the Consolidated Financial Statements

31st March 2011

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

(b) Directors' and senior management's emoluments (continued)

The remuneration of every director of the Company for the year ended 31st March 2011 is set out below:

| Name of Director | Fee HK\$'000 | Salary HK\$'000 | Discretionary bonuses HK\$'000 | Employer's contribution to pension scheme HK\$'000 | Subtotal HK\$'000 | Equity compensation – share options HK\$'000 | Total HK\$'000 |
|---------------------------|-----------------|--------------------|--------------------------------------|--|----------------------|--|-------------------|
| | | | | | | | |
| Mr LEUNG Kai Ching, Kimen | – | 4,389 | 5,583 | 188 | 10,160 | 434 | 10,594 |
| Mr LEUNG Wai Sing, Wilson | – | 4,389 | 5,957 | 188 | 10,534 | 434 | 10,968 |
| Mr KUOK Kun Man, Andrew | – | 1,847 | 3,350 | 79 | 5,276 | 434 | 5,710 |
| Mr WONG Po Yan | 120 | – | – | – | 120 | 145 | 265 |
| The Hon LI Wah Ming, Fred | 120 | – | – | 6 | 126 | 145 | 271 |
| Mr LAU Wang Yip, Derrick | 120 | – | – | 6 | 126 | 145 | 271 |

No directors waived any emoluments and no emoluments were paid to the directors as an inducement fee to join or as compensation for loss of office during the years ended 31st March 2011 and 2010.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2010: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2010: two) individuals during the year are as follows:

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Basic salaries, housing allowances, other allowances and benefits in kind | 3,123 | 3,123 |
| Discretionary bonuses | 9,731 | 9,739 |
| Contributions to pension schemes | 91 | 91 |
| Equity compensation – share options | 776 | – |
| | 13,721 | 12,953 |

The emoluments fell within the following bands:

| | Number of individuals | |
|--------------------------------|-----------------------|------|
| | 2011 | 2010 |
| Emolument bands | | |
| HK\$3,500,001 - HK\$4,000,000 | – | 1 |
| HK\$4,000,001 - HK\$4,500,000 | 1 | – |
| HK\$9,000,001 - HK\$9,500,000 | – | 1 |
| HK\$9,500,001 - HK\$10,000,000 | 1 | – |

Notes to the Consolidated Financial Statements

31st March 2011

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

(d) Key management compensation

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Basic salaries, housing allowances, other allowances and benefits in kind | 13,748 | 13,748 |
| Discretionary bonuses | 24,621 | 21,149 |
| Contributions to pension schemes | 546 | 546 |
| Equity compensation – share options | 2,078 | – |
| | 40,993 | 35,443 |

9 FINANCE INCOME AND FINANCE COSTS

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Finance income: | | |
| – Bank interest income | 4,886 | 3,852 |
| – Loans and receivables | 3,303 | 2,137 |
| | 8,189 | 5,989 |
| Finance costs: | | |
| – Interest expense on bank borrowings wholly repayable within seven years | 889 | 1,381 |

10 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Current income tax | | |
| – Hong Kong profits tax | 32,766 | 56,322 |
| – (Over)/under provision in prior years | (2,611) | 5,969 |
| Deferred income tax (Note 29) | (11,754) | (36,566) |
| | 18,401 | 25,725 |

Notes to the Consolidated Financial Statements

31st March 2011

10 INCOME TAX EXPENSE (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Profit before income tax | 289,812 | 274,018 |
| Tax calculated at a tax rate of 16.5% (2010: 16.5%) | 47,819 | 45,213 |
| Effect of different tax rates in other countries | 115 | 590 |
| Income not subject to tax | (42,600) | (82,254) |
| Expenses not deductible for tax purposes | 13,566 | 56,935 |
| (Over)/under provision in prior years | (2,611) | 5,969 |
| Unrecognised tax losses | 2,112 | 452 |
| Utilisation of previously unrecognised tax losses | – | (1,180) |
| Tax charge | 18,401 | 25,725 |

11 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$232,007,000 (2010: HK\$128,084,000).

12 EARNINGS PER SHARE

Basic

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

| | Group | |
|--|-------------|-------------|
| | 2011 | 2010 |
| Profit for the year attributable to equity holders of the Company (HK\$'000) | 271,411 | 248,293 |
| Weighted average number of ordinary shares in issue | 566,896,906 | 556,661,720 |
| Basic earnings per share (HK cents) | 47.9 | 44.6 |

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31st March 2011

12 EARNINGS PER SHARE (continued)

Diluted

Diluted earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company by the summation of the weighted average number of ordinary shares in issue during the year and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the year.

| | Group | |
|--|-------------|-------------|
| | 2011 | 2010 |
| Profit for the year attributable to equity holders of the Company (HK\$'000) | 271,411 | 248,293 |
| Weighted average number of ordinary shares in issue | 566,896,906 | 556,661,720 |
| Dilutive effect on share options | 2,986,114 | – |
| Weighted average number of ordinary shares for the calculation of diluted earnings per share | 569,883,020 | 556,661,720 |
| Diluted earnings per share (HK cents) | 47.6 | 44.6 |

13 DIVIDENDS

| | Company | |
|--|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Interim dividend, paid, of HK10 cents (2010: HK9 cents) per ordinary share | 57,669 | 50,100 |
| Final dividend, proposed, of HK14 cents (2010: HK14 cents) per ordinary share | 80,892 | 79,216 |
| Special dividend, proposed, of HK8 cents (2010: HK6 cents) per ordinary share | 46,224 | 33,949 |
| | 184,785 | 163,265 |

At a meeting held on 28th June 2011, the directors proposed a final dividend of HK14 cents and a special dividend of HK8 cents per ordinary share. These proposed dividends are not reflected as dividend payables in these consolidated financial statements.

Notes to the Consolidated Financial Statements

31st March 2011

14 PROPERTY, PLANT AND EQUIPMENT

(a) Details of movements in property, plant and equipment of the Group are as follows:

| | Group | | | | | | |
|--|-----------------------------------|--------------------|---------------------------------------|---|------------------------------------|-------------------------------|-------------------|
| | Land and buildings HK\$'000 | Moulds HK\$'000 | Leasehold improvements HK\$'000 | Furniture, fixtures and equipment HK\$'000 | Plant and machinery HK\$'000 | Motor vehicles HK\$'000 | Total HK\$'000 |
| At 1st April 2009 | | | | | | | |
| Cost as previously reported | 29,786 | 381,458 | 98,664 | 284,066 | 581,766 | 19,418 | 1,395,158 |
| Effect of adoption of HKAS 17 (Amendment) | 47,595 | - | - | - | - | - | 47,595 |
| Cost as restated | 77,381 | 381,458 | 98,664 | 284,066 | 581,766 | 19,418 | 1,442,753 |
| Accumulated depreciation and impairment, as previously reported | (8,563) | (321,721) | (86,334) | (222,034) | (410,984) | (13,457) | (1,063,093) |
| Effect of adoption of HKAS 17 (Amendment) | (1,336) | - | - | - | - | - | (1,336) |
| Accumulated depreciation and impairment, as restated | (9,899) | (321,721) | (86,334) | (222,034) | (410,984) | (13,457) | (1,064,429) |
| Net book amount, as restated | 67,482 | 59,737 | 12,330 | 62,032 | 170,782 | 5,961 | 378,324 |
| Year ended 31st March 2010 | | | | | | | |
| Opening net book amount, as previously reported | 21,223 | 59,737 | 12,330 | 62,032 | 170,782 | 5,961 | 332,065 |
| Effect of adoption of HKAS 17 (Amendment) | 46,259 | - | - | - | - | - | 46,259 |
| Opening net book amount, as restated | 67,482 | 59,737 | 12,330 | 62,032 | 170,782 | 5,961 | 378,324 |
| Additions | - | 26,250 | 1,648 | 3,031 | 1,007 | 2,330 | 34,266 |
| Disposals | - | (64) | (379) | (1,369) | (948) | (210) | (2,970) |
| Depreciation | (820) | (26,839) | (7,992) | (12,576) | (27,539) | (1,282) | (77,048) |
| Write-off/impairment | - | (24) | - | (296) | (7,284) | (25) | (7,629) |
| Closing net book amount, as restated | 66,662 | 59,060 | 5,607 | 50,822 | 136,018 | 6,774 | 324,943 |

Notes to the Consolidated Financial Statements

31st March 2011

14 PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Details of movements in property, plant and equipment of the Group are as follows: (continued)

| | Group | | | | | | Total HK\$'000 |
|---|-----------------------------------|--------------------|---------------------------------------|---|------------------------------------|-------------------------------|-------------------|
| | Land and buildings HK\$'000 | Moulds HK\$'000 | Leasehold improvements HK\$'000 | Furniture, fixtures and equipment HK\$'000 | Plant and machinery HK\$'000 | Motor vehicles HK\$'000 | |
| At 31st March 2010 | | | | | | | |
| Cost as previously reported | 29,787 | 387,265 | 87,797 | 258,637 | 561,628 | 19,161 | 1,344,275 |
| Effect of adoption of HKAS 17 (Amendment) | 47,595 | - | - | - | - | - | 47,595 |
| Cost as restated | 77,382 | 387,265 | 87,797 | 258,637 | 561,628 | 19,161 | 1,391,870 |
| Accumulated depreciation and impairment, as previously reported | (9,319) | (328,205) | (82,190) | (207,815) | (425,610) | (12,387) | (1,065,526) |
| Effect of adoption of HKAS 17 (Amendment) | (1,401) | - | - | - | - | - | (1,401) |
| Accumulated depreciation and impairment, as restated | (10,720) | (328,205) | (82,190) | (207,815) | (425,610) | (12,387) | (1,066,927) |
| Net book amount, as restated | 66,662 | 59,060 | 5,607 | 50,822 | 136,018 | 6,774 | 324,943 |
| Year ended 31st March 2011 | | | | | | | |
| Opening net book amount, as previously reported | 20,468 | 59,060 | 5,607 | 50,822 | 136,018 | 6,774 | 278,749 |
| Effect of adoption of HKAS 17 (Amendment) | 46,194 | - | - | - | - | - | 46,194 |
| Opening net book amount, as restated | 66,662 | 59,060 | 5,607 | 50,822 | 136,018 | 6,774 | 324,943 |
| Additions | - | 22,361 | 263 | 5,124 | 1,204 | 957 | 29,909 |
| Disposals | (5,984) | - | (223) | (814) | (1,843) | (106) | (8,970) |
| Depreciation | (603) | (27,406) | (5,647) | (10,596) | (21,840) | (1,392) | (67,484) |
| Write-off/impairment | - | (3,001) | - | (2,186) | (20,551) | - | (25,738) |
| Exchange differences | 97 | - | - | 56 | - | - | 153 |
| Closing net book amount | 60,172 | 51,014 | - | 42,406 | 92,988 | 6,233 | 252,813 |
| Cost | 68,838 | 358,482 | 87,439 | 255,272 | 513,232 | 18,575 | 1,301,838 |
| Accumulated depreciation and impairment | (8,666) | (307,468) | (87,439) | (212,866) | (420,244) | (12,342) | (1,049,025) |
| Net book amount | 60,172 | 51,014 | - | 42,406 | 92,988 | 6,233 | 252,813 |

Notes to the Consolidated Financial Statements

31st March 2011

14 PROPERTY, PLANT AND EQUIPMENT (continued)

- (b) Depreciation expenses have been included in:

| | Group | |
|-------------------------|------------------|--------------------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 (Restated) |
| Cost of goods sold | 64,637 | 73,672 |
| Administrative expenses | 2,847 | 3,376 |
| | 67,484 | 77,048 |

- (c) The Group's interests in buildings at their net book values are analysed as follows:

| | Group | |
|-----------------------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| In Hong Kong, held on: | | |
| Leases of over 50 years | 7,912 | 8,244 |
| Leases of between 10 and 50 years | 281 | 293 |
| Outside Hong Kong, held on: | | |
| Leases of between 10 and 50 years | 5,846 | 11,931 |
| | 14,039 | 20,468 |

- (d) At 31st March, leasehold land held under finance leases and their net book values are analysed as follows:

| | Group | | |
|-----------------------------------|--------------------------------|--|---|
| | 31st March 2011 HK\$'000 | 31st March 2010 HK\$'000 (Restated) | 1st April 2009 HK\$'000 (Restated) |
| In Hong Kong, held on: | | | |
| Leases of over 50 years | 45,715 | 45,764 | 45,817 |
| Leases of between 10 and 50 years | 418 | 430 | 442 |
| | 46,133 | 46,194 | 46,259 |

- (e) As at 31st March 2011 and 31st March 2010, no bank borrowing is secured on a building which is classified under property, plant and equipment (Note 26).

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31st March 2011

15 INVESTMENT PROPERTIES

| | Group | |
|--------------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Beginning of the year | 75,020 | 65,970 |
| Additions | 128,206 | – |
| Fair value gain (Note 6) | 109,162 | 9,050 |
| End of the year | 312,388 | 75,020 |

The investment properties were revalued at 31st March 2011 by independent, professionally qualified valuers, LCH (Asia-Pacific) Surveyors Limited. Valuations were based on current prices in an active market for all properties.

Bank borrowings are secured on an investment property at a carrying amount of HK\$206,000,000 (Note 26) (2010: Nil).

The Group's interests in investment properties at their net book values are analysed as follows:

| | Group | |
|-----------------------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| In Hong Kong, held on: | | |
| Leases of over 50 years | 70,430 | 48,140 |
| Leases of between 10 and 50 years | 241,958 | 26,880 |
| | 312,388 | 75,020 |

16 LEASEHOLD LAND AND LAND USE RIGHTS

| | Group | |
|---|------------------|--------------------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 (Restated) |
| At 1st April, as previously reported | 58,191 | 58,648 |
| Effect of adoption of HKAS 17 (Amendment) | (46,194) | (46,259) |
| At 1st April, as restated | 11,997 | 12,389 |
| Amortisation | (283) | (392) |
| Disposals | (4,023) | – |
| Exchange differences | 130 | – |
| Closing net book amount | 7,821 | 11,997 |

Amortisation expenses of prepaid operating lease payment have been included in administrative expenses.

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31st March 2011

16 LEASEHOLD LAND AND LAND USE RIGHTS (continued)

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

| | 31st March 2011 HK\$'000 | Group 31st March 2010 HK\$'000 (Restated) | 1st April 2009 HK\$'000 (Restated) |
|-----------------------------------|---|--|---|
| Outside Hong Kong, held on: | | | |
| Leases of between 10 and 50 years | 7,821 | 11,997 | 12,389 |

As at 31st March 2011 and 31st March 2010, no bank borrowing is secured on leasehold land and land use rights (Note 26).

17 INTANGIBLE ASSETS

| | Licence right HK\$'000 | Group Deferred development costs HK\$'000 | Total HK\$'000 |
|------------------------------------|------------------------------|---|-------------------|
| At 1st April 2009 | | | |
| Cost | 78,000 | 40,393 | 118,393 |
| Accumulated amortisation | (9,750) | (26,985) | (36,735) |
| Net book amount | 68,250 | 13,408 | 81,658 |
| For the year ended 31st March 2010 | | | |
| At 1st April 2009 | 68,250 | 13,408 | 81,658 |
| Additions | – | 11,515 | 11,515 |
| Write-off | – | (209) | (209) |
| Amortisation | (7,800) | (8,337) | (16,137) |
| At 31st March 2010 | 60,450 | 16,377 | 76,827 |
| At 31st March 2010 | | | |
| Cost | 78,000 | 43,247 | 121,247 |
| Accumulated amortisation | (17,550) | (26,870) | (44,420) |
| Net book amount | 60,450 | 16,377 | 76,827 |

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17 INTANGIBLE ASSETS (continued)

| | Group | | |
|------------------------------------|---------------------------|--|-------------------|
| | Licence right HK\$'000 | Deferred development costs HK\$'000 | Total HK\$'000 |
| For the year ended 31st March 2011 | | | |
| At 1st April 2010 | 60,450 | 16,377 | 76,827 |
| Additions | – | 12,107 | 12,107 |
| Amortisation | (7,800) | (11,708) | (19,508) |
| At 31st March 2011 | 52,650 | 16,776 | 69,426 |
| At 31st March 2011 | | | |
| Cost | 78,000 | 39,524 | 117,524 |
| Accumulated amortisation | (25,350) | (22,748) | (48,098) |
| Net book amount | 52,650 | 16,776 | 69,426 |

Amortisation expenses of licence right and deferred development costs have been included in cost of goods sold.

18 LOANS AND RECEIVABLES

| | Group | |
|-----------------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Corporate bonds (Note a) | 93,112 | 78,501 |
| Government bond (Note b) | 4,772 | – |
| Carrying amount at year end | 97,884 | 78,501 |

| | Group | |
|--|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Carrying amount at beginning of the year | 78,501 | 64,104 |
| Additions | 16,243 | – |
| Exchange gain | 3,140 | 14,397 |
| Carrying amount at year end | 97,884 | 78,501 |

(a) The corporate bonds represent the Group's investments in Korean Won ("KRW") denominated corporate bond issued by a Korea incorporated company Hydys Technologies Company Limited ("Hydis") and Renminbi ("RMB") denominated corporate bond issued by China Development Bank Corporation.

(b) The government bond is issued by the Ministry of Finance PRC and is denominated in RMB.

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18 LOANS AND RECEIVABLES *(continued)*

The carrying amount of the loans and receivables approximates to their fair value.

The maximum exposure to credit risk at the reporting date is the carrying value of the loans and receivables.

19 AVAILABLE-FOR-SALE FINANCIAL ASSETS

| | Group | |
|--|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Fair value of unlisted equity securities outside Hong Kong at beginning of the year | 136,641 | 96,156 |
| Fair value gain for the year | 48 | 40,485 |
| Fair value of unlisted equity securities outside Hong Kong at year end | 136,689 | 136,641 |

The available-for-sale financial assets represent the Group's long term investment in the shares of Hydix (Note 18). They are denominated in KRW.

The available-for-sale financial assets were revalued at 31st March 2011 by an independent, professionally qualified valuer, CB Richard Ellis.

20 INVESTMENTS IN SUBSIDIARIES

| | Company | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Unlisted shares, at cost <i>(Note a)</i> | 67,586 | 67,586 |
| Amounts due from subsidiaries <i>(Note b)</i> | 414,594 | 280,591 |
| | 482,180 | 348,177 |

(a) Details of principal subsidiaries are set out in Note 34 to the consolidated financial statements.

(b) The amounts due from subsidiaries are unsecured and interest-free. The Company has confirmed it has no intention to request repayment within 12 months from the balance sheet date. The maximum exposure to credit risk at the reporting date is the fair value of the amounts due from subsidiaries mentioned above.

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21 FINANCIAL INSTRUMENTS BY CATEGORY

| | Group | | |
|--|--------------------------------------|---|-------------------|
| | Loans and receivables HK\$'000 | Available- for-sale financial assets HK\$'000 | Total HK\$'000 |
| Assets as per consolidated balance sheet | | | |
| 31st March 2010 | | | |
| Loans and receivables (<i>Note 18</i>) | 78,501 | – | 78,501 |
| Available-for-sale financial assets (<i>Note 19</i>) | – | 136,641 | 136,641 |
| Trade and other receivables (<i>Note 23</i>) | 535,383 | – | 535,383 |
| Cash and cash equivalents (<i>Note 24</i>) | 1,039,830 | – | 1,039,830 |
| Total | 1,653,714 | 136,641 | 1,790,355 |
| 31st March 2011 | | | |
| Loans and receivables (<i>Note 18</i>) | 97,884 | – | 97,884 |
| Available-for-sale financial assets (<i>Note 19</i>) | – | 136,689 | 136,689 |
| Trade and other receivables (<i>Note 23</i>) | 714,757 | – | 714,757 |
| Cash and cash equivalents (<i>Note 24</i>) | 902,404 | – | 902,404 |
| Total | 1,715,045 | 136,689 | 1,851,734 |

Other financial liabilities:

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Liabilities as per consolidated balance sheet | | |
| Trade and other payables (<i>Note 25</i>) | 878,433 | 819,062 |
| Borrowings (<i>Note 26</i>) | 116,007 | 122,400 |
| Total | 994,440 | 941,462 |

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21 FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

Loans and receivables:

| | Company | |
|--|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Assets as per balance sheet | | |
| Other receivables <i>(Note 23)</i> | 105 | 105 |
| Cash and cash equivalents <i>(Note 24)</i> | 307 | 89 |
| Amounts due from subsidiaries <i>(Note 20)</i> | 414,594 | 280,591 |
| Total | 415,006 | 280,785 |

Other financial liabilities:

| | Company | |
|----------------------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Liabilities as per balance sheet | | |
| Other payables <i>(Note 25)</i> | 215 | 278 |

22 INVENTORIES

| | Group | |
|------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Raw materials | 245,241 | 192,751 |
| Work in progress | 16,710 | 17,229 |
| Finished goods | 167,236 | 262,708 |
| | 429,187 | 472,688 |

The cost of inventories recognised as expenses and included in cost of goods sold amounted to approximately HK\$1,984,760,000 (2010: HK\$2,632,467,000).

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23 TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 | 2011 HK\$'000 | 2010 HK\$'000 |
| Trade receivables | 701,800 | 521,120 | – | – |
| Prepayments, deposits and other receivables | 12,957 | 14,263 | 105 | 105 |
| | 714,757 | 535,383 | 105 | 105 |

The credit terms given to customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

The fair values of the trade and other receivables approximate to their carrying values.

At 31st March 2011 and 2010, the ageing analysis of the trade receivables based on shipping terms is as follows:

| | Group | |
|--------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| 0-30 days | 203,845 | 210,335 |
| 31-60 days | 147,935 | 190,031 |
| 61-90 days | 120,316 | 83,526 |
| Over 90 days | 229,704 | 37,228 |
| | 701,800 | 521,120 |

As at 31st March 2011, trade receivables of HK\$87,151,000 (2010: Nil) are considered past due by less than 30 days if measured strictly against the credit terms offered. The overdue sum is not considered as impaired since all of the overdue sum has been settled by early May 2011.

Notes to the Consolidated Financial Statements

31st March 2011

23 TRADE AND OTHER RECEIVABLES (continued)

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Counterparties without external credit rating | | |
| – New customers (less than 6 months) | – | – |
| – Customers (more than 6 months) with no defaults in the past | 701,800 | 521,120 |
| | 701,800 | 521,120 |

The carrying amounts of the trade receivables are denominated in the following currencies:

| | Group | |
|-------------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| USD | 700,540 | 422,847 |
| HKD | 1,260 | 1,034 |
| Canadian dollar ("CAD") | – | 9,173 |
| GBP | – | 88,066 |
| | 701,800 | 521,120 |

As at 31st March 2011 and 2010, there was no provision for impairment of trade receivables. The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

24 CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---------------------------------|------------------|------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 | 2011 HK\$'000 | 2010 HK\$'000 |
| Cash at bank and on hand | 396,055 | 759,907 | 307 | 89 |
| Short-term bank deposits | 506,349 | 279,923 | – | – |
| | 902,404 | 1,039,830 | 307 | 89 |
| Maximum exposure to credit risk | 901,769 | 1,039,191 | 307 | 89 |

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24 CASH AND CASH EQUIVALENTS (continued)

The cash and cash equivalents are denominated in the following currencies:

| | Group | | Company | |
|--------|------------------|------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 | 2011 HK\$'000 | 2010 HK\$'000 |
| HKD | 80,534 | 145,505 | 307 | 89 |
| USD | 305,681 | 884,764 | – | – |
| RMB | 391,895 | 9,414 | – | – |
| GBP | 124,170 | – | – | – |
| Others | 124 | 147 | – | – |
| | 902,404 | 1,039,830 | 307 | 89 |

25 TRADE AND OTHER PAYABLES

| | Group | | Company | |
|-----------------------------|------------------|------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 | 2011 HK\$'000 | 2010 HK\$'000 |
| Trade payables | 793,542 | 729,168 | – | – |
| Other payables and accruals | 84,891 | 89,894 | 215 | 278 |
| | 878,433 | 819,062 | 215 | 278 |

The carrying values of trade and other payables approximate to their fair values.

At 31st March 2011 and 2010, the ageing analysis of the trade payables based on invoice date is as follows:

| | Group | |
|--------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| 0-30 days | 718,290 | 670,269 |
| 31-60 days | 51,474 | 33,872 |
| 61-90 days | 20,219 | 21,475 |
| Over 90 days | 3,559 | 3,552 |
| | 793,542 | 729,168 |

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25 TRADE AND OTHER PAYABLES (continued)

The carrying amounts of trade payables are denominated in the following currencies:

| | Group | |
|--------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| HKD | 647,587 | 576,486 |
| USD | 144,299 | 151,582 |
| Others | 1,656 | 1,100 |
| | 793,542 | 729,168 |

26 BORROWINGS

| | Group | |
|-------------------------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Non-current | | |
| Bank borrowing, secured (Note a) | 59,636 | – |
| Bank borrowings, unsecured (Note b) | 6,600 | 46,000 |
| | 66,236 | 46,000 |
| Current | | |
| Bank borrowing, secured (Note a) | 10,371 | – |
| Bank borrowings, unsecured (Note b) | 39,400 | 76,400 |
| | 49,771 | 76,400 |
| Total borrowings | 116,007 | 122,400 |

(a) As at 31st March 2011, the bank borrowing is secured by an investment property of the Group (Note 15).

(b) The bank borrowings are unsecured and are supported by corporate guarantees given by the Company (Notes 31 and 32). As at 31st March 2011 and 2010, the borrowings are denominated in HKD and interest bearing at margin over HIBOR.

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26 BORROWINGS (continued)

The maturity of bank borrowings is as follows:

| | Group | |
|----------------------------|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Within one year | 49,771 | 76,400 |
| In the second year | 12,771 | 39,400 |
| In the third to fifth year | 35,315 | 6,600 |
| Over five years | 18,150 | – |
| | 116,007 | 122,400 |

The carrying amounts of the bank borrowings approximate to their fair values.

The carrying amounts of the borrowings as at 31st March 2011 and 31st March 2010 are denominated in HKD.

27 SHARE CAPITAL AND SHARE OPTION SCHEME

| | Company | |
|---|---------------------|--------------------------------|
| | Number of shares | Ordinary shares HK\$'000 |
| Authorised: | | |
| Ordinary shares of HK\$0.10 each | | |
| At 1st April 2009, 31st March 2010 and 2011 | 800,000,000 | 80,000 |
| Issued and fully paid: | | |
| Ordinary shares of HK\$0.10 each | | |
| At 1st April 2009 and 31st March 2010 | 556,661,720 | 55,666 |
| Exercise of share options | 21,141,000 | 2,114 |
| At 31st March 2011 | 577,802,720 | 57,780 |

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27 SHARE CAPITAL AND SHARE OPTION SCHEME (continued)

On 21st August 2003, the Company adopted a share option scheme under which it may grant options to eligible persons, including employees and directors of the Group, to subscribe for shares of the Company.

On 11th May 2010 and 27th August 2010, totally 40,810,000 share options were granted to eligible persons. Details of the movements of the share options granted under the share option scheme during the year ended 31st March 2011 are as follows:

| | | | | Number of share options | | | | |
|--------------------------------|---------------|-----------------------------------|----------------------------------|-------------------------|-------------------------|---------------------------|------------------------|-----------------------------------|
| Name of participants | Date of grant | Exercise period | Exercise price per share HK\$ | Outstanding | | | | Outstanding as at 31st March 2011 |
| | | | | as at 1st April 2010 | Granted during the year | Exercised during the year | Lapsed during the year | |
| Directors | | | | | | | | |
| Mr. LEUNG Kai Ching, Kimen | 11th May 2010 | 11th May 2010 to 20th August 2013 | 2.90 | – | 1,500,000 | (750,000) | – | 750,000 |
| Mr. LEUNG Wai Sing, Wilson | 11th May 2010 | 11th May 2010 to 20th August 2013 | 2.90 | – | 1,500,000 | (750,000) | – | 750,000 |
| Mr. KUOK Kun Man, Andrew | 11th May 2010 | 11th May 2010 to 20th August 2013 | 2.90 | – | 1,500,000 | (750,000) | – | 750,000 |
| Mr. WONG Po Yan | 11th May 2010 | 11th May 2010 to 20th August 2013 | 2.90 | – | 500,000 | – | – | 500,000 |
| The Hon LI Wah Ming, Fred | 11th May 2010 | 11th May 2010 to 20th August 2013 | 2.90 | – | 500,000 | (250,000) | – | 250,000 |
| Mr. LAU Wang Yip, Derrick | 11th May 2010 | 11th May 2010 to 20th August 2013 | 2.90 | – | 500,000 | – | – | 500,000 |
| | | | | – | 6,000,000 | (2,500,000) | – | 3,500,000 |
| Substantial shareholder | | | | | | | | |
| Mr. LEUNG Wai Lap, David | 11th May 2010 | 11th May 2010 to 20th August 2013 | 2.90 | – | 1,500,000 | (750,000) | – | 750,000 |
| | | | | – | 1,500,000 | (750,000) | – | 750,000 |

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27 SHARE CAPITAL AND SHARE OPTION SCHEME (continued)

| | | | | | Number of share options | | | |
|---------------------------------|------------------|--------------------------------------|----------------------------------|----------------------|-------------------------|---------------------------|------------------------|-----------------------------------|
| Name of participants | Date of grant | Exercise period | Exercise price per share HK\$ | Outstanding | Granted during the year | Exercised during the year | Lapsed during the year | Outstanding as at 31st March 2011 |
| | | | | as at 1st April 2010 | | | | |
| Senior management and employees | | | | | | | | |
| Various | 11th May 2010 | 11th May 2010 to 20th August 2013 | 2.90 | – | 33,040,000 | (17,756,000) | (54,000) | 15,230,000 |
| Various | 27th August 2010 | 27th August 2010 to 20th August 2013 | 3.08 | – | 270,000 | (135,000) | – | 135,000 |
| | | | | – | 33,310,000 | (17,891,000) | (54,000) | 15,365,000 |
| | | | | – | 40,810,000 | (21,141,000) | (54,000) | 19,615,000 |

The Company has been using the Binomial Options Pricing Model (the “Model”) to value the share options granted. The key parameters used in the Model and the corresponding fair values of the options granted during the year are listed below:

| Date of grant | 11th May 2010 | 27th August 2010 |
|-------------------------------------|---------------|------------------|
| Number of share options granted | 40,540,000 | 270,000 |
| Total option value (HK\$) | 11,720,656 | 78,057 |
| Share price at date of grant (HK\$) | 2.74 | 2.83 |
| Exercise price (HK\$) | 2.90 | 3.08 |
| Time to Maturity | 3.3 years | 3 years |
| Annualised volatility | 36.28% | 36.28% |
| Risk free interest rate | 1.15% | 1.15% |
| Interim dividend yield | 4.79% | 4.79% |
| Final dividend yield | 6.33% | 6.33% |

The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the Model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.

The volatility measured at the standard deviation of continuously compounded share returns is based on historical statistical analysis of daily closing share prices.

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28 RESERVES

| | Group | | | | | |
|--|------------------------------|--|---------------------------------|--|----------------------------------|-------------------|
| | Share premium HK\$'000 | Capital redemption reserve HK\$'000 | Exchange reserve HK\$'000 | Staff compensation reserve HK\$'000 | Retained earnings HK\$'000 | Total HK\$'000 |
| At 1st April 2009 | 245,011 | 940 | (37,606) | – | 1,337,621 | 1,545,966 |
| Comprehensive income/(loss) | | | | | | |
| Profit for the year | – | – | – | – | 248,293 | 248,293 |
| Fair value gain on available- for-sale financial assets | – | – | 40,485 | – | – | 40,485 |
| Currency translation differences | – | – | (2,828) | – | – | (2,828) |
| Total comprehensive income | – | – | 37,657 | – | 248,293 | 285,950 |
| Transactions with owners | | | | | | |
| 2010 interim dividend | – | – | – | – | (50,100) | (50,100) |
| 2009 final dividend | – | – | – | – | (77,933) | (77,933) |
| Total transactions with owners | – | – | – | – | (128,033) | (128,033) |
| At 31st March 2010 | 245,011 | 940 | 51 | – | 1,457,881 | 1,703,883 |
| At 1st April 2010 | 245,011 | 940 | 51 | – | 1,457,881 | 1,703,883 |
| Comprehensive income/(loss) | | | | | | |
| Profit for the year | – | – | – | – | 271,411 | 271,411 |
| Fair value gain on available- for-sale financial assets | – | – | 48 | – | – | 48 |
| Currency translation differences | – | – | (86) | – | – | (86) |
| Total comprehensive (loss)/income | – | – | (38) | – | 271,411 | 271,373 |
| Transactions with owners | | | | | | |
| Shares issued from exercise of share options | 59,219 | – | – | – | – | 59,219 |
| Equity compensation | – | – | – | 11,783 | – | 11,783 |
| 2011 interim dividend | – | – | – | – | (57,669) | (57,669) |
| 2010 final and special dividends | – | – | – | – | (113,165) | (113,165) |
| Total transactions with owners | 59,219 | – | – | 11,783 | (170,834) | (99,832) |
| At 31st March 2011 | 304,230 | 940 | 13 | 11,783 | 1,558,458 | 1,875,424 |

Notes to the Consolidated Financial Statements

31st March 2011

28 RESERVES (continued)

| | Company | | | | | Total HK\$'000 |
|---|------------------------------|--|------------------------------------|--|----------------------------------|-------------------|
| | Share premium HK\$'000 | Capital redemption reserve HK\$'000 | Contributed surplus HK\$'000 | Staff compensation reserve HK\$'000 | Retained earnings HK\$'000 | |
| | | | | | | |
| At 1st April 2009 | 245,011 | 940 | 40,586 | – | 5,838 | 292,375 |
| Comprehensive income | | | | | | |
| Profit for the year | – | – | – | – | 128,084 | 128,084 |
| Total comprehensive income | – | – | – | – | 128,084 | 128,084 |
| Transactions with owners | | | | | | |
| 2010 interim dividend | – | – | – | – | (50,100) | (50,100) |
| 2009 final dividend | – | – | – | – | (77,933) | (77,933) |
| Total transactions with owners | – | – | – | – | (128,033) | (128,033) |
| At 31st March 2010 | 245,011 | 940 | 40,586 | – | 5,889 | 292,426 |
| At 1st April 2010 | 245,011 | 940 | 40,586 | – | 5,889 | 292,426 |
| Comprehensive income | | | | | | |
| Profit for the year | – | – | – | – | 232,007 | 232,007 |
| Total comprehensive income | – | – | – | – | 232,007 | 232,007 |
| Transactions with owners | | | | | | |
| Shares issued from exercise of share options | 59,219 | – | – | – | – | 59,219 |
| Equity compensation | – | – | – | 11,783 | – | 11,783 |
| 2011 interim dividend | – | – | – | – | (57,669) | (57,669) |
| 2010 final and special dividends | – | – | – | – | (113,165) | (113,165) |
| Total transactions with owners | 59,219 | – | – | 11,783 | (170,834) | (99,832) |
| At 31st March 2011 | 304,230 | 940 | 40,586 | 11,783 | 67,062 | 424,601 |

Note:

The contributed surplus of the Company, which arose from a corporate reorganisation in November 1992, represents the difference between the nominal value of the Company's shares issued in exchange for the issued ordinary shares of Alco Investments (B.V.I.) Limited and the value of net assets of the underlying subsidiaries acquired as at 6 November 1992. Under the Companies Act 1981 of Bermuda (as amended), a company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts. Otherwise the contributed surplus is distributable.

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29 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using a principal tax rate of 16.5% (2010: 16.5%).

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

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Deferred income tax liabilities to be settled after more than 12 months | 22,321 | 23,834 |
| Deferred income tax assets to be recovered after more than 12 months | (41,147) | (30,906) |
| Deferred income tax assets, net | (18,826) | (7,072) |

The movement on the deferred income tax account is as follows:

| | Group | |
|--|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Beginning of the year | (7,072) | 29,494 |
| Recognised in the consolidated income statement (<i>Note 10</i>) | (11,754) | (36,566) |
| End of the year | (18,826) | (7,072) |

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

| | Group | | | | | | | | | | | |
|---|------------------|------------------|------------------------------|------------------|----------------------------|------------------|---------------------------|------------------|------------------|------------------|------------------|------------------|
| Deferred income tax (assets)/liabilities | Tax losses | | Accelerated tax depreciation | | Deferred development costs | | Revaluation of properties | | Others | | Total | |
| | 2011 HK\$'000 | 2010 HK\$'000 | 2011 HK\$'000 | 2010 HK\$'000 | 2011 HK\$'000 | 2010 HK\$'000 | 2011 HK\$'000 | 2010 HK\$'000 | 2011 HK\$'000 | 2010 HK\$'000 | 2011 HK\$'000 | 2010 HK\$'000 |
| | | | | | | | | | | | | |
| Beginning of the year | (483) | (306) | 19,208 | 25,593 | 1,351 | 1,106 | 3,214 | 2,905 | (30,362) | 196 | (7,072) | 29,494 |
| Recognised in the consolidated income statement | 258 | (177) | (4,165) | (6,385) | 33 | 245 | 2,581 | 309 | (10,461) | (30,558) | (11,754) | (36,566) |
| End of the year | (225) | (483) | 15,043 | 19,208 | 1,384 | 1,351 | 5,795 | 3,214 | (40,823) | (30,362) | (18,826) | (7,072) |

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29 DEFERRED INCOME TAX *(continued)*

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately HK\$8,703,000 (2010: HK\$5,943,000) in respect of tax losses amounting to approximately HK\$35,299,000 (2010: HK\$23,205,000) that can be carried forward against future taxable profit. Approximately HK\$3,185,000 (2010: HK\$648,000) of the unrecognised tax losses have no expiry date and the remaining balance will be expired at various dates up to and including 2029 (2010: 2029).

30 CASH GENERATED FROM OPERATIONS

| | Group | |
|--|------------------|--------------------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 (Restated) |
| Profit before income tax | 289,812 | 274,018 |
| Interest income | (8,189) | (5,989) |
| Interest expense on bank borrowings | 889 | 1,381 |
| Amortisation of intangible assets | 19,508 | 16,137 |
| Write-off of intangible assets | – | 209 |
| (Gain)/loss on disposal of property, plant and equipment | (570) | 1,083 |
| Depreciation of property, plant and equipment | 67,484 | 77,048 |
| Write-off/impairment of property, plant and equipment | 25,738 | 7,629 |
| Amortisation of leasehold land and land use rights | 283 | 392 |
| Fair value gain on investment properties | (109,162) | (9,050) |
| Exchange gain on loans and receivables | (3,140) | (14,397) |
| Compensation gain on disposal of land and buildings | (33,508) | – |
| Provision for employee compensation | 11,783 | – |
| Operating profit before working capital changes | 260,928 | 348,461 |
| Decrease in inventories | 43,501 | 231,158 |
| (Increase)/decrease in trade and other receivables | (179,374) | 73,314 |
| Increase/(decrease) in trade and other payables | 41,493 | (11,693) |
| Net cash generated from operations | 166,548 | 641,240 |

Notes to the Consolidated Financial Statements

31st March 2011

30 CASH GENERATED FROM OPERATIONS *(continued)*

In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment (excluding land and buildings) comprise:

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Net book amount (excluding land and buildings) <i>(Note 14)</i> | 2,986 | 2,970 |
| Gain/(loss) on disposal of property, plant and equipment | 570 | (1,083) |
| Proceeds from sale of property, plant and equipment (excluding land and buildings) | 3,556 | 1,887 |

In the consolidated statement of cash flows, proceeds from disposal of land and buildings comprise:

| | Group | |
|--|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Buildings at net book amount <i>(Note 14)</i> | 5,984 | – |
| Leasehold land and land use rights at net book amount <i>(Note 16)</i> | 4,023 | – |
| Compensation gain on disposal of land and buildings <i>(Note 6)</i> | 33,508 | – |
| Proceeds from disposal of land and buildings | 43,515 | – |

31 BANKING FACILITIES

As at 31st March 2011, banking facilities of approximately HK\$1,748 million (2010: HK\$1,716 million) were granted by banks to the Group, of which approximately HK\$116 million (2010: HK\$122 million) have been utilised by the Group (Note 26). Of the banking facilities, approximately HK\$1,678 million (2010: HK\$1,716 million) is supported by corporate guarantees given by the Company and HK\$70 million (2010: Nil) is secured by charges over the use of certain assets of the Group.

32 FINANCIAL GUARANTEE

The Company provided guarantees in favour of certain banks to secure general banking facilities granted to certain of its subsidiaries (Note 26). The directors consider that the fair value of such guarantees is immaterial.

Notes to the Consolidated Financial Statements

31st March 2011

33 COMMITMENTS

(a) Capital commitments

| | Group | |
|--|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Moulds, plant and machinery contracted but not provided for | 1,521 | 914 |

(b) Operating lease commitments (as lessee)

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Not later than one year | 19,603 | 10,801 |
| Later than one year and not later than five years | 285 | 16,061 |
| Later than five years | – | 4,012 |
| | 19,888 | 30,874 |

(c) Operating lease commitments (as lessor)

The Group leases various properties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease rental receivables under non-cancellable operating leases in respect of land and buildings are as follows:

| | Group | |
|---|------------------|------------------|
| | 2011 HK\$'000 | 2010 HK\$'000 |
| Not later than one year | 2,202 | 1,723 |
| Later than one year and not later than five years | 1,320 | 207 |
| | 3,522 | 1,930 |

The lease terms are from one to two years.

Notes to the Consolidated Financial Statements

31st March 2011

34 PRINCIPAL SUBSIDIARIES

As at 31st March 2011, the Company held interests in the following principal subsidiaries:

| Name | Place of incorporation/ establishment | Issued and fully paid share capital/ registered capital | Percentage of equity held by the Company | | Principal activities |
|--|--|---|--|----------|---|
| | | | Direct | Indirect | |
| Alco Investments (B.V.I.) Limited | British Virgin Islands | Ordinary US\$50,000 | 100 | – | Investment holding and provision of management services to its subsidiaries |
| Advance Packaging Limited | Hong Kong | Ordinary HK\$500,000 | – | 100 | Manufacture and sale of polyfoam and packaging products |
| Alco Digital Devices Limited | Hong Kong | Ordinary HK\$1,000,000 | – | 100 | Software development and trading of electronic products |
| Alco Electronics Limited | Hong Kong | Ordinary HK\$1,000 | – | 100 | Design, manufacture and sale of consumer electronic products |
| | | Non-voting deferred HK\$5,000,000 | | | |
| Alco Electronics (Shenzhen) Limited ¹ | The PRC | Registered capital HK\$24,000,000 | – | 100 | Provision of design and logistic services to group companies |
| Alco International Limited | Hong Kong | Ordinary HK\$500,000 | – | 100 | Trading of consumer electronic products |
| Alco Plastic Products Limited | Hong Kong | Ordinary HK\$3,000,000 | – | 100 | Manufacture and sale of plastic products |
| Alco Properties Limited | Hong Kong | Ordinary HK\$10,000 | – | 100 | Property investment |
| Alco Technologies Limited | Hong Kong | Ordinary HK\$10,000 | – | 100 | Investment holding |
| Commusonic Industries Limited | Hong Kong | Ordinary HK\$400,000 | – | 100 | Manufacture and sale of consumer electronic products |
| Vdiobox Limited | Hong Kong | Ordinary HK\$1,000,000 | – | 100 | Trading of consumer electronic products |

Note:

¹ Represents a wholly foreign owned enterprise.

Notes to the Consolidated Financial Statements

31st March 2011

34 PRINCIPAL SUBSIDIARIES *(continued)*

The above table lists out the principal subsidiaries of the Company as at 31st March 2011 which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

35 EVENTS AFTER THE REPORTING PERIOD

Disposal of an investment property

On 12th April 2011, Euroform Enterprise Limited, a wholly-owned subsidiary of the Company, entered into a provisional agreement for sale and purchase with an independent third party, for the disposal of an industrial building in Fanling Hong Kong at a consideration of HK\$206 million. Prior to the disposal, the industrial building was wholly owned by Euroform Enterprise Limited as an investment property and the deal will be completed on or before 15th July 2011.

Principal Properties

31st March 2011

Principal properties held for investment purposes

| Location | Lot number | Existing use | Lease term |
|--|--|-------------------|-------------|
| Workshops A to J, on 7th Floor of Block 1, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong | Kwai Chung Town Lot Nos. 322, 323 and 324 | Industrial rental | Medium term |
| Lot Nos. 593 and 595 in Demarcation District No. 106, Off Kam Sheung Road, Ng Ka Tsuen, Kam Tin, Yuen Long, New Territories, Hong Kong | Lot Nos. 593 and 595 in Demarcation District No. 106 | Industrial rental | Medium term |
| 9th Floor, Zung Fu Industrial Building, 1067 King's Road, Quarry Bay, Hong Kong | Sub-section 2 of Section E of Quarry Bay Marine Lot No. 2 and the Extension thereto | Industrial rental | Long term |
| No. 9 Lok Yip Road, Fanling, New Territories, Hong Kong | Fanling Sheung Shui Town Lot No. 23 | Vacant | Medium term |

Five-year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is as follows:

| | 2011 HK\$'000 | 2010 HK\$'000 | 2009 HK\$'000 | 2008 HK\$'000 | 2007 HK\$'000 |
|--|--------------------------------|------------------|------------------|------------------|------------------|
| Revenue | 3,082,330 | 4,003,213 | 5,993,075 | 4,363,889 | 5,095,894 |
| Profit attributable to equity holders of the Company | 271,411 | 248,293 | 190,185 | 213,352 | 305,784 |
| Total assets | 2,942,195 | 2,758,902 | 2,883,451 | 2,891,081 | 2,136,318 |
| Total liabilities | (1,008,991) | (999,353) | (1,281,819) | (1,314,029) | (580,555) |
| Total equity | 1,933,204 | 1,759,549 | 1,601,632 | 1,577,052 | 1,555,763 |



ALCO HOLDINGS LIMITED

股份代號：328 Stock Code: 328

ANNUAL REPORT 2011 年報

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公司資料

董事

梁劍文先生(主席)
梁偉成先生
郭冠文先生
黃保欣先生，大紫荊勳賢、太平紳士*
李華明議員，銀紫荊星章、太平紳士*
劉宏業先生*

* 獨立非執行董事

公司秘書

郭冠文先生

主要往來銀行

恒生銀行有限公司
香港上海滙豐銀行有限公司
中國銀行(香港)有限公司
中國建設銀行股份有限公司香港分行
星展銀行(香港)有限公司
三菱東京UFJ銀行

核數師

羅兵咸永道會計師事務所

本公司法律顧問

萬盛國際律師事務所

百慕達法律顧問

Conyers, Dill & Pearman

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

總辦事處及主要營業地點

香港
鰂魚涌
英皇道1067號
仁孚工業大廈11樓

主要過戶登記處

HSBC Bank Bermuda Limited
6 Front Street
Hamilton HM11
Bermuda

香港過戶登記處

卓佳雅柏勤有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓

網址

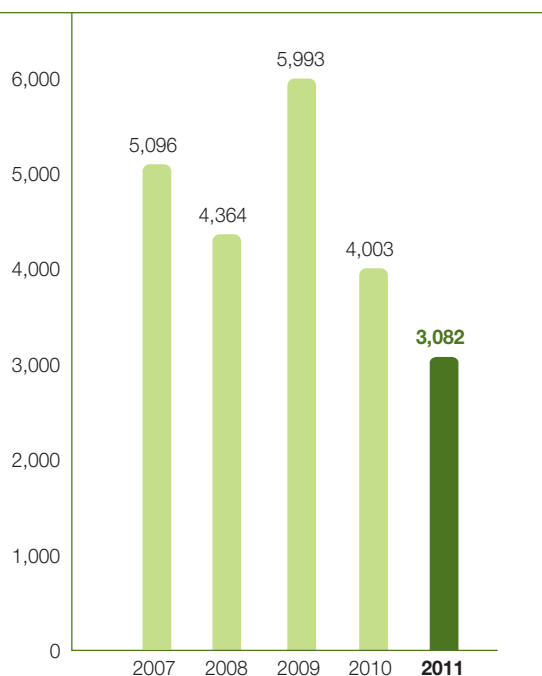
<http://www.alco.com.hk>

股份代號

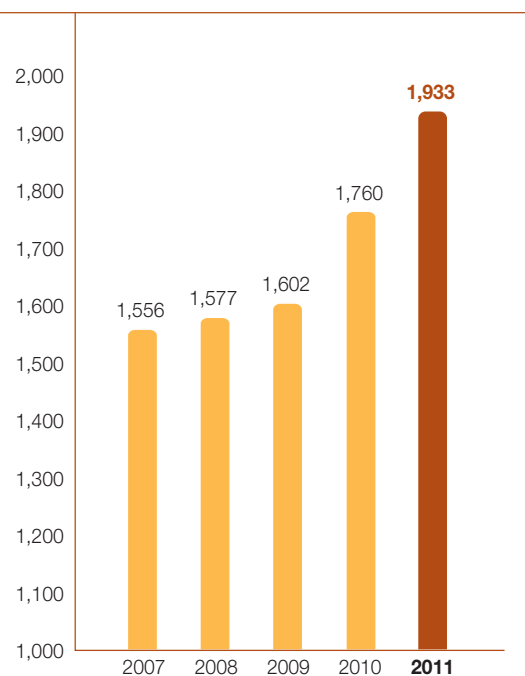
328

財務摘要

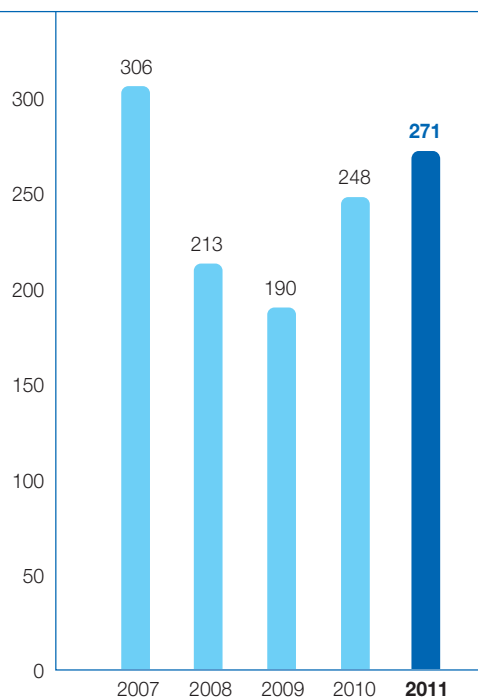
營業額
(百萬港元)



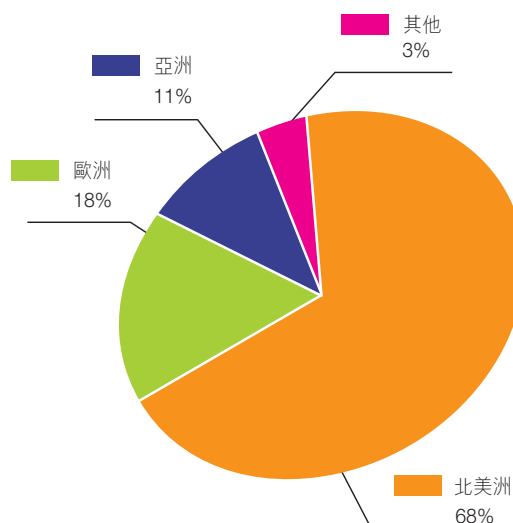
股東權益
(百萬港元)



股東應佔溢利
(百萬港元)



於二零一一年按地區
分類之營業額



主席報告



主席 梁劍文

集團業績及股息

本人謹代表董事會欣然宣佈 Alco Holdings Limited (「本公司」) 及其附屬公司 (統稱「本集團」) 於截至二零一一年三月三十一日止年度的財務業績。

於回顧年內，儘管本集團營業額較去年下跌23%至31億港元(二零一零年：40億港元)，但卻錄得股東應佔溢利2億7千1百萬港元(二零一零年：2億4千8百萬港元)。除了有賴管理層精選訂單致力維持合理利潤水平，及採取嚴謹的成本控制措施之外，香港粉嶺一幢工業大廈所產生的重估盈利共7千8百萬港元及東莞厚街鎮地皮的賠償帶來的盈利3千4百萬港元，亦為本集團帶來業績貢獻。每股基本盈利為47.9港仙(二零一零年：44.6港仙)。

董事會繼續奉行為股東帶來穩定股息回報的股息政策，因此董事會建議派付末期股息每股14港仙(二零一零年：14港仙)及特別股息8港仙(二零一零年：6港仙)，連同早前已派付的中期股息每股10港仙(二零一零年：9港仙)，本財政年度派發的股息總額為每股32港仙(二零一零年：29港仙)。

末期股息及特別股息將於二零一一年九月九日派付予本集團股東，惟須經股東於應屆股東週年大會批准作實。

業務回顧

儘管全球經濟自金融危機過後已稍有改善，惟部分歐洲國家及北美洲的復蘇仍然緩慢，加上激烈競爭，本集團面對嚴重的成本及訂價壓力。雖然如此，憑藉我們致力維持合理盈利水平，同時挑選訂單、推出符合最新智能電子產品市場趨勢的產品組合，以及加強存貨及生產控制，我們得以維持競爭力及穩健財務狀況，對本集團未來發展至為重要。



邊際利潤優先於營業額

近期，影音產品製造行業的整合日趨激烈，此乃由於越來越多中國大陸製造商進軍出口市場並意圖採取廉價策略進行競爭所致。由於本集團在過去數年一直重質多於量，並著重合理的邊際利潤多於營業額，讓我們在面對如此競爭下，仍有效維持市場地位及擁有健全的財務狀況。此外，由於我們僅接受同樣堅守優質產品理念而又信譽良好的客戶的訂單、維持與財政狀況穩健的客戶關係，以及提供具獨特功能及特點的產品組合，因此我們亦能維持毛利率於12.5%的相對穩定水平（二零一零年：13.9%）。



滿足市場對智能電子產品的需求

為鞏固本集團的市場領導地位，我們一直緊貼結合多種功能的智能消費電子產品行業的最新趨勢，並持續於影音產品增添附加功能。於回顧年內，液晶體電視、高檔音響產品及便攜式DVD／藍光播放機繼續成為本集團的主要收入來源，預期以LED背光液晶體電視替代冷陰極螢光(CCFL)電視的市場趨勢將於來年進一步推動歐洲市場的需求。為應付多功能消費電子產品及連接互聯網的需求，本集團更開發擁有附加功能的影音產品及家庭影院組合，這些附加功能包括內置



iPhone及iPad播放功能及可連接互聯網。此外，本集團亦於藍光碟產品加入新功能以提升有關產品質素，包括透過多項易用及受歡迎的應用程式（「Apps」），增添影音串流及可連接互聯網。

控制成本及現金流

控制成本仍然是維持本集團競爭力的關鍵。本集團將繼續在不影響產品品質及高性能的情況下優化產品設計、進行零部件及組件標準化及精簡工序，例如採用單元式生產概念，以維持領先地位。透過工序管理及上述的精簡生產策略，本集團亦得以減低對人手的依賴，維持精簡及有效的人力資源，從而減低工資上漲或工人遷移的影響。

管理現金流

現金流是本集團另一審慎管理的範疇。由於強勁的現金流能於不明朗市場環境下提供緩衝作用，因此本集團早已於最近的金融危機發生前維持高水平的流動資金。我們將繼續密切監察存貨及應收款項，以減低產生呆料及壞賬的風險。

主席報告



日本地震的影響

於二零一一年三月在日本發生的地震及海嘯影響若干電子零部件的供應。然而，由於本集團大部分電子零部件均由韓國、台灣及中國內地供應商提供，因此是次災害對本集團的生產影響輕微。

展望

雖然更多國家已從經濟谷底開始回升，但其他如美國及多個歐洲國家仍受高失業率及債務飆升等問題困擾。儘管部分市場依然不景氣，但隨著消費者對智能

電子產品的渴求所帶動該範疇迅速發展，加上市場逐步提升消費意欲，因此我們對消費電子市場仍保持審慎樂觀。

為確保本集團能把握增長趨勢，我們將全面發揮強大的研發能力，因應最新發展趨勢開發更多具吸引力的產品。

本集團一早進入了LED背光液晶電視及藍光碟播放機市場，證明我們有能力發掘及採用能吸引消費者的最新技術。本集團將繼續善用此優勢，探索3D科技在藍光碟播放機產品的應用及消費電子產品的Wi-Fi連接，此兩項產品近年亦漸受歡迎。此外，我們會繼續綜合擁有iPad播放功能以及內置iPod和iPhone播放功能的影音產品，以建立最佳的播放產品組合。本集團亦已開始研究生產3D電視、平板電腦及錄像串流播放器，預計這些產品未來將會成為主流產品，受本集團



主席報告

採購商客戶及消費者的歡迎。上述努力將有助加強本集團作為領先消費電子產品製造商和品牌的聲譽。

快將投產的東莞生產設施亦將有助提升本集團作為一流生產商的聲譽。該廠房佔地約280萬平方呎，樓面面積約250萬平方呎，工程進展順利，預期於二零一一年十月平頂，繼而進行裝修工程。生產線將按計劃於二零一二年上半年開始營運。這所先進的設施讓我們得以改善生產及組裝新產品線。除了提高生產效益和靈活性外，東莞廠房亦選用包括污水處理及減少能源消耗的多項環保設計，讓本集團能為保護環境盡一分力。

展望未來，我們將繼續制定及採納有助本集團把握機會的策略，從而加強市場地位和維持本集團的財政穩健。我們亦會提供高質素產品以滿足市場的需求，並且發展及推出新產品，建立長期增長之路。



致謝

本人謹代表董事會感謝管理層及各員工的竭力服務、辛勤工作和貢獻，亦特此向本集團的業務夥伴、股東及客戶長久以來的合作、信賴和支持致衷心謝意。

主席
梁劍文

香港，二零一一年六月二十八日



董事及高級管理人員履歷

執行董事

梁劍文先生，78歲，為本集團之創辦人兼主席。梁先生在香港之電子業擁有超過44年經驗，為該行業之先驅之一。彼對電子業有深厚認識，負責制訂本集團之整體策略與發展。

梁偉成先生，51歲，本集團主席之兒子，於一九八五年加入本集團，為本集團之行政總裁，並全面負責本集團之整體策略及監督業務運作。彼持有加拿大Queen's University之電氣工程理學碩士學位。

郭冠文先生，57歲，於一九九零年加入本集團，現為本集團之公司秘書兼董事。彼持有工商管理學碩士學位，於跨國機構中擁有超過34年之財務及會計經驗。

獨立非執行董事

黃保欣先生，大紫荊勳賢、太平紳士，88歲，於一九九二年加入本集團，為聯僑企業有限公司前董事長、前全國人大常務委員會香港特別行政區基本法委員會副主任、廣東大亞灣及嶺澳核電站核安全諮詢委員會榮譽主席、一國兩制研究中心有限公司顧問委員會主席及香港中華廠商聯合會榮譽會長。

李華明議員，銀紫荊星章、太平紳士，56歲，於一九九二年加入本集團，為立法會議員。彼持有加拿大University of Waterloo文學士學位及加拿大多倫多大學社會工作碩士學位。

劉宏業先生，50歲，於二零零零年加入本集團，曾為一家金融機構之董事總經理。彼持有會計學管理理學碩士學位，於投資銀行方面擁有深厚資歷。

董事及高級管理人員履歷

高級管理人員

Colin Frederick LIVERMORE 先生，56歲，於一九九一年加入本集團，現為愛高國際有限公司董事總經理，負責制訂主要針對歐洲客戶之市場推廣策略。彼於消費電子產品之市場推廣方面擁有超過31年經驗。

何炳雄先生，63歲，於二零零八年加入本集團，為集團生產部總經理，負責集團在中國的廠房之日常營運。彼持有經濟學／商業碩士學位及工程學文憑，且於OEM及EMS行業擁有超過32年的管理背景。

梁偉立先生，50歲，本集團主席之兒子，於二零零五年加入本集團，現為本集團高級銷售經理，監管本集團產品及服務於北美之銷售及市場營銷。

梁偉明先生，42歲，本集團主席之兒子，於一九九三年加入本集團，為本集團採購經理。彼於音響電子產品方面擁有超過18年經驗。

彭少梅女士，60歲，於一九七一年加入本集團，為主席之助理，負責本集團生產安排及行政事務。

周冠成先生，60歲，於一九七二年加入本集團，為愛高電業有限公司之船務經理，於貨運方面擁有超過36年經驗。

梁錦輝先生，54歲，於一九七九年加入本集團，為本集團之物料策劃及控制經理，於音響業方面擁有超過32年經驗。

梁裕昌先生，53歲，於一九七八年加入本集團，為愛高國際有限公司之船務經理，於貨運方面擁有超過33年經驗。

劉國偉先生，60歲，於一九八六年加入本集團，為愛高塑膠製品廠有限公司之董事，於塑膠業方面擁有超過26年經驗，現負責塑膠廠之運作。

何民信先生，52歲，於一九九九年加入本集團，為集團品質保證部總經理，負責本集團品質管理系統重組，彼持有製造及商業管理理學碩士學位，於電子產品之研究及開發、製造及品質控制方面擁有超過29年經驗。

周棟耀先生，41歲，於一九九七年加入本集團，為本集團之管理資訊系統經理，彼持有資訊系統理學碩士學位，於發展製造系統方面擁有超過18年經驗。

廖立民先生，39歲，於二零零五年加入本集團，為集團財務總監。彼持有加拿大多倫多大學學士學位，亦為香港會計師公會資深會員及特許公認會計師公會資深會員。彼於審計及會計方面擁有超過16年經驗。

企業管治報告

企業管治常規

本公司已遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載企業管治常規守則(「守則」)載列之所有適用之守則條文，惟偏離守則條文第A.4.1條之規定。

董事會

董事會負責作出本集團有關業務及策略之決定並監察管理人員之表現。

董事會於截至二零一一年三月三十一日止年度舉行四次會議。各董事之出席率載列如下：

| 董事會成員 | 出席紀錄 |
|----------------|------|
| 執行董事 | |
| 梁劍文先生 | 4/4 |
| 梁偉成先生 | 3/4 |
| 郭冠文先生 | 4/4 |
| 獨立非執行董事 | |
| 黃保欣先生 | 3/4 |
| 李華明議員 | 3/4 |
| 劉宏業先生 | 4/4 |

本公司已收到三位獨立非執行董事根據上市規則第3.13條所呈交有關其獨立性之年度確認函。董事會已評估彼等之獨立性，結論為所有獨立非執行董事均具獨立身份。

主席及行政總裁

梁劍文先生為主席，而梁偉成先生為行政總裁。

董事之委任及重選

根據守則條文第A.4.1條之規定，非執行董事的委任應有指定任期，並須接受重新選舉。本公司之非執行董事之委任並無指定任期，但根據本公司組織章程細則的規定，本公司獨立非執行董事須每年輪席退任，並於其任滿重選時檢討有關之委任。本公司認為，此項規定與守則之目標一致。

梁偉成先生及黃保欣先生將於應屆股東週年大會告退，惟符合資格並願膺選連任。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載列之上市公司董事進行證券交易的標準守則(「標準守則」)，作為本公司董事進行證券交易時本身之行為守則。經特別向董事作出查詢後，所有董事確認，彼等於截至二零一一年三月三十一日止十二個月已遵守載列於標準守則之規定標準及其有關董事進行本公司證券交易之行為守則。

薪酬委員會

本公司已根據守則條文之規定設立薪酬委員會，並以書面列明職權範圍。

薪酬委員會目前均由獨立非執行董事組成，分別為黃保欣先生(薪酬委員會主席)、劉宏業先生及李華明議員。

薪酬委員會之主要職責為就董事及高級管理人員之薪酬政策及結構提出建議並根據公司之目標及目的審議及批准董事及高級管理人員之薪酬。現有薪酬包括基本薪金、根據表現酌情發放之花紅及附帶福利。就本年度而言，薪酬委員會認為，薪酬為公平並與市場行情一致。

薪酬委員會於截至二零一一年三月三十一日止年度舉行一次會議，各委員會成員出席率如下：

| 成員 | 出席紀錄 |
|-------|------|
| 黃保欣先生 | 1/1 |
| 劉宏業先生 | 1/1 |
| 李華明議員 | 1/1 |

審核委員會

審核委員會目前均由獨立非執行董事組成，分別為劉宏業先生(審核委員會主席)、黃保欣先生及李華明議員。

審核委員會已與管理層審閱本集團採納之會計原則及慣例，並討論有關內部控制及財務呈報各事項，包括審閱本集團截至二零一一年三月三十一日止年度之財務報表。

審核委員會於截至二零一一年三月三十一日止年度舉行兩次會議，各委員會成員出席率如下：

| 成員 | 出席紀錄 |
|-------|------|
| 劉宏業先生 | 2/2 |
| 黃保欣先生 | 2/2 |
| 李華明議員 | 1/2 |

企業管治報告

董事及核數師有關財務報表之責任

董事確認其負責編製本集團財務報表。編製財務報表時，已採納香港財務報告準則，已貫徹使用並應用適當之會計政策並且作出合理及審慎判斷及估計。董事會並不知悉有涉及可能對本集團之持續經營能力產生重大疑問之事件或情況之任何重大不明朗因素。故此，董事會在編製財務報表時繼續採納持續經營基準。

核數師之責任載列於獨立核數師報告。

核數師酬金

截至二零一一年三月三十一日止年度，支付本公司核數師羅兵咸永道會計師事務所之酬金載列如下：

| 所提供服務 | 已支付／應付費用 千港元 |
|---------|-----------------|
| 審計有關服務 | 2,380 |
| 非審計有關服務 | |
| 稅務服務 | 331 |

結論

董事會認為，良好的企業管治可保障有效之資源配置並保護股東權益。管理層將努力維持、加強並改善本集團之企業管治水平及質素。

董事會報告

董事會謹此提呈董事會報告連同截至二零一一年三月三十一日止年度之經審核財務報表。

主要業務及分類分析

本公司之主要業務為投資控股，其附屬公司之業務載列於綜合財務報表附註34。

本集團按產品及地區分類之年度表現分析載列於綜合財務報表附註5。

業績及分派

本集團於本年度之業績載列於第23頁之綜合損益表。

董事會已宣派中期股息每股普通股10港仙，合共57,669,000港元。

董事會建議派發末期股息每股普通股14港仙及特別股息每股普通股8港仙，合共127,116,000港元。

流動資金及財務資源

於二零一一年三月三十一日，本集團之總權益及每股總權益分別約為19億3千3百萬港元(二零一零年：17億6千萬港元)及3.35港元(二零一零年：3.16港元)。

本集團保持強勁財務狀況。於二零一一年三月三十一日，本集團之現金及存款為9億零2百萬港元。於扣除銀行貸款1億1千6百萬港元後，本集團之淨現金為7億8千6百萬港元。本集團擁有充足的流動資金以應付日後的營運資金需求。於結算日後，本集團出售其中一項投資物業，將因此產生淨現金流入(經扣除相關按揭貸款及交易成本後)約1億3千萬港元，從而進一步增強本集團之財務狀況。

為優化存貨水平，管理層竭力改善及時供貨及零件標準化。本集團於二零一一年三月三十一日的存貨為4億2千9百萬港元(二零一零年：4億7千3百萬港元)。本集團一直嚴控存貨水平以減低產生呆料的風險及維持穩健的營運資金。

於二零一一年三月三十一日，應收貿易賬款結餘為7億零2百萬港元(二零一零年：5億2千1百萬港元)。本集團採取審慎的信貸政策及與信譽良好的客戶交易，以使信貸風險降至最低。根據付款條款，絕大部份應收賬已於二零一一年六月份清還。

於二零一一年三月三十一日，應付貿易賬款結餘為7億9千4百萬港元(二零一零年：7億2千9百萬港元)。

於二零一一年三月三十一日，本集團已獲授銀行信貸額為17億4千8百萬港元，其中已經動用之數額為1億1千6百萬港元。於已動用之信貸額中，5千萬港元須於第一年內償還，而6千6百萬港元須於第二至第七年期間償還。

董事會報告

流動資金及財務資源(續)

年內，於固定資產之資本開支為3千萬港元(二零一零年：3千4百萬港元)，主要用於購買模具。所有開支以內部資源撥付。於二零一一年三月三十一日，本集團就模具、廠房及機器之已訂約但未撥備資本承擔為152萬1千港元(二零一零年：91萬4千港元)。此外，本集團於厚街鎮之生產設施將搬遷至新工廠。於新工廠完成後，我們預期就搬遷及翻新工程將花費約1億5千萬港元。

在聯繫匯率制度下，本集團所承擔之有關貿易外匯風險有限，原因為本集團幾乎所有的銷售、採購及借貸均以美元及港元為貨幣單位。本集團遵守不涉及貨幣投機活動之政策，於報告財政年度並未就投機活動錄得任何損益。

於二零一零年七月簽署經修訂的人民幣業務清算協議後，企業現在可透過香港的銀行進行人民幣業務，我們把握機會使現金存款組合多樣化，投資於以人民幣為貨幣單位的存款及債券，合共達人民幣3億4千3百萬元，為人民幣潛在升值所帶來的成本影響提供一個自然對沖。

僱員

於二零一一年三月三十一日，本集團於香港及中國聘用約6,900名(二零一零年：7,900名)僱員。薪酬方案一般參考市場條款及個人資歷釐定。薪酬及工資通常每年根據表現評價及其他有關因素檢討。本集團亦向所有合資格員工提供包括醫療保險、公積金及教育補貼等其他福利。

主要供應商及客戶

本集團截至二零一一年三月三十一日止年度主要供應商及客戶所佔之採購額及銷售額佔總採購額及銷售額之百分比如下：

採購額

| | |
|-----------|-----|
| — 最大供應商 | 8% |
| — 五大供應商合計 | 28% |

銷售額

| | |
|----------|-----|
| — 最大客戶 | 35% |
| — 五大客戶合計 | 84% |

各董事、彼等之聯繫人士或股東(據董事會所知擁有本公司股本5%以上者)於年內任何時間概無持有上述主要供應商或客戶之權益。

儲備

本年度本集團及本公司儲備之變動情況載列於綜合財務報表附註28。

董事會報告

捐款

年內本集團用於慈善及其他捐款款項為52,000港元。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載列於綜合財務報表附註14。

主要物業

本集團持作投資用途之主要物業詳情載列於第85頁。

股本

本公司股本之變動詳情載列於綜合財務報表附註27。

可供分派儲備

本公司於二零一一年三月三十一日之可供分派儲備約為107,648,000港元(二零一零年：46,475,000港元)，包括保留溢利及繳入盈餘。

五年財務概要

本集團最近五個財政年度之業績以及資產與負債概要載列於第86頁。

購買、出售或贖回證券

截至二零一一年三月三十一日止年度，本公司及其任何附屬公司概無購買或出售本公司任何股份，於同一財政年度本公司亦無贖回其任何股份。

銀行貸款及其他借貸

於二零一一年三月三十一日本集團之銀行借貸之分析載列如下：

| | 銀行借貸 | |
|----------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 一年內 | 49,771 | 76,400 |
| 於第二年 | 12,771 | 39,400 |
| 於第三年至第五年 | 35,315 | 6,600 |
| 五年以上 | 18,150 | — |
| | 116,007 | 122,400 |

董事會報告

主要附屬公司

本公司於二零一一年三月三十一日之主要附屬公司載列於綜合財務報表附註34。

退休福利計劃

本集團退休福利計劃詳情載列於綜合財務報表附註8。

董事

本年度之董事如下：

梁劍文先生
梁偉成先生
郭冠文先生
黃保欣先生，大紫荊勳賢、太平紳士¹
李華明議員，銀紫荊星章、太平紳士¹
劉宏業先生¹

¹ 獨立非執行董事

根據本公司組織章程細則第87(1)條，梁偉成先生及黃保欣先生將於應屆股東週年大會告退，惟符合資格並願膺選連任。

董事之服務合約

於二零一零年四月一日，各執行董事與本公司訂立三年期之服務合約，該等合約一直有效至其中一方向對方發出不少於六個月之書面通知為止。

獨立非執行董事與本公司或其附屬公司並無訂立任何服務合約。

董事及高級管理人員履歷

董事及高級管理人員履歷載列於第8至9頁。

董事於合約中之權益

於年終或年內任何時間，本公司或其任何附屬公司概無訂立任何對本集團業務有重大影響且本公司之董事直接或間接在其中佔有重大權益之合約。

董事於競爭業務之權益

本公司董事概無於對本集團業務構成競爭或可能構成競爭之業務中擁有權益。

董事會報告

董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債券中之權益及淡倉

(a) 本公司每股面值0.10港元普通股中之好倉

於二零一一年三月三十一日，本公司各董事及行政總裁於本公司及其相聯法團（按證券及期貨條例（「證券及期貨條例」）所定義者）股份、相關股份及債券中擁有須記入本公司根據證券及期貨條例第XV部第352條存置之登記冊內之權益及淡倉，或根據上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

| | 持有股份數目 | | 股本衍生 工具— 購股權 | 總計 | 佔本公司 已發行股本 之百分比 |
|-------|------------|---------------------|--------------------|-------------|-----------------------|
| | 個人權益 | 法團權益 | | | |
| 梁劍文先生 | 20,150,000 | 225,911,400 (附註) | 750,000 | 246,811,400 | 42.72% |
| 梁偉成先生 | 45,390,000 | — | 750,000 | 46,140,000 | 7.99% |
| 郭冠文先生 | 752,000 | — | 750,000 | 1,502,000 | 0.26% |
| 黃保欣先生 | — | — | 500,000 | 500,000 | 0.09% |
| 李華明議員 | 260,000 | — | 250,000 | 510,000 | 0.09% |
| 劉宏業先生 | — | — | 500,000 | 500,000 | 0.09% |

附註：

此等股份由在英屬處女群島註冊成立之有限公司 Shundean Investments Limited 擁有。梁劍文先生是該公司之唯一股東。

(b) 本公司相關股份內之好倉

除「購股權計劃」一節披露者外，在本年度內本公司或其任何附屬公司概無參與任何安排，致使董事或行政總裁或其配偶或十八歲以下子女可藉購入本公司或任何其他法人團體之股份或債券而獲益。

董事會報告

董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債券中之權益及淡倉(續)

(b) 本公司相關股份內之好倉(續)

除上文所披露者及梁劍文先生代本集團以信託形式持有本公司屬下在香港註冊成立之附屬公司一股普通股以外，於二零一一年三月三十一日本公司董事及行政總裁概無於本公司或其相聯法團之股份、相關股份或債券中，擁有本公司根據證券及期貨條例或其他規定須披露，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

主要股東於本公司股份及相關股份中之權益及淡倉

根據證券及期貨條例第XV部第336條規定須保存之主要股東名冊顯示，於二零一一年三月三十一日，已知會本公司已登錄以下為本公司已發行股本5%或以上主要股東權益及淡倉。該等權益並無計入以上披露有關董事及行政總裁之權益內。

| 名稱 | 持股身份 | 股份數目 好倉 | 股本衍生工具 購股權 | 總計 | 佔本公司已發行 股本之百分比 |
|-------------------------------|-------|----------------------|---------------|-------------|-------------------|
| Shundean Investments Limited | 實益擁有人 | 225,911,400 (附註i) | — | 225,911,400 | 39.10% |
| Webb David Michael | 實益擁有人 | 40,397,400 | — | 40,397,400 | 6.99% |
| 梁偉立 | 實益擁有人 | 34,828,190 | 750,000 | 35,578,190 | 6.16% |
| DJE Investment S.A. | 投資經理 | 33,830,980 (附註ii) | — | 33,830,980 | 5.86% |
| DJE Kapital AG | 投資經理 | 33,830,980 (附註ii) | — | 33,830,980 | 5.86% |
| Dr. Jens Alfred Karl Ehrhardt | 投資經理 | 33,830,980 (附註ii) | — | 33,830,980 | 5.86% |

主要股東於本公司股份及相關股份中之權益及淡倉 (續)

附註：

- (i) 此等股份由在英屬處女群島註冊成立之有限公司 Shundean Investments Limited 擁有。梁劍文先生是該公司之唯一股東。
- (ii) 該等股份由 DJE Investment S.A. 持有，而 DJE Investment S.A. 由 DJE Kapital AG 控制，而 DJE Kapital AG 由 Dr. Jens Alfred Karl Ehrhardt 控制。

除於上文披露者外，根據本公司按證券及期貨條例第XV部第336條存置之登記冊，於二零一一年三月三十一日，除列於上文「董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債券中之權益及淡倉」一節載列之權益外，並無任何人士於本公司之股份或相關股份中擁有任何權益或淡倉。

購股權計劃

於二零零三年八月二十一日舉行之股東特別大會上，本公司股東批准終止本公司於一九九二年十一月六日採納之購股權計劃（該計劃於二零零二年十一月五日期滿），並批准採納新購股權計劃（「該計劃」）。該計劃從採納當日起計十年期內有效。

根據該計劃，本公司可向本公司或其任何附屬公司之董事及員工授出購股權以認購本公司股份，以作獎勵之用。

根據所有購股權計劃授出及尚未行使之購股權在悉數行使時可予發行之股份數目，最多不得超過本公司不時已發行股份之30%。

所有根據該計劃授出之購股權在悉數行使時可予發行之股份數目，不得超過採納日期當日本公司已發行股份之10%。

於任何十二個月期間內授予個別承授人之購股權總數，不得超過本公司已發行股份之1%。

根據購股權而必須認購股份之期間為董事會決定之任何期間，此期間為授出有關購股權之日起計十年或該計劃期滿日之較早者。

購股權之認購價不得低於以下各項中之較高者 (i) 於授出日期股份於聯交所之收市價；(ii) 在緊接授出日期前五個交易日股份於聯交所之平均收市價；及 (iii) 股份的面值。

購股權承授人須向本公司繳付1港元以接納購股權。

自採納該計劃起，本公司已授出40,810,000份購股權。詳情已載列於綜合財務報表附註27。

董事會報告

管理合約

本年度並無訂立或存在有關本公司整體或任何主要部分業務管理及行政事宜之合約。

優先購買權

本公司組織章程細則概無優先購買權之規定，儘管百慕達法例並無對有關權利施加限制。

企業管治

本公司一直保持高水平之企業管治。本公司採納之企業管治常規之詳情載列於第10至12頁企業管治報告。

審核委員會

審核委員會已與管理層審閱本集團採納之會計原則及慣例，並討論有關內部控制及財務呈報各事項，包括審閱本集團截至二零一一年三月三十一日止年度之財務報表。

審核委員會目前由本公司三名獨立非執行董事組成，分別為黃保欣先生，大紫荊勳賢、太平紳士、李華明議員，銀紫荊星章、太平紳士及劉宏業先生。

充足公眾流通量

根據可公開獲得以及董事會所知悉之資料，董事確認，截至二零一一年三月三十一日止年度及至本報告日期之所有時間，本公司股份之公眾流通量充足，超過已發行股份之25%。

核數師

財務報表經由羅兵咸永道會計師事務所審核，該核數師任滿告退，並符合資格願於本公司應屆股東週年大會續聘連任。

承董事會命

主席
梁劍文

香港，二零一一年六月二十八日

獨立核數師報告



羅兵咸永道會計師事務所

羅兵咸永道會計師事務所

香港中環

太子大廈22樓

獨立核數師報告

致ALCO HOLDINGS LIMITED股東

(於百慕達註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第23至84頁Alco Holdings Limited(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一一年三月三十一日的綜合和公司資產負債表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見，並按照百慕達《一九八一年公司法》第90條僅向整體股東報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

獨立核數師報告

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一一年三月三十一日的事務狀況，及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一一年六月二十八日

綜合損益表

截至二零一一年三月三十一日止年度

| | 附註 | 二零一一年 千港元 | 二零一零年 千港元 |
|--------------|----|--------------|--------------|
| 營業額 | 5 | 3,082,330 | 4,003,213 |
| 銷貨成本 | 7 | (2,698,147) | (3,447,672) |
| 毛利 | | 384,183 | 555,541 |
| 其他收入 | 6 | 145,205 | 14,451 |
| 銷售開支 | 7 | (144,560) | (216,833) |
| 行政開支 | 7 | (103,856) | (93,428) |
| 其他經營開支 | 7 | (1,600) | (4,718) |
| 貸款及應收款項匯兌收益 | 18 | 3,140 | 14,397 |
| 經營溢利 | | 282,512 | 269,410 |
| 財務收入 | 9 | 8,189 | 5,989 |
| 財務成本 | 9 | (889) | (1,381) |
| 除所得稅前溢利 | | 289,812 | 274,018 |
| 所得稅支出 | 10 | (18,401) | (25,725) |
| 本公司股東應佔本年度溢利 | | 271,411 | 248,293 |
| 本公司股東應佔每股盈利 | | | |
| — 基本 | 12 | 47.9 港仙 | 44.6 港仙 |
| — 攤薄 | 12 | 47.6 港仙 | 44.6 港仙 |
| 股息 | 13 | 184,785 | 163,265 |

第29至84頁之附註乃此等綜合財務報表之一部分。

綜合全面收益表

截至二零一一年三月三十一日止年度

| | 附註 | 二零一一年 千港元 | 二零一零年 千港元 |
|---------------------|----|----------------|--------------|
| 本公司股東應佔本年度溢利 | | 271,411 | 248,293 |
| 其他全面(虧損)/收益，扣除稅項： | | | |
| 可供出售金融資產之公平值收益 | 19 | 48 | 40,485 |
| 貨幣匯兌差額 | | (86) | (2,828) |
| 本年度其他全面(虧損)/收益，扣除稅項 | | (38) | 37,657 |
| 本公司股東應佔本年度全面收益總額 | | 271,373 | 285,950 |

第29至84頁之附註乃此等綜合財務報表之一部分。

綜合資產負債表

於二零一一年三月三十一日

| | 附註 | 二零一一年 三月三十一日 千港元 | 二零一零年 三月三十一日 千港元 (重列) | 二零零九年 四月一日 千港元 (重列) |
|---------------------|----|------------------------|--------------------------------|------------------------------|
| 非流動資產 | | | | |
| 物業、廠房及設備 | 14 | 252,813 | 324,943 | 378,324 |
| 投資物業 | 15 | 312,388 | 75,020 | 65,970 |
| 租賃土地及土地使用權 | 16 | 7,821 | 11,997 | 12,389 |
| 無形資產 | 17 | 69,426 | 76,827 | 81,658 |
| 遞延所得稅資產 | 29 | 18,826 | 7,072 | — |
| 貸款及應收款項 | 18 | 97,884 | 78,501 | 64,104 |
| 可供出售金融資產 | 19 | 136,689 | 136,641 | 96,156 |
| | | 895,847 | 711,001 | 698,601 |
| 流動資產 | | | | |
| 存貨 | 22 | 429,187 | 472,688 | 703,846 |
| 應收貿易及其他賬款 | 23 | 714,757 | 535,383 | 608,697 |
| 現金及現金等值 | 24 | 902,404 | 1,039,830 | 872,307 |
| | | 2,046,348 | 2,047,901 | 2,184,850 |
| 流動負債 | | | | |
| 應付貿易及其他賬款 | 25 | 878,433 | 819,062 | 831,317 |
| 即期所得稅負債 | | 14,551 | 57,891 | 38,439 |
| 借貸 | 26 | 49,771 | 76,400 | 74,808 |
| | | 942,755 | 953,353 | 944,564 |
| 流動資產淨值 | | 1,103,593 | 1,094,548 | 1,240,286 |
| 總資產減流動負債 | | 1,999,440 | 1,805,549 | 1,938,887 |
| 本公司股東應佔資本及儲備 | | | | |
| 股本 | 27 | 57,780 | 55,666 | 55,666 |
| 儲備 | 28 | 1,875,424 | 1,703,883 | 1,545,966 |
| 總權益 | | 1,933,204 | 1,759,549 | 1,601,632 |
| 非流動負債 | | | | |
| 借貸 | 26 | 66,236 | 46,000 | 307,761 |
| 遞延所得稅負債 | | — | — | 29,494 |
| | | 66,236 | 46,000 | 337,255 |
| 總權益及非流動負債 | | 1,999,440 | 1,805,549 | 1,938,887 |

第23至第84頁之財務報表已獲董事會於二零一一年六月二十八日批准，並由下列董事代表董事會簽署。

董事
梁劍文

董事
梁偉成

第29至84頁之附註乃此等綜合財務報表之一部分。

資產負債表

於二零一一年三月三十一日

| | 附註 | 二零一一年 千港元 | 二零一零年 千港元 |
|---------------------|----|--------------|--------------|
| 非流動資產 | | | |
| 於附屬公司之投資 | 20 | 482,180 | 348,177 |
| 流動資產 | | | |
| 其他應收款項 | 23 | 105 | 105 |
| 即期所得稅資產 | | 4 | – |
| 現金及現金等值 | 24 | 307 | 89 |
| | | 416 | 194 |
| 流動負債 | | | |
| 其他應付款項 | 25 | 215 | 278 |
| 即期所得稅負債 | | – | 1 |
| | | 215 | 279 |
| 流動資產／(負債)淨額 | | 201 | (85) |
| 總資產減流動負債 | | 482,381 | 348,092 |
| 本公司股東應佔資本及儲備 | | | |
| 股本 | 27 | 57,780 | 55,666 |
| 儲備 | 28 | 424,601 | 292,426 |
| 總權益 | | 482,381 | 348,092 |

第23至第84頁之財務報表已獲董事會於二零一一年六月二十八日批准，並由下列董事代表董事會簽署。

董事
梁劍文

董事
梁偉成

第29至84頁之附註乃此等財務報表之一部分。

綜合權益變動表

截至二零一一年三月三十一日止年度

| | 本公司股東應佔 | | | |
|----------------|-----------|-------------|-------------|-----------|
| | 股本 千港元 | 其他儲備 千港元 | 保留盈利 千港元 | 總計 千港元 |
| 於二零零九年四月一日 | 55,666 | 208,345 | 1,337,621 | 1,601,632 |
| 全面收益 | | | | |
| 本年度溢利 | — | — | 248,293 | 248,293 |
| 其他全面收益／(虧損) | | | | |
| 可供出售金融資產之公平值收益 | — | 40,485 | — | 40,485 |
| 貨幣兌換差額 | — | (2,828) | — | (2,828) |
| 全面收益總值 | — | 37,657 | 248,293 | 285,950 |
| 與擁有人進行之交易 | | | | |
| 二零一零年中期股息 | — | — | (50,100) | (50,100) |
| 二零零九年末期股息 | — | — | (77,933) | (77,933) |
| 與擁有人進行之交易總值 | — | — | (128,033) | (128,033) |
| 於二零一零年三月三十一日 | 55,666 | 246,002 | 1,457,881 | 1,759,549 |
| 於二零一零年四月一日 | 55,666 | 246,002 | 1,457,881 | 1,759,549 |
| 全面收益／(虧損) | | | | |
| 本年度溢利 | — | — | 271,411 | 271,411 |
| 其他全面收益／(虧損) | | | | |
| 可供出售金融資產之公平值收益 | — | 48 | — | 48 |
| 貨幣兌換差額 | — | (86) | — | (86) |
| 全面(虧損)／收益總值 | — | (38) | 271,411 | 271,373 |
| 與擁有人進行之交易 | | | | |
| 行使購股權而發行之股份 | 2,114 | 59,219 | — | 61,333 |
| 股權補償 | — | 11,783 | — | 11,783 |
| 二零一一年中期股息 | — | — | (57,669) | (57,669) |
| 二零一零年末期股息及特別股息 | — | — | (113,165) | (113,165) |
| 與擁有人進行之交易總值 | 2,114 | 71,002 | (170,834) | (97,718) |
| 於二零一一年三月三十一日 | 57,780 | 316,966 | 1,558,458 | 1,933,204 |

第29至84頁之附註乃此等綜合財務報表之一部分。

綜合現金流量表

截至二零一一年三月三十一日止年度

| | 附註 | 二零一一年 千港元 | 二零一零年 千港元 |
|-------------------|----|--------------|--------------|
| 經營業務之現金流量 | | | |
| 經營產生之現金 | 30 | 166,548 | 641,240 |
| 收取利息 | | 8,189 | 5,989 |
| 支付利息 | | (889) | (1,381) |
| 支付所得稅 | | (73,495) | (42,839) |
| 經營業務產生之現金淨額 | | 100,353 | 603,009 |
| 投資業務之現金流量 | | | |
| 購置物業、廠房及設備 | | (29,909) | (34,266) |
| 出售物業、廠房及設備所得款項 | | 3,556 | 1,887 |
| 支付遞延發展費用 | | (12,107) | (11,515) |
| 購置貸款及應收款項 | | (16,243) | — |
| 購置投資物業 | | (128,206) | — |
| 出售土地及樓宇所得款項 | | 43,515 | — |
| 投資業務所用之現金淨額 | | (139,394) | (43,894) |
| 融資業務之現金流量 | | | |
| 就行使購股權而發行普通股之所得款項 | | 61,333 | — |
| 借貸所得款項 | | 72,600 | 12,000 |
| 償還借貸 | | (78,993) | (272,169) |
| 派發予本公司股東股息 | | (170,834) | (128,033) |
| 融資業務所用之現金淨額 | | (115,894) | (388,202) |
| 現金及現金等值(減少)/增加淨額 | | (154,935) | 170,913 |
| 於年初之現金及現金等值 | | 1,039,830 | 872,307 |
| 外幣匯率變化之影響 | | 17,509 | (3,390) |
| 於年末之現金及現金等值 | 24 | 902,404 | 1,039,830 |

第29至84頁之附註乃此等綜合財務報表之一部分。

綜合財務報表附註

二零一一年三月三十一日

1 一般資料

Alco Holdings Limited (「本公司」) 及其附屬公司 (統稱「本集團」) 從事設計、製造及銷售消費電子產品及塑膠產品。

本公司乃一間於百慕達註冊成立之有限責任公司。註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司於香港聯合交易所有限公司主板上市。

除另有註明外，該等綜合財務報表均以千港元呈列。該等綜合財務報表已於二零一一年六月二十八日獲董事會批准刊發。

2 主要會計政策概要

於編製該等綜合財務報表時採用之主要會計政策載列如下。除另有註明者外，該等政策已於所有呈報年度貫徹採用。

2.1 編製基準

本公司之綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則、香港聯合交易所有限公司證券上市規則附錄十六之披露規定及香港公司條例編製。綜合財務報表乃根據歷史成本常規法編製，並經按公平值列賬之投資物業及可供出售金融資產之重估予以修訂。

編製符合香港財務報告準則規定之綜合財務報表須採用若干重要會計評估，管理層亦須於應用本集團會計政策時作出判斷，而涉及較高水平判斷或較為複雜之範圍，或假設及評估對綜合財務報表至關重要之範圍於附註4披露。

本集團採納之新訂／經修訂準則、準則修訂本及詮釋

採納自二零一零年四月一日起生效之所有新訂／經修訂準則、準則修訂本及詮釋對本集團之綜合財務報表並無重大影響，惟香港會計準則第17號(修訂本)「租賃」除外。採納該項修訂本之影響如下：

綜合財務報表附註

二零一一年三月三十一日

2 主要會計政策概要(續)

2.1 編製基準(續)

本集團採納之新訂／經修訂準則、準則修訂本及詮釋(續)

香港會計準則第17號(修訂本)－租賃

香港會計準則第17號「租賃」作出之修訂本，刪除了租賃持有之土地部分應分類為經營租賃此一特定指引。有關修訂定下新指引，指出實體須根據香港會計準則第17號所載之標準，運用判斷決定租賃有否轉讓土地擁有權之重大風險及回報。本集團已重新評估現有土地租賃安排，若干「租賃土地及土地使用權」已重新分類為「物業、廠房及設備」，而相應的「租賃土地及土地使用權攤銷」已追溯並重新分類為「物業、廠房及設備折舊」。比較資料已重列以反映會計政策上的改變。由於以上所述之重新分類，採納香港會計準則第17號之修訂本對綜合財務資料產生以下影響：

| | 二零一一年 三月三十一日 千港元 | 二零一零年 三月三十一日 千港元 | 二零零九年 四月一日 千港元 |
|--------------|------------------------|------------------------|----------------------|
| 物業、廠房及設備增加 | 46,133 | 46,194 | 46,259 |
| 租賃土地及土地使用權減少 | 46,133 | 46,194 | 46,259 |

| | 截至三月三十一日止年度 | |
|----------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 物業、廠房及設備折舊增加 | 61 | 65 |
| 租賃土地及土地使用權攤銷減少 | 61 | 65 |

本集團已根據新會計政策追溯及重新呈列於二零零九年四月一日之年初結餘，並相對應截至二零一零年三月三十一日止年度之比較數字作重新分類調整。重新分類對任何已呈列期間之已呈報溢利、全面收益總額或權益並無影響。

由於上述追溯重新分類，已根據香港會計準則第1號「財務報表之呈列」之規定額外呈列於二零零九年四月一日之綜合財務狀況表。

2 主要會計政策概要(續)

2.1 編製基準(續)

尚未生效及本集團並無提早採納之新訂／經修訂準則、準則修訂本及詮釋

下列新訂／經修訂準則、準則修訂本及詮釋已公佈，但於截至二零一一年三月三十一日止財政年度尚未生效且本集團並無提早採用：

| | | 於下列日期 或其後開始 之年度期間生效 |
|----------------------------------|----------------------------------|---------------------------|
| 香港財務報告準則第1號 (修訂本) | 香港財務報告準則第7號對首次採納者 披露比較數字之有限豁免 | 二零一零年七月一日 |
| 香港財務報告準則第1號 (修訂本) | 嚴重惡性通貨膨脹及 為首次採納者刪除固定日期 | 二零一一年七月一日 |
| 香港財務報告準則第7號 (修訂本) | 披露－轉讓金融資產 | 二零一一年七月一日 |
| 香港財務報告準則第9號 | 金融工具 | 二零一三年一月一日 |
| 香港會計準則第1號(修訂本) | 財務報表之呈報 | 二零一一年一月一日 |
| 香港會計準則第12號 (修訂本) | 遞延稅項：收回相關資產 | 二零一二年一月一日 |
| 香港會計準則第24號(經修訂) | 關連人士之披露 | 二零一一年一月一日 |
| 香港(國際財務報告詮釋委員會)－ 詮釋第14號(修訂本) | 最低資金要求之預付款項 | 二零一一年一月一日 |
| 香港(國際財務報告詮釋委員會)－ 詮釋第19號 | 以股本權益工具清償金融負債 | 二零一零年七月一日 |
| 香港會計師公會於二零一零年五月公佈之對香港財務報告準則之多項改進 | | |

本集團已開始評估上述新訂／經修訂準則、準則修訂本及詮釋之影響，但目前尚未能確定該等新訂／經修訂準則、準則修訂本及詮釋會否對其經營業績和財務狀況帶來重大影響。

綜合財務報表附註

二零一一年三月三十一日

2 主要會計政策概要(續)

2.2 綜合

綜合財務報表包括本公司及其所有附屬公司截至三月三十一日止之財務報表。

附屬公司為所有本集團有權監管其財務及經營策略且一般擁有過半數投票權的公司（包括特別目的公司）。評估本集團是否控制另一公司會考慮現時可行使或可轉換的潛在投票權是否存在及其影響。

附屬公司於控制權轉移至本集團之日全面綜合入賬。附屬公司由失去控制權之日起不再綜合入賬。

本集團使用購買法為業務合併入賬。就收購附屬公司所轉讓之代價為按公平值計算之所轉讓之資產、產生之負債及本集團發行之權益。所轉讓之代價包括按公平值計算之由或然代價安排所產生之資產或負債。所產生之收購相關成本入賬列為開支。業務合併所收購之可識別資產及所承擔之負債及或然負債初步按收購日之公平值計算。以各宗收購作基準，本集團按公平值或非控股權益按比例應佔被收購方之資產淨值，確認於被收購方之非控股權益。

於附屬公司之投資乃以成本減減值之方法入賬。成本經調整以反映因或然代價修訂產生的代價變動。成本亦包括投資之直接應佔費用。

所轉讓代價、於被收購方之任何非控股權益金額及按收購日期公平值計算之任何先前於被收購方之權益，超過所收購的可識別資產淨值之公平值之差額會被入賬列作商譽。倘該數額低於以廉價收購之附屬公司之資產淨值公平值，則該差額會直接於綜合全面收益表內確認。

集團內公司間之交易、結餘及交易的未變現收益乃予以對銷。未變現虧損亦予以撇銷。附屬公司之會計政策已於有需要時於綜合財務報表作變動，目的是以與本集團所採納之政策一致。

2 主要會計政策概要(續)

2.3 分部報告

經營分部按與向主要經營決策人內部呈報者一致之方式呈報。主要經營決策人負責分配資源及評核經營分部之表現，而管理委員會被認定為負責作出策略決定。

2.4 外幣匯兌

(a) 功能及呈報貨幣

本集團各公司之財務報表所包括之項目，均以該公司之主要營運地區之貨幣(「功能貨幣」)計算。本綜合財務報表乃以港元呈報，即本公司之功能貨幣及本集團之呈報貨幣。

(b) 交易和結餘

外幣交易均按交易或項目重新估值當日之匯率折算為功能貨幣。結算該等交易以及按年結日之匯率折換外幣資產及負債產生之匯兌收益及虧損，均於綜合損益表內確認。

非貨幣金融資產之匯兌差額(如分類為可供出售權益投資)乃計入其他全面收益。

(c) 集團公司

本集團旗下所有公司如其功能貨幣與呈報貨幣不同(其中並無任何公司持有通脹嚴重之經濟體系之貨幣)，其業績及財務狀況均按以下方法兌換為呈報貨幣：

- (i) 各資產負債表所列之資產及負債均按照該資產負債表結算日之收市匯率折算；
- (ii) 各損益表所列之收入及支出均按照平均匯率折算(但若此平均匯率未能合理地反映各交易日之匯率所帶來之累積影響，則按照交易日之匯率折算此等收入和支出)；及
- (iii) 所有產生之匯兌差額均於其他全面收益確認。

綜合財務報表附註

二零一一年三月三十一日

2 主要會計政策概要(續)

2.4 外幣匯兌(續)

(c) 集團公司(續)

在編製綜合賬目時，折算海外業務投資淨額而產生之匯兌差額，均列入其他全面收益內。當出售部分或所有海外業務時，錄入權益賬內之此等匯兌差額將於綜合損益表內確認為出售收益或虧損之一部分。

因收購海外公司而產生之商譽及公平值調整，均視作為該海外公司之資產及負債處理，並以結算日匯率折算。

2.5 租賃土地及土地使用權

分類為經營租賃之租賃土地及土地使用權乃按成本減累計攤銷及累計減值虧損列賬。成本主要指自個別權利授出日期起計使用土地的權利所支付之代價。租賃土地及土地使用權乃按權利年期以直線法攤銷。

2.6 物業、廠房及設備

分類為融資租賃之租賃土地以及物業、廠房及設備均按歷史成本減折舊及減值虧損列賬。歷史成本包括直接用於收購項目的開支。

當與項目有關之未來經濟利益可能會流入本集團，且能可靠地計量項目之成本時，方會將其後之成本併入資產之賬面值或確認為一項獨立資產(如適用)。已更換部分之賬面值不予確認。所有其他維修及保養費用，均於產生之財政年度內的綜合損益表內支銷。

分類為融資租賃之租賃土地自土地權益可供其擬定用途時開始攤銷。分類為融資租賃之租賃土地之攤銷及其他資產之折舊採用直線法計算，並以其剩餘租期或預計使用年期(以較短者為準)作為其成本之分攤期限。

2 主要會計政策概要(續)

2.6 物業、廠房及設備(續)

樓宇及模具的折舊乃利用直線法計算，將其成本分配至分別為40年及4年之估計可使用年期。其他物業、廠房及設備之折舊乃將資產成本按其估計可使用年期，以餘額遞減法撇銷及減去累計減值虧損。所採用之主要折舊率如下：

| | |
|----------|-----------|
| 租賃物業裝修 | 20% |
| 傢俬、裝置及設備 | 20% |
| 廠房及機器 | 14.5%至20% |
| 汽車 | 20% |

資產之剩餘價值及可使用年期均於各報告期末予以審閱及調整(如適用)。

倘資產賬面值較估計的可收回款額為大，則資產的賬面值將立刻被撇減至其可收回款額(附註2.9)。

出售之盈虧均透過將所得款項與賬面值作比較而釐定，並於綜合損益表「其他經營開支」內確認。

2.7 投資物業

物業能獲得長期租賃收益或資本增值或兩者兼備，且並非由本集團內公司所佔用，乃歸類為投資物業。

投資物業包括租賃土地及樓宇。

投資物業以公平值列賬。估值由獨立估值師依據國際評估準則委員會刊發之指引按個別物業相關之公開市值進行。

公平值之改變作為「其他收入」之部分，於綜合損益表內確認。

綜合財務報表附註

二零一一年三月三十一日

2 主要會計政策概要(續)

2.8 無形資產

(a) 已購置特許權

已購置特許權以成本減累計攤銷結轉。已購置特許權之經濟可使用年期乃於購置時作出估計(附註4(b))。

攤銷乃利用直線法計算，將已購置特許權之成本分配至10年之估計可使用年期。

根據香港會計準則第36號，特許權須每年進行減值測試。

(b) 遞延發展費用

研究開支於產生時確認作支銷。倘符合以下條件，則發展項目中(設計及測試全新或經改良產品)產生之費用乃確認作無形資產：

- (i) 技術上可行完成開發中／已開發產品，使其可供使用或銷售；
- (ii) 管理層有意完成開發中／已開發產品並作使用或銷售；
- (iii) 有能力使用或銷售開發中／已開發產品；
- (iv) 可展示開發中／已開發產品如何可能產生未來經濟利益；
- (v) 擁有充足技術、財務及其他資源以完成發展及使用或銷售開發中／已開發產品；及
- (vi) 開發中／已開發產品於開發時所產生的開支，能可靠地計算。

其他不符合該等條件之發展開支於產生時確認作支銷。先前確認作開支之發展費用在往後期間並不確認作資產。已資本化發展費用記錄為無形資產並按30個月期間攤銷，以反映確認有關經濟利益之形式。

根據香港會計準則第36號，發展資產須每年進行減值測試。

2 主要會計政策概要(續)

2.9 非金融資產減值

並無固定可使用年期之資產毋須攤銷，但需每年測試有否減值。在遇上事件顯示或情況有變而顯示資產賬面值或許不能收回時，則為其他資產測試有否減值。減值虧損乃按資產賬面值超出其可收回款額之金額確認。可收回款額指資產之公平值減出售費用及使用價值(以較高者為準)。就評估有否減值而言，資產將會按有獨立可識別現金流量(賺取現金單位)之最低水平分類。出現減值之非金融資產(不包括商譽)，於各報告日期均就可能撥回減值而予以檢討。

2.10 金融資產

2.10.1 類別

本集團之金融資產分為以下類別：貸款及應收款項，以及可供出售金融資產。分類視乎購入有關金融資產之目的而定。管理層按初步確認決定其金融資產之類別。

(a) 貸款及應收款項

貸款及應收款項為並無於活躍市場報價惟具有固定或可予釐定款項之非衍生金融資產。此等應收款項計入流動資產內，惟不包括到期日為報告期末起計十二個月以後者。該等款項概列作非流動資產。本集團之貸款及應收款項包括列於綜合資產負債表之「貸款及應收款項」、「應收貿易及其他賬款」及「現金及現金等值」內(附註2.12及2.13)。

(b) 可供出售金融資產

可供出售金融資產乃被指定列入此類別或並無歸入其他類別之非衍生工具。除非有關投資到期或管理層擬於報告期末起計12個月內出售有關投資，否則列為非流動資產。

綜合財務報表附註

二零一一年三月三十一日

2 主要會計政策概要(續)

2.10 金融資產(續)

2.10.2 確認及計量

經常性買賣金融資產於交易日確認，交易日即本集團承諾買賣資產之日期。就所有並非透過損益按公平值列值之金融資產而言，投資最初按公平值另加交易成本確認。在收取來自投資之現金流量之權利屆滿或已轉讓，且本集團已轉讓有關所有權之絕大部分風險及收益時，有關金融資產將終止確認。其後，可供出售金融資產按公平值列值。貸款及應收款項其後以實際利息法按攤銷成本列賬。

分類為可供出售金融資產之貨幣性及非貨幣性證券之公平值變動在其他全面收益中確認。

本集團於各報告期末評核是否有客觀證據證明一項或一組金融資產出現減值。就分類為可供出售股本投資而言，投資之公平值大幅或長期跌至低於其成本被視為證券已減值之指標。如可供出售金融資產存在任何該等證據，累計虧損—即收購成本與現行公平值之間之差額，減該金融資產之前於損益表內確認之任何減值虧損—乃從中扣除，並於綜合損益表內確認。就股本工具於綜合損益表內確認之減值虧損不會透過綜合損益表撥回。應收貿易賬款之減值測試，於附註2.12項說明。

2.11 存貨

存貨乃按成本與可變現淨值兩者之較低者呈列。成本乃按加權平均法釐定。製成品及在製品之成本，包括設計成本、原材料、直接勞工、其他直接成本及相關生產之間接費用(根據正常經營量計算)。存貨不包括借貸成本。可變現淨值乃於日常業務範圍內之估計售價，減適用之可變銷售開支。

2 主要會計政策概要(續)

2.12 應收貿易及其他賬款

應收貿易賬款為在日常業務過程中就銷售貨物或提供服務應收客戶的款項。倘若應收貿易及其他賬款預期於一年或一年以內(或如屬較長時間,則以一般營運業務週期為準)收回,其被分類為流動資產;否則其呈列為非流動資產。

應收貿易及其他賬款最初按公平值確認,其後則以實際利息法按攤銷成本計算並扣除減值撥備。

如有客觀證據顯示本集團無法按照應收款項的原有條款收取所有欠款,則須為應收貿易及其他賬款作出減值撥備。債務人出現嚴重財政困難、債務人可能會破產或進行財務重組,以及拖欠或未能償還借款,均被視為應收賬款減值之跡象。撥備額為資產賬面值與估計未來現金流量按原實際利率折算之現值兩者的差額。資產之賬面值乃透過使用撥備賬削減,虧損金額於綜合損益表「其他經營開支」內確認。倘一項應收賬款未能收回,則於應收賬款之撥備賬內撇銷。其後收回之前已撇銷之該等金額乃計入綜合損益表「其他經營開支」內。

2.13 現金及現金等值

於綜合現金流量表中,現金及現金等值包括現金、銀行之通知存款、由到期日為三個月或以下的其他短期高流動投資。

2.14 股本

普通股分類列為權益。直接歸屬於發行新股份或購股權之新增成本在權益中列為所得款項之減少。當任何集團公司購買本公司之股本,所繳付之代價(包括任何扣除所得稅之直接產生之增量成本)自本公司股東應佔權益扣除,直至該等股份註銷或重新發行為止。若該等股份之後重新發行,所收取之任何代價(扣除直接產生之增量交易成本及有關所得稅影響)會計入本公司股東應佔權益。

綜合財務報表附註

二零一一年三月三十一日

2 主要會計政策概要(續)

2.15 應付貿易及其他賬款

應付貿易款項為於日常業務過程中就購買的貨物及服務向供應商支付款項的責任。如付款於一年或一年以內(或如屬較長時間,則以一般營運業務週期為準),該應付貿易賬項分類為流動負債,否則會呈列為非流動負債。

應付貿易及其他賬款最初按公平值確認,其後則以實際利息法按攤銷成本計算。

2.16 借貸

借貸最初乃按公平值(扣除已產生的交易成本)確認。借貸其後按攤銷成本列賬,如扣除交易成本之後的所得款項和贖回價值出現差額,則於借貸期內以實際利息法在綜合損益表內確認。

除非本集團有權無條件將債務結算日期遞延至報告期末後至少十二個月,否則借貸將被分類為流動負債。

2.17 即期及遞延所得稅

本年度所得稅支出包括即期及遞延稅項,並於綜合損益表確認。

即期所得稅支出根據本公司及其附屬公司營運所在及產生應課稅收入之國家於結算日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況,並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

遞延所得稅以負債法就資產及負債之稅基與其在綜合財務報表中所列賬面值之間之暫時差額作出確認。然而,如遞延所得稅乃源自業務合併以外的交易中初步確認的資產或負債,而在交易時並不影響會計或稅務利潤或虧損,則不會入賬處理。當有關遞延所得稅資產已變現或遞延所得稅負債已結算時,遞延所得稅以於結算日現行已制定或大致上已制定及預期獲應用之稅率(及法例)計算。

2 主要會計政策概要(續)

2.17 即期及遞延所得稅(續)

遞延所得稅資產乃就有可能將未來應課稅溢利與可動用之暫時差額抵銷而確認。

遞延所得稅乃就附屬公司投資產生之暫時差額而確認或撥備，惟本集團可以控制暫時差額之撥回，並有可能在可預見未來不會撥回則除外。

倘有可依法強制執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅資產及負債與同一稅務機關就一個或多個應課稅實體徵收之所得稅有關，而有關實體有意按淨額基準繳納稅項時，遞延所得稅資產與負債將予互相抵銷。

2.18 僱員福利

(a) 僱員應享假期權利

僱員應享年假權利乃於其應計予僱員時確認。僱員假期乃按截至結算日止因僱員提供服務而產生之估計年假計提撥備。

僱員應享病假及分娩或待產假期權利，僅於支取假期時方予確認。

(b) 退休金承擔

本集團為僱員設立多項界定供款計劃，依據一項界定供款計劃，本集團向一間獨立機構支付定額退休金供款，履行向僱員支付退休金之責任。倘該項基金不具備足夠資產，無法就本期及以往期間之僱員服務，向所有僱員支付福利，本集團亦無法律或推定責任作進一步供款。

供款到期時即確認為僱員福利開支，及扣減因僱員於供款全數歸屬前已退出計劃而沒收之供款。

綜合財務報表附註

二零一一年三月三十一日

2 主要會計政策概要(續)

2.18 僱員福利(續)

(c) 終止僱傭福利

終止僱傭福利在正常退休日期前僱用被終止，或當僱員接受自願遣散以換取此等福利時支付。本集團在可證明承諾如下時確認終止僱傭權益：根據一項詳細的正式計劃終止現有僱員的僱用(沒有撤回的可能)。倘提出一項要約以鼓勵自願遣散，則終止僱傭權益按預期接納有關建議之僱員人數計量。在報告期末後超過十二個月支付的福利折現為現值。

2.19 以股份為基礎之付款

本集團設有股本結算以股份為基礎之賠償計劃，據此，實體收取僱員提供之服務作為本集團之股本工具(購股權)之代價。就僱員所提供服務以換取授出購股權之公平值確認為開支。將予支銷之總金額乃參考所授出購股權之公平值釐定，並：

- 包括任何市場表現情況(例如：實體之股價)；
- 不包括任何服務及非市場表現歸屬條件之影響(例如：盈利能力及銷售增長目標)；及
- 包括任何非歸屬條件的影響(例如：規定員工儲蓄)。

非市場歸屬條件乃納入預計將予歸屬之購股權數目之假設中。總開支於歸屬期內確認，歸屬期為所有指定之歸屬條件須達成之期間。於各報告期末，實體會根據非市場歸屬條件修改其預期將歸屬之估計購股權數目。修改原來估計數字之影響(如有)將於綜合損益表內確認，並於權益中作出相應調整。

當購股權獲行使時，本公司發行新股份。當購股權獲行使時，收取之所得款項(扣除任何直接應佔交易成本)均計入股本(面值)及股份溢價中。

2 主要會計政策概要(續)

2.20 撥備

當本集團因已發生的事件須承擔現有之法律性或推定性的責任，而將來可能需要有資源流出以解除責任及有關金額乃可予以衡量時，則撥備予以確認。未來經營虧損並無確認撥備。

倘出現多項類似債務，會否導致經濟利益流出以清償債務乃經考慮債務之整體類別後確定。即使同類別債務中任何一項可能流出經濟利益的機會不大，仍會確認撥備。

撥備乃利用除稅前息率(反映現時市場對金錢時間價值以及與責任有關之風險之估計)根據預期須履行責任之開支的現值而計量。由於時間過去而作出的撥備增幅，確認為利息開支。

2.21 收入確認

收入包括在本集團日常業務過程中出售貨品及服務而已收或應收代價之公平值。所示收入已扣除增值稅、退貨、回扣及折扣及對銷集團內之銷售。當收入金額能可靠測量、未來經濟溢利可能流入本集團、以及符合下文所述本集團之各項業務的特定條件時，本集團將確認收入。

- (i) 銷售貨物乃於本集團之公司已向客戶交付產品，而客戶則已接納有關產品，並可合理確定可收回相關應收賬款時予以確認。
- (ii) 租金收入乃按各有關租約之年期按直線基準確認。
- (iii) 利息收入利用實際利息法按時間比例基準確認。當應收賬款出現減損時，本集團將其賬面值減至可收回金額(即以工具之原本實際利率折現之估計未來現金流)，並繼續解除折現作為利息收入。

綜合財務報表附註

二零一一年三月三十一日

2 主要會計政策概要(續)

2.22 租賃

經營租約(作為承租人)

倘若租賃擁有權之重大部分風險及回報由出租人保留，則分類為經營租約。根據經營租約支付的款項(扣除向出租人收取之任何優惠後)於租賃期內以直線法在綜合損益表支銷。

融資租賃(作為承租人)

倘本集團擁有所有權之絕大部分風險及回報，則本集團擁有之土地租賃分類為融資租賃。融資租賃於租賃開始時按租賃物業之公平值與最低租賃付款之現值，取較低者予以資本化。

經營租約(作為出租人)

當本集團按經營租約租出資產時，該等資產按其性質列入綜合資產負債表(載於附註2.7)。按經營租約產生的收入根據本集團收入確認政策確認(載於附註2.21(ii))。

2.23 股息分派

向本公司股東分派之股息於本公司股東批准股息之期間內在本集團及本公司之財務報表內確認為負債。

3 金融風險管理

本集團經營活動給本集團帶來各種金融風險：市場風險（包括外幣兌換風險、現金流量及公平值利率風險）、信貸風險及流動資金風險。

風險管理由本集團的財資部進行。本集團採取保守及平衡的財資政策，重點關注以下金融風險因素並盡量減低對本集團財務表現可能產生的負面影響。

3.1 金融風險因素

(a) 市場風險

(i) 外幣兌換風險

本集團之交易主要以港元、美元、人民幣及英鎊計值。其餘大部分資產及負債均以港元、美元、英鎊及韓圓計值，並無重大資產或負債以其他貨幣計值。

由於港元與美元掛鈎，本集團並無重大貨幣風險。本集團之政策為不參與投機活動。本集團並無訂立任何合約以對沖其外匯風險。

於二零一一年三月三十一日，倘人民幣兌港元升值／貶值10%，而所有其他變數不變，年內除稅後溢利將增加／減少約37,927,000港元（二零一零年：減少／增加1,702,000港元），主要由於換算以人民幣計值之現金及銀行結餘以及其他應付款項導致匯兌差額所致。

於二零一一年三月三十一日，倘英鎊兌港元升值／貶值10%，而所有其他變數保持不變，年內除稅後溢利將增加／減少約12,346,000港元（二零一零年：8,807,000港元），主要由於換算英鎊計值之現金及銀行結餘產生外幣匯兌差額所致。

於二零一一年三月三十一日，倘韓圓兌港元升值／貶值10%，而所有其他變數不變，年內除稅後溢利將增加／減少約8,136,000港元（二零一零年：7,850,000港元），主要由於換算韓圓計值之貸款及應收款項產生外幣匯兌差額所致。

綜合財務報表附註

二零一一年三月三十一日

3 金融風險管理(續)

3.1 金融風險因素(續)

(a) 市場風險(續)

(ii) 現金流量及公平值利率風險

由於本集團並無重大計息資產(除短期銀行存款外)，故本集團的收入及經營現金流量實質上獨立於市場利率之變動。

本集團之利率風險來自銀行借貸。本集團之銀行借貸乃以浮動利率結轉，因而令本集團承受現金流量利率風險。本集團並無訂立任何利率掉期安排以對沖利率風險。

於二零一一年三月三十一日，本集團之浮動利率借貸以港元計值。

於二零一一年三月三十一日，倘所有借貸之利率上升／下降100個基點，而所有其他變數不變，年內除稅後溢利將減少／增加1,160,000港元(二零一零年：1,224,000港元)，主要是由於浮動利率借貸之利息開支增加／減少所致。

於二零一一年三月三十一日，倘所有計息銀行及現金存款之利率上升／下降100個基點，而所有其他變數不變，年內除稅後溢利將增加／減少9,183,000港元(二零一零年：10,390,000港元)，乃由於市場利率賺取之利息收入所致。

於二零一一年三月三十一日，本集團持有之銀行貸款總額均為浮動利率。

(b) 信貸風險

信貸風險來自現金及現金等值及於銀行及金融機構之短期存款、貸款及應收款項，以及客戶之信貸風險(包括未償還之應收賬款)。管理層制定信貸政策，此等信貸風險會持續予以監控。

本集團之現金及短期存款存放於信譽良好的銀行及金融機構。就來自客戶的信貸風險而言，管理層評估各個別主要客戶的信貸質素，考慮其財政狀況、過去經驗及其他因素。

3 金融風險管理(續)

3.1 金融風險因素(續)

(c) 流動資金風險

審慎之流動資金風險管理包括持有充足之現金、獲得足夠之備用承諾信貸融資及擁有結算市場持倉之能力。

本集團通過日常營運產生之資金及獲得備用承諾信貸融資，以維持其流動資金。

本集團擁有銀行信貸額應急周轉。於二零一一年三月三十一日，本集團之備用銀行信貸總額約為17億4千8百萬港元(二零一零年：17億1千6百萬港元)。

下表分析本集團及本公司結算之金融負債，並按資產負債表至合約到期日之餘下期間分類為相關到期類別。於表內披露之金額為合約未折現現金流。

| | 少於一年 千港元 | 一年至 兩年期間 千港元 | 兩年至 五年期間 千港元 | 超過五年 千港元 | 總額 千港元 | 賬面值 千港元 |
|------------------|-------------|--------------------|--------------------|-------------|-----------|------------|
| 本集團 | | | | | | |
| 於二零一零年 三月三十一日 | | | | | | |
| 借貸 | 76,897 | 39,936 | 6,972 | — | 123,805 | 122,400 |
| 應付貿易及其他賬款 | 819,062 | — | — | — | 819,062 | 819,062 |
| 於二零一一年 三月三十一日 | | | | | | |
| 借貸 | 50,066 | 12,908 | 35,671 | 18,315 | 116,960 | 116,007 |
| 應付貿易及其他賬款 | 878,433 | — | — | — | 878,433 | 878,433 |
| 本公司 | | | | | | |
| 於二零一零年 三月三十一日 | | | | | | |
| 其他應付款項 | 278 | — | — | — | 278 | 278 |
| 於二零一一年 三月三十一日 | | | | | | |
| 其他應付款項 | 215 | — | — | — | 215 | 215 |

綜合財務報表附註

二零一一年三月三十一日

3 金融風險管理(續)

3.2 資本風險管理

本集團的資本管理政策，是保障集團能繼續營運，以為股東提供回報及為其他業務相關人士提供利益，並維持最佳資本結構以減低資本成本。

為維持或調整資本結構，本集團可調整派付予股東之股息金額、向股東發還資本、增加或償還銀行借貸、發行新股或出售資產以減低債務。

本集團以資產負債比率監管資本。此比率乃以扣除現金及現金等值後之借貸總額除以綜合資產負債表所載之總權益計算。

於二零一一年及二零一零年三月三十一日，資產負債比率如下：

| | 二零一一年 千港元 | 二零一零年 千港元 |
|-----------------|--------------|--------------|
| 借貸(附註26) | 116,007 | 122,400 |
| 減：現金及現金等值(附註24) | (902,404) | (1,039,830) |
| 現金淨額 | (786,397) | (917,430) |
| 總權益 | 1,933,204 | 1,759,549 |
| 資產負債比率 | 不適用 | 不適用 |

3.3 公平值估計

本集團於金融工具之投資在綜合資產負債表內按公平值計量。公平值計量須按下列公平值計量級別作出公平值計量披露。

- 級別1—相同資產或負債於活躍市場之報價(未經調整)；
- 級別2—就資產或負債而直接(即價格)或間接(即從價格推衍)可觀察之資料輸入(不包括級別1所包含之報價)；
- 級別3—並非根據可觀察之市場數據而有關資產或負債之資料輸入(即無法觀察之資料輸入)。

綜合財務報表附註

二零一一年三月三十一日

3 金融風險管理(續)

3.3 公平值估計(續)

下表呈列本集團於二零一一年三月三十一日按公平值計量之資產(負債：無)：

| | 級別1 千港元 | 級別2 千港元 | 級別3 千港元 | 合計 千港元 |
|--------------|------------|------------|------------|-----------|
| 資產 | | | | |
| 可供出售金融資產 | | | | |
| — 股本證券(附註19) | — | — | 136,689 | 136,689 |

非於活躍市場買賣的金融工具公平值利用估值法釐定。本集團聘請獨立估值師世邦魏理仕使用折現現金流量模式，根據結算日的現行市況及管理層提供的業務預測進行估值。估值所用折現率為15.1%。

應收貿易及其他賬款與應付貿易及其他賬款的賬面值減去其減值撥備，乃其合理概約公平值。就披露目的而言，長期金融負債公平值的估計按未來合約現金流量以本集團類似金融工具可得的現有市場利率折現計算。

倘一項或多項重大資料輸入並非以可觀察市場數據為依據，則該金融工具列入級別3。

下表呈列截至二零一一年三月三十一日止年度級別3工具之變動。

| | 可供出售 金融資產 千港元 |
|------------|---------------------|
| 年初結餘 | 136,641 |
| 於其他儲備確認之收益 | 48 |
| 年末結餘 | 136,689 |

綜合財務報表附註

二零一一年三月三十一日

4 關鍵會計估計及判斷

估計及判斷持續受到評估，並乃基於過往經驗及其他因素，包括在合理情況下對未來事件之預期。

本集團對未來作出估計及假設，所達致之會計估計顧名思義，甚少相等於有關之實際結果。對下個財政年度內具有引致資產及負債賬面值須作大幅調整之重大風險之估計及假設討論如下。

(a) 投資物業公平值之估計

為得出物業之公平值，獨立估值師須作出假設及經濟估計。若此等假設及估計發生變化或未能實現，則財務報表所採納之估值將受影響。

(b) 物業、廠房及設備以及無形資產之估計可使用年期

本集團有大量物業、廠房及設備以及無形資產。本集團須估計物業、廠房及設備以及無形資產之可使用年期，以確定各呈報期間之折舊金額及攤銷費用。

該等資產之可使用年期乃於購入時經考慮未來技術變動、業務發展及本集團之策略後作出估計。本集團會每年進行檢討以評估可使用年期是否適當。有關檢討應考慮情況或事件之任何不可預見逆轉，包括預測經營業績下降、行業或經濟趨勢逆轉及技術發展迅速。本集團會根據檢討結果延長或縮短可使用年期及／或計提減值撥備。

(c) 非金融資產之減值

於各結算日，本集團會審閱內部及外來資料以識別下列資產可能減值或先前已確認之減值虧損不再存在或可能已經減少之跡象：

- 物業、廠房及設備
- 租賃土地及土地使用權
- 無形資產
- 於附屬公司之投資

倘有任何該等跡象存在，則資產之可收回金額會被評估。當資產之賬面值超過其可收回金額時，減值虧損會在綜合損益表內確認。倘確定出現減值跡象，本集團須估計資產之可收回價值，即資產之公平值減出售成本或使用價值兩者之較高值。該等估算如出現任何變動，可能會導致於財務報表之資產賬面值出現重大變動。

4 關鍵會計估計及判斷(續)

(d) 可供出售金融資產的公平值估計

並非於活躍市場買賣的可供出售金融資產的公平值採用估值技巧釐定。本集團聯同外部顧問，以其判斷選擇合適的估值方法，並主要根據發行日期及各其後結算日的市況作出假設。該估值模式要求輸入可觀察及不可觀察的資料。不可觀察及主觀輸入資料的變動可能對可供出售金融資產的公平值估計產生重大影響。

(e) 確認遞延所得稅資產

根據附註2.17所載會計政策規定，遞延所得稅資產於有可能出現未來應課稅溢利以抵銷暫時差額及稅項虧損時方予以確認，且按變現相關遞延所得稅資產時預計應用的稅率計量。

釐定將予確認的遞延所得稅資產時，管理層須估計遞延稅項資產之變現情況。該等估計與實際結果間的任何差異均將影響本集團於釐定實際結果期間內的業績。

(f) 陳舊或滯銷存貨撥備

本集團根據原材料及在製品的賬齡及製成品的可變現淨值為陳舊或滯銷存貨作出撥備。識別存貨陳舊情況及於日常業務過程中的估計售價須運用判斷及作出估算。

綜合財務報表附註

二零一一年三月三十一日

5 營業額及分部資料

年內確認之營業額如下：

| | 本集團 | |
|--------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 營業額 | | |
| 消費電子產品 | 3,081,106 | 3,998,776 |
| 塑膠產品 | 1,224 | 4,437 |
| | 3,082,330 | 4,003,213 |

(a) 按產品分析之分部

高級管理層（主要經營決策人）根據管理委員會審閱之報表決定業務分部。

本集團主要於中華人民共和國（「中國」）及香港營運，主要從事設計、製造及銷售消費電子產品及塑膠產品。

消費電子產品 — 設計、製造及銷售消費電子產品

塑膠產品 — 製造及銷售塑膠及包裝產品

本集團的內部分部交易主要包括附屬公司之間的塑膠產品銷售。該等交易乃根據無關連之第三方亦可獲得之正常商業條款及條件訂立。

收益乃根據客戶所在地區／國家在地理上的分配。

管理層根據營運溢利的計量評估營運分部表現。獲提供的其他資料按照與財務報表一致的方式計量。

分部資產主要包括物業、廠房及設備、租賃土地及土地使用權、無形資產、按金、貸款及應收款項、可供出售金融資產、存貨、應收款項及經營現金，但並不包括投資物業及遞延稅項資產等項目。

分部負債包括經營負債，但並不包括稅項及若干企業借貸等項目。

資本開支包括增添之物業、廠房及設備、投資物業、租賃土地及土地使用權及無形資產。

綜合財務報表附註

二零一一年三月三十一日

5 營業額及分部資料(續)

(a) 按產品分析之分部(續)

| | 本集團 | | | | | | | |
|--------------|-------------------|-------------|-----------|------------|-------------------|-------------|-----------|------------|
| | 二零一一年 | | | | 二零一零年 | | | |
| | 消費 電子產品 千港元 | 塑膠產品 千港元 | 抵銷 千港元 | 本集團 千港元 | 消費 電子產品 千港元 | 塑膠產品 千港元 | 抵銷 千港元 | 本集團 千港元 |
| 分部營業額 | | | | | | | | |
| 對外銷售 | 3,081,106 | 1,224 | - | 3,082,330 | 3,998,776 | 4,437 | - | 4,003,213 |
| 內部分部銷售 | - | 115,586 | (115,586) | - | - | 119,488 | (119,488) | - |
| | 3,081,106 | 116,810 | (115,586) | 3,082,330 | 3,998,776 | 123,925 | (119,488) | 4,003,213 |
| 分部業績 | 282,604 | (92) | | 282,512 | 270,052 | (642) | | 269,410 |
| 財務收入 | | | | 8,189 | | | | 5,989 |
| 財務成本 | | | | (889) | | | | (1,381) |
| 除所得稅前溢利 | | | | 289,812 | | | | 274,018 |
| 所得稅支出 | | | | (18,401) | | | | (25,725) |
| 本公司股東應佔本年度溢利 | | | | 271,411 | | | | 248,293 |
| 分部資產 | 2,565,144 | 45,837 | | 2,610,981 | 2,621,442 | 55,368 | | 2,676,810 |
| 未分配企業資產 | | | | 331,214 | | | | 82,092 |
| 總資產 | | | | 2,942,195 | | | | 2,758,902 |
| 分部負債 | 867,646 | 10,787 | | 878,433 | 807,764 | 11,298 | | 819,062 |
| 未分配企業負債 | | | | 130,558 | | | | 180,291 |
| 總負債 | | | | 1,008,991 | | | | 999,353 |
| 資本開支 | 41,943 | 73 | | 42,016 | 45,146 | 635 | | 45,781 |

綜合財務報表附註

二零一一年三月三十一日

5 營業額及分部資料(續)

(b) 按地區分析之分部

截至二零一一年及二零一零年三月三十一日止年度之分類營業額如下：

| | 本集團 | |
|-----|------------------|------------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 北美洲 | 2,114,295 | 2,782,269 |
| 歐洲 | 545,834 | 661,599 |
| 亞洲 | 337,482 | 403,890 |
| 其他 | 84,719 | 155,455 |
| | 3,082,330 | 4,003,213 |

按地區分部作出之營業額分析乃根據付運目的地釐定。

截至二零一一年及二零一零年三月三十一日止年度，其所有主要資產及資本開支均位於或用於中國及香港。

佔收益總額 10% 或以上的客戶詳情如下：

| | 本集團 二零一零年 千港元 |
|-----|---------------------|
| 客戶甲 | 1,004,678 |
| 客戶乙 | 955,965 |
| 客戶丙 | 503,387 |

| | 本集團 二零一一年 千港元 |
|-----|---------------------|
| 客戶甲 | 1,085,689 |
| 客戶乙 | 430,645 |
| 客戶丙 | 410,016 |
| 客戶丁 | 400,425 |

該等乃按彼等於呈報年度的收入貢獻從高至低排列，並非直接按年度比較。

綜合財務報表附註

二零一一年三月三十一日

6 其他收入

| | 本集團 | |
|-------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 投資物業之公平值收益(附註a) | 109,162 | 9,050 |
| 投資物業之租金收入 | 3,834 | 5,203 |
| 銷售模具之(虧損)/收益 | (1,335) | 162 |
| 出售土地及樓宇之補償收益(附註b) | 33,508 | — |
| 其他 | 36 | 36 |
| | 145,205 | 14,451 |

(a) 此項目包括粉嶺一項投資物業所產生的重估盈利共7千8百萬港元。該投資物業其後於二零一一年四月出售(附註35)。

(b) 為進行重新發展，厚街鎮政府要求收回本集團發泡膠廠於厚街鎮的一幅土地及廠房(「該物業」)，相關代價約為4千4百萬港元。交回該物業產生之補償收益乃代價與該物業於出售日期賬面值之間的差額。

7 按性質分類之開支

銷貨成本、銷售開支、行政開支及其他經營開支中所包括之開支分析如下：

| | 本集團 | |
|---------------------|--------------|----------------------|
| | 二零一一年 千港元 | 二零一零年 千港元 (重列) |
| 無形資產攤銷 | 19,508 | 16,137 |
| 租賃土地及土地使用權攤銷 | 283 | 392 |
| 核數師酬金 | 2,400 | 2,508 |
| 存貨成本 | 1,984,760 | 2,632,467 |
| 物業、廠房及設備折舊 | 67,484 | 77,048 |
| 僱員福利開支(包括董事酬金)(附註8) | 325,378 | 313,404 |
| 出售物業、廠房及設備(收益)/虧損 | (570) | 1,083 |
| 土地及樓宇之經營租約租金 | 33,587 | 32,591 |
| 研發成本 | 25,799 | 22,577 |
| 無形資產撇銷 | — | 209 |
| 物業、廠房及設備撇銷/減值 | 25,738 | 7,629 |

綜合財務報表附註

二零一一年三月三十一日

8 僱員福利開支(包括董事酬金)

| | 本集團 | |
|---------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 工資及薪金 | 293,260 | 296,106 |
| 退休金成本－界定供款退休計劃(附註a) | 3,248 | 3,286 |
| 其他員工福利 | 16,914 | 12,646 |
| 終止僱傭福利 | 173 | 1,366 |
| 權益補償－購股權 | 11,783 | — |
| | 325,378 | 313,404 |

(a) 界定供款退休計劃

於二零零零年十二月一日前，本集團於香港為全部合資格僱員設立一項界定供款退休計劃(「職業退休計劃」)。本集團應付之供款率為個別僱員基本薪金之5%。

自二零零零年十二月一日，根據強制性公積金計劃(「強積金計劃」)條例成立之強積金計劃開始生效，適用於自願參與該計劃之現有員工及於該日或之後聘用之合資格員工。推行強積金計劃後，職業退休計劃仍維持運作。根據強積金計劃，合資格僱員及本集團須按僱員月薪之5%作出供款，僱員的每月供款上限為1,000港元。

本年度於綜合損益表扣除之職業退休計劃及強積金計劃供款約為3,248,000港元(二零一零年：3,286,000港元)。年內沒有(二零一零年：28,000港元)界定供款退休計劃之沒收款項。約13,000港元(二零一零年：13,000港元)之沒收供款可於二零一一年三月三十一日動用以扣減未來之供款。

於年底時已向職業退休計劃及強積金計劃作出合共約454,000港元(二零一零年：543,000港元)之供款，並已包括在其他應付款項及應計費用內。

(b) 董事及高級管理層薪酬

本公司各董事於截至二零一零年三月三十一日止年度之薪酬如下：

| 董事姓名 | 僱主對退休金 | | | | 權益補償－ | | 總計 |
|-------|-----------|-----------|-------------|--------------|-----------|------------|-------|
| | 袍金 千港元 | 薪金 千港元 | 酌情花紅 千港元 | 計劃之供款 千港元 | 小計 千港元 | 購股權 千港元 | |
| 梁劍文先生 | — | 4,389 | 4,279 | 188 | 8,856 | — | 8,856 |
| 梁偉成先生 | — | 4,389 | 4,564 | 188 | 9,141 | — | 9,141 |
| 郭冠文先生 | — | 1,847 | 2,567 | 79 | 4,493 | — | 4,493 |
| 黃保欣先生 | 120 | — | — | — | 120 | — | 120 |
| 李華明議員 | 120 | — | — | 6 | 126 | — | 126 |
| 劉宏業先生 | 120 | — | — | 6 | 126 | — | 126 |

綜合財務報表附註

二零一一年三月三十一日

8 僱員福利開支(包括董事酬金)(續)

(b) 董事及高級管理層薪酬(續)

本公司各董事於截至二零一一年三月三十一日止年度之薪酬如下：

| 董事姓名 | 僱主對退休金 | | | | 權益補償－ | | 總計 |
|-------|-----------|-----------|-------------|--------------|-----------|------------|--------|
| | 袍金 千港元 | 薪金 千港元 | 酌情花紅 千港元 | 計劃之供款 千港元 | 小計 千港元 | 購股權 千港元 | |
| 梁劍文先生 | － | 4,389 | 5,583 | 188 | 10,160 | 434 | 10,594 |
| 梁偉成先生 | － | 4,389 | 5,957 | 188 | 10,534 | 434 | 10,968 |
| 郭冠文先生 | － | 1,847 | 3,350 | 79 | 5,276 | 434 | 5,710 |
| 黃保欣先生 | 120 | － | － | － | 120 | 145 | 265 |
| 李華明議員 | 120 | － | － | 6 | 126 | 145 | 271 |
| 劉宏業先生 | 120 | － | － | 6 | 126 | 145 | 271 |

截至二零一一年及二零一零年三月三十一日止年度，概無董事放棄薪酬，亦無向董事支付任何酬金作為招攬彼等加盟的費用或作為離職賠償。

(c) 五位最高薪酬人士

本年度本集團五位最高薪酬人士包括三位(二零一零年：三位)董事，其酬金於上文呈列之分析內反映。年內應付其餘兩位(二零一零年：兩位)最高薪酬人士之酬金如下：

| | 本集團 | |
|---------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 基本薪酬、房屋津貼、其他津貼及實物福利 | 3,123 | 3,123 |
| 酌情花紅 | 9,731 | 9,739 |
| 退休金計劃供款 | 91 | 91 |
| 權益補償－購股權 | 776 | － |
| | 13,721 | 12,953 |

所屬酬金組別分類如下：

| 酬金範圍 | 人數 | |
|----------------------------|-------|-------|
| | 二零一一年 | 二零一零年 |
| 3,500,001 港元－4,000,000 港元 | － | 1 |
| 4,000,001 港元－4,500,000 港元 | 1 | － |
| 9,000,001 港元－9,500,000 港元 | － | 1 |
| 9,500,001 港元－10,000,000 港元 | 1 | － |

綜合財務報表附註

二零一一年三月三十一日

8 僱員福利開支(包括董事酬金)(續)

(d) 主要管理層之薪酬

| | 本集團 | |
|---------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 基本薪酬、房屋津貼、其他津貼及實物福利 | 13,748 | 13,748 |
| 酌情花紅 | 24,621 | 21,149 |
| 退休金計劃供款 | 546 | 546 |
| 權益補償－購股權 | 2,078 | — |
| | 40,993 | 35,443 |

9 財務收入及財務成本

| | 本集團 | |
|---------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 財務收入： | | |
| — 銀行利息收入 | 4,886 | 3,852 |
| — 貸款及應收款項 | 3,303 | 2,137 |
| | 8,189 | 5,989 |
| 財務成本： | | |
| — 於七年內悉數償還之銀行借貸利息支出 | 889 | 1,381 |

10 所得稅支出

香港利得稅乃根據本年度之估計應課稅溢利以 16.5% (二零一零年：16.5%) 之稅率撥備。海外溢利之稅款則按照本年度估計應課稅溢利以本集團經營業務所在國家之現行稅率計算。

| | 本集團 | |
|-------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 即期所得稅 | | |
| — 香港利得稅 | 32,766 | 56,322 |
| — 以往年度(超額撥備)/撥備不足 | (2,611) | 5,969 |
| 遞延所得稅(附註29) | (11,754) | (36,566) |
| | 18,401 | 25,725 |

綜合財務報表附註

二零一一年三月三十一日

10 所得稅支出(續)

本集團就所得稅前溢利之應課稅項與採用香港稅率所計算之理論稅款差異如下：

| | 本集團 | |
|-------------------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 除所得稅前溢利 | 289,812 | 274,018 |
| 按稅率 16.5% (二零一零年：16.5%) 計算之稅項 | 47,819 | 45,213 |
| 其他國家不同稅率之影響 | 115 | 590 |
| 無須課稅之收入 | (42,600) | (82,254) |
| 不可扣稅之支出 | 13,566 | 56,935 |
| 以往年度(超額撥備)/撥備不足 | (2,611) | 5,969 |
| 未確認之稅項虧損 | 2,112 | 452 |
| 動用過往未確認之稅項虧損 | - | (1,180) |
| 稅項支出 | 18,401 | 25,725 |

11 本公司股東應佔溢利

於本公司財務報表內處理之本公司股東應佔溢利約為 232,007,000 港元 (二零一零年：128,084,000 港元)。

12 每股盈利

基本

每股基本盈利乃按本公司股東應佔本年度溢利除以年內已發行普通股之加權平均數計算。

| | 本集團 | |
|-------------------|-------------|-------------|
| | 二零一一年 | 二零一零年 |
| 本公司股東應佔本年度溢利(千港元) | 271,411 | 248,293 |
| 已發行普通股之加權平均數 | 566,896,906 | 556,661,720 |
| 每股基本盈利(港仙) | 47.9 | 44.6 |

綜合財務報表附註

二零一一年三月三十一日

12 每股盈利(續)

攤薄

每股攤薄盈利乃按本公司股東應佔本年度溢利除以年內已發行普通股之加權平均數與年內因假定行使所有購股權而假設以零代價發行之普通股之加權平均數之總和計算。

| | 本集團 | |
|--------------------|-------------|-------------|
| | 二零一一年 | 二零一零年 |
| 本公司股東應佔本年度溢利(千港元) | 271,411 | 248,293 |
| 已發行普通股之加權平均數 | 566,896,906 | 556,661,720 |
| 購股權之攤薄影響 | 2,986,114 | — |
| 計算每股攤薄盈利之普通股之加權平均數 | 569,883,020 | 556,661,720 |
| 每股攤薄盈利(港仙) | 47.6 | 44.6 |

13 股息

| | 本公司 | |
|-------------------------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 已派付中期股息每股普通股 10 港仙 (二零一零年：9 港仙) | 57,669 | 50,100 |
| 擬派付末期股息每股普通股 14 港仙 (二零一零年：14 港仙) | 80,892 | 79,216 |
| 擬派付特別股息每股普通股 8 港仙 (二零一零年：6 港仙) | 46,224 | 33,949 |
| | 184,785 | 163,265 |

於二零一一年六月二十八日舉行之會議上，董事建議派付末期股息每股普通股 14 港仙及特別股息每股普通股 8 港仙。該擬派股息並未作為應付股息計入此等綜合財務報表內。

綜合財務報表附註

二零一一年三月三十一日

14 物業、廠房及設備

(a) 本集團物業、廠房及設備變動詳情如下：

| | 本集團 | | | | | | |
|--------------------------|------------------|-----------|-------------------|---------------------|------------------|-----------|-------------|
| | 土地及 樓宇 千港元 | 模具 千港元 | 租賃物業 裝修 千港元 | 傢俬、裝置 及設備 千港元 | 廠房 及機器 千港元 | 汽車 千港元 | 總計 千港元 |
| 於二零零九年四月一日 | | | | | | | |
| 成本(如過往呈報) | 29,786 | 381,458 | 98,664 | 284,066 | 581,766 | 19,418 | 1,395,158 |
| 採納香港會計準則第17號 (修訂本)之影響 | 47,595 | - | - | - | - | - | 47,595 |
| 成本(重列) | 77,381 | 381,458 | 98,664 | 284,066 | 581,766 | 19,418 | 1,442,753 |
| 累積折舊及減值(如過往呈報) | (8,563) | (321,721) | (86,334) | (222,034) | (410,984) | (13,457) | (1,063,093) |
| 採納香港會計準則第17號 (修訂本)之影響 | (1,336) | - | - | - | - | - | (1,336) |
| 累積折舊及減值(重列) | (9,899) | (321,721) | (86,334) | (222,034) | (410,984) | (13,457) | (1,064,429) |
| 賬面淨值(重列) | 67,482 | 59,737 | 12,330 | 62,032 | 170,782 | 5,961 | 378,324 |
| 截至二零一零年三月三十一日止年度 | | | | | | | |
| 期初賬面淨值(如過往呈報) | 21,223 | 59,737 | 12,330 | 62,032 | 170,782 | 5,961 | 332,065 |
| 採納香港會計準則第17號 (修訂本)之影響 | 46,259 | - | - | - | - | - | 46,259 |
| 期初賬面淨值(重列) | 67,482 | 59,737 | 12,330 | 62,032 | 170,782 | 5,961 | 378,324 |
| 增添 | - | 26,250 | 1,648 | 3,031 | 1,007 | 2,330 | 34,266 |
| 出售 | - | (64) | (379) | (1,369) | (948) | (210) | (2,970) |
| 折舊 | (820) | (26,839) | (7,992) | (12,576) | (27,539) | (1,282) | (77,048) |
| 撇銷/減值 | - | (24) | - | (296) | (7,284) | (25) | (7,629) |
| 期末賬面淨值(重列) | 66,662 | 59,060 | 5,607 | 50,822 | 136,018 | 6,774 | 324,943 |

綜合財務報表附註

二零一一年三月三十一日

14 物業、廠房及設備(續)

(a) 本集團物業、廠房及設備變動詳情如下：(續)

| | 本集團 | | | | | | |
|--------------------------|--------------|-----------|---------------|-----------------|--------------|-----------|-------------|
| | 土地及樓宇 千港元 | 模具 千港元 | 租賃物業裝修 千港元 | 傢俬、裝置及設備 千港元 | 廠房及機器 千港元 | 汽車 千港元 | 總計 千港元 |
| 於二零一零年三月三十一日 | | | | | | | |
| 成本(如過往呈報) | 29,787 | 387,265 | 87,797 | 258,637 | 561,628 | 19,161 | 1,344,275 |
| 採納香港會計準則第17號 (修訂本)之影響 | 47,595 | - | - | - | - | - | 47,595 |
| 成本(重列) | 77,382 | 387,265 | 87,797 | 258,637 | 561,628 | 19,161 | 1,391,870 |
| 累積折舊及減值(如過往呈報) | (9,319) | (328,205) | (82,190) | (207,815) | (425,610) | (12,387) | (1,065,526) |
| 採納香港會計準則第17號 (修訂本)之影響 | (1,401) | - | - | - | - | - | (1,401) |
| 累積折舊及減值(重列) | (10,720) | (328,205) | (82,190) | (207,815) | (425,610) | (12,387) | (1,066,927) |
| 賬面淨值(重列) | 66,662 | 59,060 | 5,607 | 50,822 | 136,018 | 6,774 | 324,943 |
| 截至二零一一年三月三十一日止年度 | | | | | | | |
| 期初賬面淨值(如過往呈報) | 20,468 | 59,060 | 5,607 | 50,822 | 136,018 | 6,774 | 278,749 |
| 採納香港會計準則第17號 (修訂本)之影響 | 46,194 | - | - | - | - | - | 46,194 |
| 期初賬面淨值(重列) | 66,662 | 59,060 | 5,607 | 50,822 | 136,018 | 6,774 | 324,943 |
| 增添 | - | 22,361 | 263 | 5,124 | 1,204 | 957 | 29,909 |
| 出售 | (5,984) | - | (223) | (814) | (1,843) | (106) | (8,970) |
| 折舊 | (603) | (27,406) | (5,647) | (10,596) | (21,840) | (1,392) | (67,484) |
| 撇銷/減值 | - | (3,001) | - | (2,186) | (20,551) | - | (25,738) |
| 匯兌差額 | 97 | - | - | 56 | - | - | 153 |
| 期末賬面淨值 | 60,172 | 51,014 | - | 42,406 | 92,988 | 6,233 | 252,813 |
| 成本 | 68,838 | 358,482 | 87,439 | 255,272 | 513,232 | 18,575 | 1,301,838 |
| 累積折舊及減值 | (8,666) | (307,468) | (87,439) | (212,866) | (420,244) | (12,342) | (1,049,025) |
| 賬面淨值 | 60,172 | 51,014 | - | 42,406 | 92,988 | 6,233 | 252,813 |

綜合財務報表附註

二零一一年三月三十一日

14 物業、廠房及設備(續)

(b) 折舊開支包括於：

| | 本集團 | |
|------|---------------|----------------------|
| | 二零一一年 千港元 | 二零一零年 千港元 (重列) |
| 銷貨成本 | 64,637 | 73,672 |
| 行政開支 | 2,847 | 3,376 |
| | 67,484 | 77,048 |

(c) 本集團於樓宇權益之賬面淨值分析如下：

| | 本集團 | |
|-----------------|---------------|---------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 於香港按下列租約持有： | | |
| 租約逾50年 | 7,912 | 8,244 |
| 租約介乎10年至50年 | 281 | 293 |
| 於香港以外地區按下列租約持有： | | |
| 租約介乎10年至50年 | 5,846 | 11,931 |
| | 14,039 | 20,468 |

(d) 於三月三十一日，按融資租賃持有之租賃土地及其賬面淨值之分析如下：

| | 本集團 | | |
|-------------|------------------------|--------------------------------|------------------------------|
| | 二零一一年 三月三十一日 千港元 | 二零一零年 三月三十一日 千港元 (重列) | 二零零九年 四月一日 千港元 (重列) |
| 於香港按下列租約持有： | | | |
| 租約逾50年 | 45,715 | 45,764 | 45,817 |
| 租約介乎10年至50年 | 418 | 430 | 442 |
| | 46,133 | 46,194 | 46,259 |

(e) 於二零一一年三月三十一日及二零一零年三月三十一日，無銀行借貸以包括於物業、廠房及設備之樓宇作抵押(附註26)。

綜合財務報表附註

二零一一年三月三十一日

15 投資物業

| | 本集團 | |
|------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 年初 | 75,020 | 65,970 |
| 增添 | 128,206 | — |
| 公平值收益(附註6) | 109,162 | 9,050 |
| 年末 | 312,388 | 75,020 |

投資物業經由獨立專業合資格估值師利駿行測量師有限公司在二零一一年三月三十一日作出重估。所有物業之估值乃根據活躍市場之現行價格進行。

銀行借款按投資物業之賬面值206,000,000港元(二零一零年：無)作抵押(附註26)。

本集團於投資物業權益之賬面淨值分析如下：

| | 本集團 | |
|-------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 於香港按下列租約持有： | | |
| 租約逾50年 | 70,430 | 48,140 |
| 租約介乎10年至50年 | 241,958 | 26,880 |
| | 312,388 | 75,020 |

16 租賃土地及土地使用權

| | 本集團 | |
|----------------------|--------------|----------------------|
| | 二零一一年 千港元 | 二零一零年 千港元 (重列) |
| 於四月一日(如過往呈報) | 58,191 | 58,648 |
| 採納香港會計準則第17號(修訂本)之影響 | (46,194) | (46,259) |
| 於四月一日(重列) | 11,997 | 12,389 |
| 攤銷 | (283) | (392) |
| 出售 | (4,023) | — |
| 匯兌差額 | 130 | — |
| 年末賬面淨值 | 7,821 | 11,997 |

預付經營租賃租金之攤銷開支被計入行政開支內。

綜合財務報表附註

二零一一年三月三十一日

16 租賃土地及土地使用權(續)

本集團於租賃土地及土地使用權之權益指預付經營租約付款，其賬面淨值分析如下：

| | 本集團 | | |
|---------------|------------------------|--------------------------------|------------------------------|
| | 二零一一年 三月三十一日 千港元 | 二零一零年 三月三十一日 千港元 (重列) | 二零零九年 四月一日 千港元 (重列) |
| 於香港以外按下列租約持有： | | | |
| 租約介乎10年至50年 | 7,821 | 11,997 | 12,389 |

於二零一一年三月三十一日及二零一零年三月三十一日，並無以租賃土地及土地使用權作抵押之銀行借貸(附註26)。

17 無形資產

| | 本集團 | | |
|------------------|------------|---------------|-----------|
| | 特許權 千港元 | 遞延發展費用 千港元 | 總計 千港元 |
| 於二零零九年四月一日 | | | |
| 成本 | 78,000 | 40,393 | 118,393 |
| 累積攤銷 | (9,750) | (26,985) | (36,735) |
| 賬面淨值 | 68,250 | 13,408 | 81,658 |
| 截至二零一零年三月三十一日止年度 | | | |
| 於二零零九年四月一日 | 68,250 | 13,408 | 81,658 |
| 增添 | — | 11,515 | 11,515 |
| 撇銷 | — | (209) | (209) |
| 攤銷 | (7,800) | (8,337) | (16,137) |
| 於二零一零年三月三十一日 | 60,450 | 16,377 | 76,827 |
| 於二零一零年三月三十一日 | | | |
| 成本 | 78,000 | 43,247 | 121,247 |
| 累積攤銷 | (17,550) | (26,870) | (44,420) |
| 賬面淨值 | 60,450 | 16,377 | 76,827 |

綜合財務報表附註

二零一一年三月三十一日

17 無形資產(續)

| | 本集團 | | |
|------------------|------------|---------------|-----------|
| | 特許權 千港元 | 遞延發展費用 千港元 | 總計 千港元 |
| 截至二零一一年三月三十一日止年度 | | | |
| 於二零一零年四月一日 | 60,450 | 16,377 | 76,827 |
| 增添 | – | 12,107 | 12,107 |
| 攤銷 | (7,800) | (11,708) | (19,508) |
| 於二零一一年三月三十一日 | 52,650 | 16,776 | 69,426 |
| 於二零一一年三月三十一日 | | | |
| 成本 | 78,000 | 39,524 | 117,524 |
| 累積攤銷 | (25,350) | (22,748) | (48,098) |
| 賬面淨值 | 52,650 | 16,776 | 69,426 |

特許權及遞延發展費用之攤銷開支被計入銷貨成本內。

18 貸款及應收款項

| | 本集團 | |
|-----------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 公司債券(附註a) | 93,112 | 78,501 |
| 政府債券(附註b) | 4,772 | – |
| 於年末之賬面值 | 97,884 | 78,501 |

| | 本集團 | |
|---------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 於年初之賬面值 | 78,501 | 64,104 |
| 增添 | 16,243 | – |
| 匯兌收益 | 3,140 | 14,397 |
| 於年末之賬面值 | 97,884 | 78,501 |

(a) 公司債券指本集團於公司債務之投資，即分別由韓國註冊成立之公司Hydis Technologies Company Limited (「Hydis」)發行之韓國公司債券及國家開發銀行股份有限公司發行之人民幣公司債券。

(b) 政府債券指由中華人民共和國財政部發行之人民幣債券。

綜合財務報表附註

二零一一年三月三十一日

18 貸款及應收款項(續)

貸款及應收款項之賬面值與其公平值相若。

於報告日，承受之最大信貸風險為貸款及應收款項之賬面值。

19 可供出售金融資產

| | 本集團 | |
|-----------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 於年初香港以外地區之非上市股本證券之公平值 | 136,641 | 96,156 |
| 於年內之公平值收益 | 48 | 40,485 |
| 於年末香港以外地區之非上市股本證券之公平值 | 136,689 | 136,641 |

可供出售金融資產指本集團長期投資於Hydis(附註18)之股份，乃以韓圀計值。

可供出售金融資產於二零一一年三月三十一日由獨立專業合資格估值師世邦魏理仕估值。

20 於附屬公司之投資

| | 本公司 | |
|----------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 非上市股份，按成本(附註a) | 67,586 | 67,586 |
| 應收附屬公司款項(附註b) | 414,594 | 280,591 |
| | 482,180 | 348,177 |

(a) 主要附屬公司之詳情載列於綜合財務報表附註34。

(b) 應收附屬公司款項為無抵押及免息。本公司已確認其無意於結算日起12個月內要求償還該等金額。於報告日期須承受之最高信貸風險為上述應收附屬公司款項之公平值。

綜合財務報表附註

二零一一年三月三十一日

21 按類別劃分之金融工具

| | 本集團 | | |
|-----------------|--------------------|---------------------|-----------|
| | 貸款及 應收款項 千港元 | 可供出售 金融資產 千港元 | 總計 千港元 |
| 於綜合資產負債表之資產 | | | |
| 於二零一零年三月三十一日 | | | |
| 貸款及應收款項(附註18) | 78,501 | — | 78,501 |
| 可供出售金融資產(附註19) | — | 136,641 | 136,641 |
| 應收貿易及其他賬款(附註23) | 535,383 | — | 535,383 |
| 現金及現金等值(附註24) | 1,039,830 | — | 1,039,830 |
| 合計 | 1,653,714 | 136,641 | 1,790,355 |
| 於二零一一年三月三十一日 | | | |
| 貸款及應收款項(附註18) | 97,884 | — | 97,884 |
| 可供出售金融資產(附註19) | — | 136,689 | 136,689 |
| 應收貿易及其他賬款(附註23) | 714,757 | — | 714,757 |
| 現金及現金等值(附註24) | 902,404 | — | 902,404 |
| 合計 | 1,715,045 | 136,689 | 1,851,734 |

其他金融負債：

| | 本集團 | |
|-----------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 於綜合資產負債表之負債 | | |
| 應付貿易及其他賬款(附註25) | 878,433 | 819,062 |
| 借貸(附註26) | 116,007 | 122,400 |
| 合計 | 994,440 | 941,462 |

綜合財務報表附註

二零一一年三月三十一日

21 按類別劃分之金融工具(續)

貸款及應收款項：

| | 本公司 | |
|----------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 於資產負債表之資產 | | |
| 其他應收款項(附註23) | 105 | 105 |
| 現金及現金等值(附註24) | 307 | 89 |
| 應收附屬公司款項(附註20) | 414,594 | 280,591 |
| 合計 | 415,006 | 280,785 |

其他金融負債：

| | 本公司 | |
|--------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 於資產負債表之負債 | | |
| 其他應付款項(附註25) | 215 | 278 |

22 存貨

| | 本集團 | |
|-----|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 原料 | 245,241 | 192,751 |
| 在製品 | 16,710 | 17,229 |
| 製成品 | 167,236 | 262,708 |
| | 429,187 | 472,688 |

確認為開支並計入銷貨成本之存貨成本約達1,984,760,000港元(二零一零年：2,632,467,000港元)。

綜合財務報表附註

二零一一年三月三十一日

23 應收貿易及其他賬款

| | 本集團 | | 本公司 | |
|----------------|--------------|--------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 | 二零一一年 千港元 | 二零一零年 千港元 |
| 應收貿易賬款 | 701,800 | 521,120 | – | – |
| 預付款項、按金及其他應收款項 | 12,957 | 14,263 | 105 | 105 |
| | 714,757 | 535,383 | 105 | 105 |

向客戶提供之信貸條款一般視乎個別客戶之財務實力而定。為求有效管理有關應收貿易賬款之信貸風險，本集團定期對客戶進行信貸評估。

應收貿易及其他賬款之公平值與其賬面值相若。

於二零一一年及二零一零年三月三十一日，根據付運條款之應收貿易賬款之賬齡分析如下：

| | 本集團 | |
|---------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 0–30 日 | 203,845 | 210,335 |
| 31–60 日 | 147,935 | 190,031 |
| 61–90 日 | 120,316 | 83,526 |
| 超過 90 日 | 229,704 | 37,228 |
| | 701,800 | 521,120 |

於二零一一年三月三十一日，如嚴格按照所提供的信貸條款計量，則應收貿易賬款 87,151,000 港元（二零一零年：無）被視為逾期少於 30 日。逾期款項未被視作已減值，因為所有逾期款項已於二零一一年五月初清還。

綜合財務報表附註

二零一一年三月三十一日

23 應收貿易及其他賬款(續)

未過期亦無減值之應收貿易賬款之信貸質素可參照有關交易對手違約率之歷史資料進行評估：

| | 本集團 | |
|---------------------|----------------|----------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 並無外界信貸評級之交易對手 | | |
| — 新客戶(少於六個月) | — | — |
| — 於過往並無違約之客戶(六個月以上) | 701,800 | 521,120 |
| | 701,800 | 521,120 |

該等應收貿易賬款之賬面值以下列貨幣計值：

| | 本集團 | |
|------|----------------|----------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 美元 | 700,540 | 422,847 |
| 港元 | 1,260 | 1,034 |
| 加拿大元 | — | 9,173 |
| 英鎊 | — | 88,066 |
| | 701,800 | 521,120 |

於二零一一年及二零一零年三月三十一日，並無就應收貿易賬款減值計提撥備。於應收貿易及其他賬款內之其他類別款項並無包括已減值資產。

於報告日期，須承受之最高信貸風險為上述各類應收款項之賬面值。

24 現金及現金等值

| | 本集團 | | 本公司 | |
|------------|----------------|------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 | 二零一一年 千港元 | 二零一零年 千港元 |
| 銀行及手頭現金 | 396,055 | 759,907 | 307 | 89 |
| 短期銀行存款 | 506,349 | 279,923 | — | — |
| | 902,404 | 1,039,830 | 307 | 89 |
| 須承受之最高信貸風險 | 901,769 | 1,039,191 | 307 | 89 |

綜合財務報表附註

二零一一年三月三十一日

24 現金及現金等值(續)

現金及現金等值以下列貨幣計值：

| | 本集團 | | 本公司 | |
|-----|--------------|--------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 | 二零一一年 千港元 | 二零一零年 千港元 |
| 港元 | 80,534 | 145,505 | 307 | 89 |
| 美元 | 305,681 | 884,764 | — | — |
| 人民幣 | 391,895 | 9,414 | — | — |
| 英鎊 | 124,170 | — | — | — |
| 其他 | 124 | 147 | — | — |
| | 902,404 | 1,039,830 | 307 | 89 |

25 應付貿易及其他賬款

| | 本集團 | | 本公司 | |
|-------------|--------------|--------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 | 二零一一年 千港元 | 二零一零年 千港元 |
| 應付貿易賬款 | 793,542 | 729,168 | — | — |
| 其他應付款項及應計費用 | 84,891 | 89,894 | 215 | 278 |
| | 878,433 | 819,062 | 215 | 278 |

應付貿易及其他賬款之賬面值與其公平值相若。

於二零一一年及二零一零年三月三十一日，根據發票日期之應付貿易賬款之賬齡分析如下：

| | 本集團 | |
|--------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 0—30日 | 718,290 | 670,269 |
| 31—60日 | 51,474 | 33,872 |
| 61—90日 | 20,219 | 21,475 |
| 超過90日 | 3,559 | 3,552 |
| | 793,542 | 729,168 |

綜合財務報表附註

二零一一年三月三十一日

25 應付貿易及其他賬款(續)

該等應付貿易賬款之賬面值以下列貨幣計值：

| | 本集團 | |
|----|----------------|----------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 港元 | 647,587 | 576,486 |
| 美元 | 144,299 | 151,582 |
| 其他 | 1,656 | 1,100 |
| | 793,542 | 729,168 |

26 借貸

| | 本集團 | |
|---------------|----------------|----------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 非流動 | | |
| 銀行借貸，有抵押(附註a) | 59,636 | — |
| 銀行借貸，無抵押(附註b) | 6,600 | 46,000 |
| | 66,236 | 46,000 |
| 流動 | | |
| 銀行借貸，有抵押(附註a) | 10,371 | — |
| 銀行借貸，無抵押(附註b) | 39,400 | 76,400 |
| | 49,771 | 76,400 |
| 借貸總額 | 116,007 | 122,400 |

(a) 於二零一一年三月三十一日，銀行借貸以本集團投資物業為抵押(附註15)。

(b) 該等銀行借貸為無抵押並以本公司提供之公司擔保支持(附註31及32)。於二零一一年及二零一零年三月三十一日，借貸以港元呈列而利息乃以高於香港銀行同業拆息率計算。

綜合財務報表附註

二零一一年三月三十一日

26 借貸(續)

銀行借貸之到期日如下：

| | 本集團 | |
|--------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 一年以內 | 49,771 | 76,400 |
| 第二年 | 12,771 | 39,400 |
| 第三至第五年 | 35,315 | 6,600 |
| 超過五年 | 18,150 | — |
| | 116,007 | 122,400 |

銀行借貸之賬面值與其公平值相若。

於二零一一年三月三十一日及二零一零年三月三十一日，該等借貸之賬面值以港元計值。

27 股本及購股權

| | 本公司 | |
|------------------------------|-------------|------------|
| | 股份數目 | 普通股 千港元 |
| 法定股本： | | |
| 每股面值0.10港元之普通股 | | |
| 於二零零九年四月一日、二零一零年及二零一一年三月三十一日 | 800,000,000 | 80,000 |
| 已發行及繳足股本： | | |
| 每股面值0.10港元之普通股 | | |
| 於二零零九年四月一日及二零一零年三月三十一日 | 556,661,720 | 55,666 |
| 行使購股權 | 21,141,000 | 2,114 |
| 於二零一一年三月三十一日 | 577,802,720 | 57,780 |

綜合財務報表附註

二零一一年三月三十一日

27 股本及購股權(續)

於二零零三年八月二十一日，本公司採納一項購股權計劃，據此可向合資格人士(包括本集團之僱員及董事)授出購股權以認購本公司股份。

於二零一零年五月十一日及二零一零年八月二十七日，本公司向合資格人士授出共40,810,000份購股權。於截至二零一一年三月三十一日止年度根據購股權計劃授出之購股權變動詳情如下：

| 參與者姓名 | 授出日期 | 行使期 | 每股 行使價 港元 | 購股權數目 | | | | 於二零一一年 三月三十一日 尚未行使 |
|-------|----------------|-----------------------------------|-----------------|------------------------|-----------|-------------|------|--------------------------|
| | | | | 於二零一零年 四月一日 尚未行使 | 年內授出 | 年內行使 | 年內失效 | |
| 董事 | | | | | | | | |
| 梁劍文先生 | 二零一零年 五月十一日 | 二零一零年 五月十一日至 二零一三年 八月二十日 | 2.90 | - | 1,500,000 | (750,000) | - | 750,000 |
| 梁偉成先生 | 二零一零年 五月十一日 | 二零一零年 五月十一日至 二零一三年 八月二十日 | 2.90 | - | 1,500,000 | (750,000) | - | 750,000 |
| 郭冠文先生 | 二零一零年 五月十一日 | 二零一零年 五月十一日至 二零一三年 八月二十日 | 2.90 | - | 1,500,000 | (750,000) | - | 750,000 |
| 黃保欣先生 | 二零一零年 五月十一日 | 二零一零年 五月十一日至 二零一三年 八月二十日 | 2.90 | - | 500,000 | - | - | 500,000 |
| 李華明議員 | 二零一零年 五月十一日 | 二零一零年 五月十一日至 二零一三年 八月二十日 | 2.90 | - | 500,000 | (250,000) | - | 250,000 |
| 劉宏業先生 | 二零一零年 五月十一日 | 二零一零年 五月十一日至 二零一三年 八月二十日 | 2.90 | - | 500,000 | - | - | 500,000 |
| | | | | - | 6,000,000 | (2,500,000) | - | 3,500,000 |
| 主要股東 | | | | | | | | |
| 梁偉立先生 | 二零一零年 五月十一日 | 二零一零年 五月十一日至 二零一三年 八月二十日 | 2.90 | - | 1,500,000 | (750,000) | - | 750,000 |
| | | | | - | 1,500,000 | (750,000) | - | 750,000 |

綜合財務報表附註

二零一一年三月三十一日

27 股本及購股權(續)

| 參與者姓名 | 授出日期 | 行使期 | 每股 行使價 港元 | 購股權數目 | | | | 於二零一一年 三月三十一日 尚未行使 |
|----------|-----------------|------------------------------------|-----------------|------------------------|------------|--------------|----------|--------------------------|
| | | | | 於二零一零年 四月一日 尚未行使 | 年內授出 | 年內行使 | 年內失效 | |
| 高級管理層及僱員 | | | | | | | | |
| 多人 | 二零一零年 五月十一日 | 二零一零年 五月十一日至 二零一三年 八月二十日 | 2.90 | - | 33,040,000 | (17,756,000) | (54,000) | 15,230,000 |
| 多人 | 二零一零年 八月二十七日 | 二零一零年 八月二十七日至 二零一三年 八月二十日 | 3.08 | - | 270,000 | (135,000) | - | 135,000 |
| | | | | - | 33,310,000 | (17,891,000) | (54,000) | 15,365,000 |
| | | | | - | 40,810,000 | (21,141,000) | (54,000) | 19,615,000 |

本公司已採用二項式購股權定價模式(「該模式」)以對授出之購股權進行估值。用於該模式的主要參數及於本期間授出之購股權之對應公平值載列如下：

| 授出日期 | 二零一零年 五月十一日 | 二零一零年 八月二十七日 |
|------------|----------------|-----------------|
| 授出購股權數目 | 40,540,000 | 270,000 |
| 購股權總值(港元) | 11,720,656 | 78,057 |
| 授出日期股價(港元) | 2.74 | 2.83 |
| 行使價(港元) | 2.90 | 3.08 |
| 到期日 | 3.3年 | 3年 |
| 年波動幅度 | 36.28% | 36.28% |
| 無風險利率 | 1.15% | 1.15% |
| 中期股息派息率 | 4.79% | 4.79% |
| 末期股息派息率 | 6.33% | 6.33% |

基於作出的假設和所用模式的限制，所計算的公平值存在固有主觀性和不確定性。購股權的價值會隨著某些主觀假設的不同變量而改變。所採用的變量的任何改變可能會嚴重影響購股權公平值的估算。

按照持續複合股價回報的標準差而計量的波動幅度，乃根據過去每日股份收市價的統計分析而計算。

綜合財務報表附註

二零一一年三月三十一日

28 儲備

本集團

| | 股份溢價 千港元 | 股本 贖回儲備 千港元 | 匯兌儲備 千港元 | 員工 補償儲備 千港元 | 保留溢利 千港元 | 總計 千港元 |
|----------------|-------------|-------------------|-------------|-------------------|-------------|-----------|
| 於二零零九年四月一日 | 245,011 | 940 | (37,606) | – | 1,337,621 | 1,545,966 |
| 全面收益／(虧損) | | | | | | |
| 本年度溢利 | – | – | – | – | 248,293 | 248,293 |
| 可供出售金融資產之公平值收益 | – | – | 40,485 | – | – | 40,485 |
| 貨幣匯兌差額 | – | – | (2,828) | – | – | (2,828) |
| 全面收益總值 | – | – | 37,657 | – | 248,293 | 285,950 |
| 與擁有人進行之交易 | | | | | | |
| 二零一零年中期股息 | – | – | – | – | (50,100) | (50,100) |
| 二零零九年末期股息 | – | – | – | – | (77,933) | (77,933) |
| 與擁有人進行之交易總值 | – | – | – | – | (128,033) | (128,033) |
| 於二零一零年三月三十一日 | 245,011 | 940 | 51 | – | 1,457,881 | 1,703,883 |
| 於二零一零年四月一日 | 245,011 | 940 | 51 | – | 1,457,881 | 1,703,883 |
| 全面收益／(虧損) | | | | | | |
| 本年度溢利 | – | – | – | – | 271,411 | 271,411 |
| 可供出售金融資產之公平值收益 | – | – | 48 | – | – | 48 |
| 貨幣匯兌差額 | – | – | (86) | – | – | (86) |
| 全面(虧損)／收益總值 | – | – | (38) | – | 271,411 | 271,373 |
| 與擁有人進行之交易 | | | | | | |
| 行使購股權而發行之股份 | 59,219 | – | – | – | – | 59,219 |
| 股權補償 | – | – | – | 11,783 | – | 11,783 |
| 二零一一年中期股息 | – | – | – | – | (57,669) | (57,669) |
| 二零一零年末期股息及特別股息 | – | – | – | – | (113,165) | (113,165) |
| 與擁有人進行之交易總值 | 59,219 | – | – | 11,783 | (170,834) | (99,832) |
| 於二零一一年三月三十一日 | 304,230 | 940 | 13 | 11,783 | 1,558,458 | 1,875,424 |

綜合財務報表附註

二零一一年三月三十一日

28 儲備(續)

| | 本公司 | | | | | |
|----------------|-------------|-------------------|-------------|-------------------|-------------|-----------|
| | 股份溢價 千港元 | 股本 贖回儲備 千港元 | 繳入盈利 千港元 | 員工 補償儲備 千港元 | 保留溢利 千港元 | 總計 千港元 |
| 於二零零九年四月一日 | 245,011 | 940 | 40,586 | – | 5,838 | 292,375 |
| 全面收益 | | | | | | |
| 本年度溢利 | – | – | – | – | 128,084 | 128,084 |
| 全面收益總值 | – | – | – | – | 128,084 | 128,084 |
| 與擁有人進行之交易 | | | | | | |
| 二零一零年中期股息 | – | – | – | – | (50,100) | (50,100) |
| 二零零九年末期股息 | – | – | – | – | (77,933) | (77,933) |
| 與擁有人進行之交易總值 | – | – | – | – | (128,033) | (128,033) |
| 於二零一零年三月三十一日 | 245,011 | 940 | 40,586 | – | 5,889 | 292,426 |
| 於二零一零年四月一日 | 245,011 | 940 | 40,586 | – | 5,889 | 292,426 |
| 全面收益 | | | | | | |
| 本年度溢利 | – | – | – | – | 232,007 | 232,007 |
| 全面收益總值 | – | – | – | – | 232,007 | 232,007 |
| 與擁有人進行之交易 | | | | | | |
| 行使購股權時發行股份 | 59,219 | – | – | – | – | 59,219 |
| 權益補償 | – | – | – | 11,783 | – | 11,783 |
| 二零一一年中期股息 | – | – | – | – | (57,669) | (57,669) |
| 二零一零年末期股息及特別股息 | – | – | – | – | (113,165) | (113,165) |
| 與擁有人進行之交易總值 | 59,219 | – | – | 11,783 | (170,834) | (99,832) |
| 於二零一一年三月三十一日 | 304,230 | 940 | 40,586 | 11,783 | 67,062 | 424,601 |

附註：

因一九九二年十一月公司重組而產生本公司之繳入盈餘是指本公司所發行以交換 Alco Investments (B.V.I.) Limited 之已發行普通股之股份面值與於一九九二年十一月六日所收購之相關附屬公司資產淨值兩者之差額。根據百慕達一九八一年公司法(經修訂)，倘在有合理理由相信(i)該公司於支付股息後無能力或應無能力支付到期之債務；或(ii)該公司資產之可變現值將因而少於其負債、其已發行股本與股份溢價賬三者總和之情況下，公司不得宣派或派付股息，或從繳入盈餘中作出分派。否則，繳入盈餘可予以分派。

綜合財務報表附註

二零一一年三月三十一日

29 遞延所得稅

遞延所得稅採用負債法就暫時差異按主要稅率 16.5% (二零一零年：16.5%) 全數計算。

當具有合法可行權利將即期稅項資產與即期稅項負債相抵銷，且遞延所得稅涉及同一稅收機關，則遞延稅項資產及負債可予抵銷。抵銷金額如下：

| | 本集團 | |
|-------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 須於十二個月後支付之遞延所得稅負債 | 22,321 | 23,834 |
| 須於十二個月後收回之遞延所得稅資產 | (41,147) | (30,906) |
| 遞延所得稅資產淨值 | (18,826) | (7,072) |

遞延所得稅賬目之變動如下：

| | 本集團 | |
|-------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 年初 | (7,072) | 29,494 |
| 於綜合損益表內確認 (附註 10) | (11,754) | (36,566) |
| 年末 | (18,826) | (7,072) |

遞延所得稅資產及負債於年內之變動並無計入於同一稅務司法權區抵銷之結餘，詳情如下：

| 遞延所得稅(資產)/負債 | 本集團 | | | | | | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 稅項虧損 | | 加速稅項折舊 | | 遞延發展費用 | | 重估物業 | | 其他 | | 總計 | |
| | 二零一一年 千港元 | 二零一零年 千港元 | 二零一一年 千港元 | 二零一零年 千港元 | 二零一一年 千港元 | 二零一零年 千港元 | 二零一一年 千港元 | 二零一零年 千港元 | 二零一一年 千港元 | 二零一零年 千港元 | 二零一一年 千港元 | 二零一零年 千港元 |
| 年初 | (483) | (306) | 19,208 | 25,593 | 1,351 | 1,106 | 3,214 | 2,905 | (30,362) | 196 | (7,072) | 29,494 |
| 於綜合損益表內確認 | 258 | (177) | (4,165) | (6,385) | 33 | 245 | 2,581 | 309 | (10,461) | (30,558) | (11,754) | (36,566) |
| 年末 | (225) | (483) | 15,043 | 19,208 | 1,384 | 1,351 | 5,795 | 3,214 | (40,823) | (30,362) | (18,826) | (7,072) |

綜合財務報表附註

二零一一年三月三十一日

29 遞延所得稅(續)

倘本集團有可能透過日後之應課稅溢利變現相關之稅項利益，則就結轉之稅項虧損確認遞延所得稅資產。本集團並無就可結轉及用作抵銷日後應課稅溢利之稅項虧損約35,299,000港元(二零一零年：23,205,000港元)確認遞延所得稅資產約8,703,000港元(二零一零年：5,943,000港元)。於未確認之稅項虧損當中，約3,185,000港元(二零一零年：648,000港元)並無屆滿日期，餘下結餘將於二零二九年(二零一零年：二零二九年)或之前(包括該年)於不同日期屆滿。

30 經營產生之現金

| | 本集團 | |
|--------------------|--------------|----------------------|
| | 二零一一年 千港元 | 二零一零年 千港元 (重列) |
| 除所得稅前溢利 | 289,812 | 274,018 |
| 利息收入 | (8,189) | (5,989) |
| 銀行借貸之利息開支 | 889 | 1,381 |
| 無形資產攤銷 | 19,508 | 16,137 |
| 無形資產撇銷 | — | 209 |
| 出售物業、廠房及設備之(收益)/虧損 | (570) | 1,083 |
| 物業、廠房及設備折舊 | 67,484 | 77,048 |
| 物業、廠房及設備撇銷/減值 | 25,738 | 7,629 |
| 租賃土地及土地使用權攤銷 | 283 | 392 |
| 投資物業公平值收益 | (109,162) | (9,050) |
| 貸款及應收款項匯兌收益 | (3,140) | (14,397) |
| 出售土地及樓宇之補償收益 | (33,508) | — |
| 僱員補償撥備 | 11,783 | — |
| 營運資金變動前之經營溢利 | 260,928 | 348,461 |
| 存貨減少 | 43,501 | 231,158 |
| 應收貿易及其他賬款之(增加)/減少 | (179,374) | 73,314 |
| 應付貿易及其他賬款之增加/(減少) | 41,493 | (11,693) |
| 經營產生之現金淨額 | 166,548 | 641,240 |

綜合財務報表附註

二零一一年三月三十一日

30 經營產生之現金(續)

於綜合現金流量表內，銷售物業、廠房及設備(不包括土地及樓宇)之所得款項包括：

| | 本集團 | |
|---------------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 賬面淨值(不包括土地及樓宇)(附註14) | 2,986 | 2,970 |
| 出售物業、廠房及設備之收益／(虧損) | 570 | (1,083) |
| 出售物業、廠房及設備(不包括土地及樓宇)之所得款項 | 3,556 | 1,887 |

於綜合現金流量表內，出售土地及樓宇所得款項包括：

| | 本集團 | |
|-----------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 樓宇之賬面淨值(附註14) | 5,984 | — |
| 租賃土地及土地使用權之賬面淨值(附註16) | 4,023 | — |
| 出售土地及樓宇之補償收益(附註6) | 33,508 | — |
| 出售土地及樓宇所得款項 | 43,515 | — |

31 銀行信貸

於二零一一年三月三十一日，若干銀行向本集團授出銀行信貸約17億4千8百萬港元(二零一零年：17億1千6百萬港元)，其中本集團已動用約1億1千6百萬港元(二零一零年：1億2千2百萬港元)(附註26)。於該等銀行信貸中，約16億7千8百萬港元(二零一零年：17億1千6百萬港元)乃以本公司提供之公司擔保支持及7千萬港元(二零一零年：無)以本集團之若干資產作為抵押。

32 財務擔保

本公司已向若干銀行提供公司擔保以為其若干附屬公司取得一般銀行信貸(附註26)作出擔保。董事認為該等擔保之公平值並不重大。

綜合財務報表附註

二零一一年三月三十一日

33 承擔

(a) 資本承擔

| | 本集團 | |
|------------------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 已訂約但未撥備之模具、廠房及機器 | 1,521 | 914 |

(b) 經營租約承擔(作為承租人)

就土地及樓宇之不可撤銷經營租約之未來須繳付最低租賃款項總額如下：

| | 本集團 | |
|----------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 一年內 | 19,603 | 10,801 |
| 一年後但於五年內 | 285 | 16,061 |
| 五年後 | — | 4,012 |
| | 19,888 | 30,874 |

(c) 經營租約承擔(作為出租人)

本集團根據不可撤銷經營租約協議租賃不同物業。租約具有不同條款、價格調整條款及續期權利。

就土地及樓宇之不可撤銷經營租約之未來可收取之最低租金總額如下：

| | 本集團 | |
|----------|--------------|--------------|
| | 二零一一年 千港元 | 二零一零年 千港元 |
| 一年內 | 2,202 | 1,723 |
| 一年後但於五年內 | 1,320 | 207 |
| | 3,522 | 1,930 |

租約條款為期一年至兩年。

綜合財務報表附註

二零一一年三月三十一日

34 主要附屬公司

於二零一一年三月三十一日，本公司於下列主要附屬公司持有權益：

| 名稱 | 註冊成立/ 成立地點 | 已發行及 繳足股本/ 註冊資本 | 本公司持有之 股權百分比 | | 主要業務 |
|-----------------------------------|---------------|--|-----------------|-----|---------------------------|
| | | | 直接 | 間接 | |
| Alco Investments (B.V.I.) Limited | 英屬處女群島 | 普通股 50,000 美元 | 100 | — | 投資控股及 向其附屬公司 提供管理服務 |
| 力行包裝有限公司 | 香港 | 普通股 500,000 港元 | — | 100 | 製造及銷售 發泡膠及包裝產品 |
| 愛高數碼有限公司 | 香港 | 普通股 1,000,000 港元 | — | 100 | 軟件開發及買賣電子產品 |
| 愛高電業有限公司 | 香港 | 普通股 1,000 港元 無投票權遞延股份 5,000,000 港元 | — | 100 | 設計、製造及銷售 消費電子產品 |
| 愛高電子(深圳) 有限公司 ¹ | 中國 | 註冊資本 24,000,000 港元 | — | 100 | 提供設計及 物流服務予集團公司 |
| 愛高國際有限公司 | 香港 | 普通股 500,000 港元 | — | 100 | 買賣消費電子產品 |
| 愛高塑膠製品廠有限公司 | 香港 | 普通股 3,000,000 港元 | — | 100 | 製造及銷售塑膠製品 |
| 愛高產業有限公司 | 香港 | 普通股 10,000 港元 | — | 100 | 物業投資 |
| 愛高科技有限公司 | 香港 | 普通股 10,000 港元 | — | 100 | 投資控股 |
| 迅達工業有限公司 | 香港 | 普通股 400,000 港元 | — | 100 | 製造及銷售消費電子產品 |
| Vdiobox Limited | 香港 | 普通股 1,000,000 港元 | — | 100 | 買賣消費電子產品 |

附註：

¹ 代表外商獨資企業。

綜合財務報表附註

二零一一年三月三十一日

34 主要附屬公司(續)

上表列載了董事認為對年度業績造成重大影響或組成本集團資產淨值主要部分之本公司主要附屬公司於二零一一年三月三十一日之詳情。董事認為列載其他附屬公司之詳情將導致篇幅過於冗長。

35 報告期後事項

出售投資物業

於二零一一年四月十二日，歐式企業有限公司(本公司之全資附屬公司)與獨立第三方訂立一份臨時買賣協議，以按代價2億零6百萬港元出售位於香港粉嶺的一棟工業大樓。於出售前，該工業大樓由歐式企業有限公司作為投資物業全資擁有，而該交易將於二零一一年七月十五日或之前完成。

持作投資之主要物業

| 地點 | 地段編號 | 現有用途 | 租約年期 |
|---|----------------------------------|------|------|
| 香港 新界葵涌 葵德街 15-33 號 葵德工業中心 1 座 7 樓 A 至 J 工場 | 葵涌市鎮 第 322、323 及 324 號地段 | 工業出租 | 中期 |
| 香港 新界元朗 錦田吳家村 錦上路 丈量約份 106 號 第 593 及 595 號地段 | 丈量約份 106 號 第 593 及 595 號地段 | 工業出租 | 中期 |
| 香港 鰂魚涌英皇道 1067 號 仁孚工業大廈 9 樓 | 鰂魚涌海旁地段 E 段第 2 分段及 其伸延部份 | 工業出租 | 長期 |
| 香港 新界粉嶺樂業路 9 號 | 粉嶺上水市鎮 第 23 號地段 | 空置 | 中期 |

五年財務概要

本集團最近五個財政年度之業績以及資產與負債概要如下：

| | 二零一一年 千港元 | 二零一零年 千港元 | 二零零九年 千港元 | 二零零八年 千港元 | 二零零七年 千港元 |
|-----------|--------------|--------------|--------------|--------------|--------------|
| 營業額 | 3,082,330 | 4,003,213 | 5,993,075 | 4,363,889 | 5,095,894 |
| 本公司股東應佔溢利 | 271,411 | 248,293 | 190,185 | 213,352 | 305,784 |
| 總資產 | 2,942,195 | 2,758,902 | 2,883,451 | 2,891,081 | 2,136,318 |
| 總負債 | (1,008,991) | (999,353) | (1,281,819) | (1,314,029) | (580,555) |
| 總權益 | 1,933,204 | 1,759,549 | 1,601,632 | 1,577,052 | 1,555,763 |

