



ALCO HOLDINGS LIMITED

股份代號：328 Stock Code: 328

二零零七年年報
ANNUAL REPORT 2007

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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, 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
DBS Bank (Hong Kong) Limited

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

The Bank of Bermuda Limited
6 Front Street
Hamilton HM11
Bermuda

Registrars in Hong Kong

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

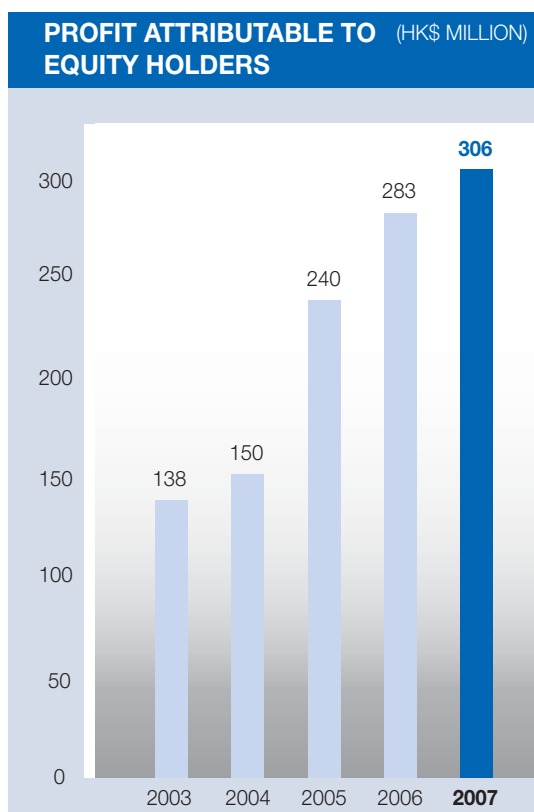
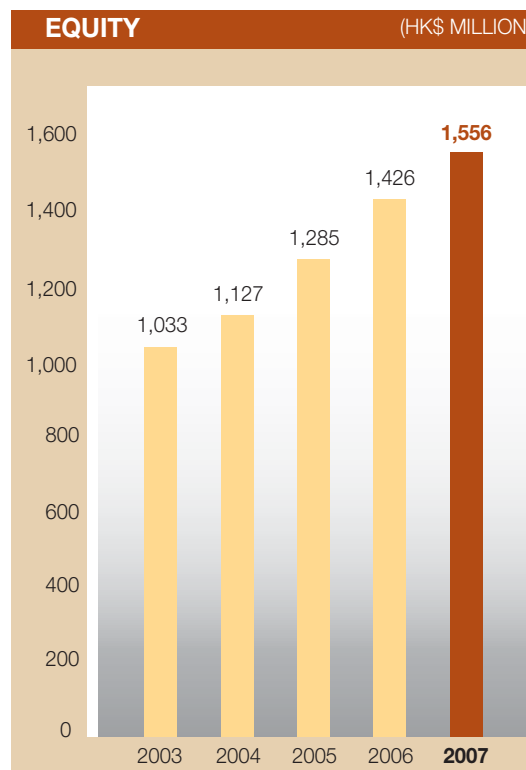
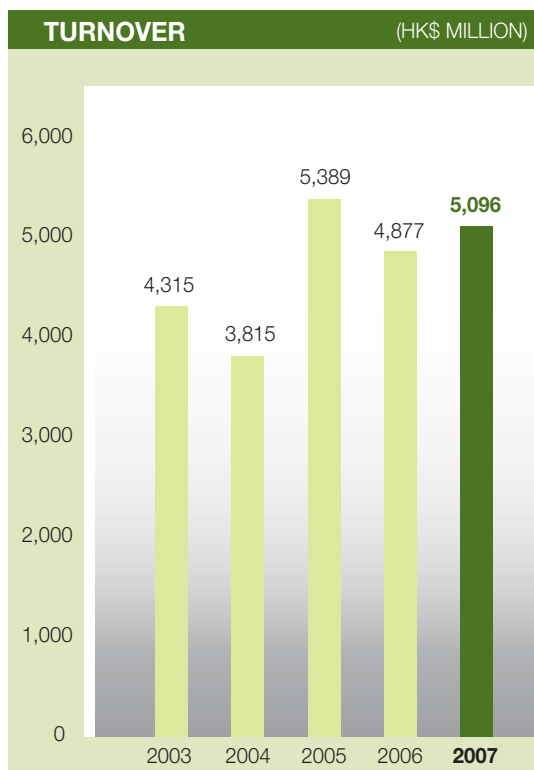
Website

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

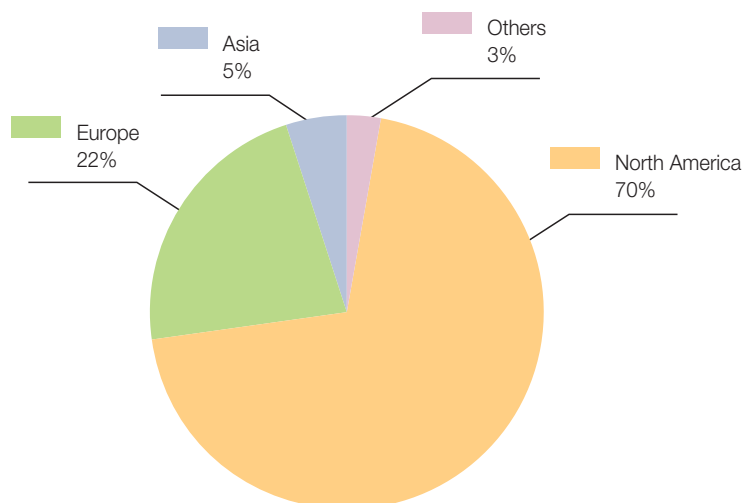
Stock Code

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Financial Highlights



TURNOVER BY GEOGRAPHICAL SEGMENT IN 2007



Chairman's Statement

Our diversification
into high-end
products is
gaining momentum



LEUNG KAI CHING, KIMEN

Chairman

GROUP RESULTS AND DIVIDENDS

The Board of Directors is pleased to report that the Group achieved steady growth for the year ended 31st March 2007. During the review period, the Group recorded turnover of HK\$5.10 billion, up from HK\$4.88 billion year on year. Profit attributable to shareholders was up by 8% to HK\$306 million as compared with HK\$283 million in FY2006. Earnings per share rose by 8% to HK54.5 cents, up from HK50.6 cents.

Consistent with our dividend policy in which an emphasis on stable returns is placed, the Board of Directors recommended the payment of a final dividend of HK16 cents per share (2006: HK16 cents) and a final special dividend of HK8 cents per share (2006: HK6 cents) for the year ended 31st March 2007. Including the interim dividend of HK9 cents per share previously paid during the year, total dividend per share amounted to HK33 cents (2006: HK32 cents) for the financial year.

Both the final and final special dividends will be paid on 5th September 2007 to the Group's shareholders subject to approval at the forthcoming Annual General Meeting.

REVIEW OF OPERATIONS

The year under review continued to pose challenges for all participants in the audio-visual (AV) manufacturing segment. The operating environment was characterised by intensified competition and rise in production costs. For AV manufacturers operating in southern China, all were further confronted with the rise in labor costs which rose upwards by as much as 20% as manufacturers in southern China all vied for a limited number of skilled workers. This was partly aggravated by rapid development in the Yangtze River Delta and inner provinces which resulted in less workers traveling to the Pearl River Delta.

Despite the tough environment, the Group was able to achieve steady growth, overcoming the various troughs through prudent business planning and execution. Among the measures taken included minimising costs and reducing the line-up of lower-end products, the costs of which are more susceptible to fluctuations in raw material prices such as plastic and metal. Moreover, we have maintained efforts to strengthen automation in order to combat escalating labor costs in China. The greater use of Automatic Optical Inspection

Chairman's Statement



Green Hazardous Substances Analyzer



Solar Energy Panels

(AOI) equipment has helped to further reduce our reliance on workers while at the same time raising the quality of our PCB assemblies and products. We also substantially expanded our automatic spraying facilities by 80% which has helped to save cost and further eased the demand for skilled labor. From these and other measures, we have been able to reduce our staff count at roughly 10% to 15% annually. We have duly deployed the present workforce most effectively; running double shifts during peak seasons to ensure customers' orders are always punctually met.

As the best means of combating cost is by raising profitability, our strategy of migrating to high value-added products has continued in earnest. Thanks to the decrease in panel prices during the year which led to higher affordability and greater demand, the Group was able to penetrate the LCD TV market quite successfully. Having incorporated LCD TVs with screens of various sizes into our product line-up in FY2006, we introduced models with up to 32-inch screens in FY2007 and envisage moving up to 40-inch models by FY2008. In line with such objectives, we

have increased our "clean zone" areas by 40% with the inclusion of Class 10,000 grade clean room to facilitate assembly of backlights for TFT-LCD panels, including those for LCD TVs. Reflecting the success of this strategy, we were able to maintain the Group's gross profit margin for the review period despite an increasingly difficult business environment.

To address the concern of power shortages – a persistent problem – we continued to utilise solar energy to run non-critical areas of our operations, while for production facilities, some 50 power generators serve as an important safety net for achieving nonstop operations.



Environmental Chamber

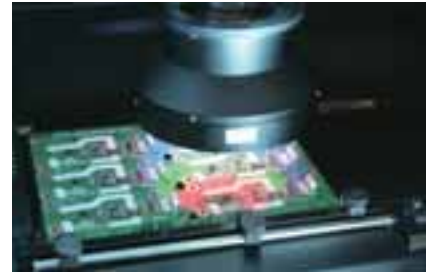


Clean Zone for LCD Panel Assembly



LCD TV Production Line

Chairman's Statement



Automatic Optical Inspection Equipment

PROSPECTS

Having set in motion the processes for developing our high-end, high value-added AV product portfolio, we are cautiously optimistic about the Group's future prospects. Despite growing competition, our long established ties with mass market retailers have placed us in good stead. Moreover, selling directly to these retailers has allowed us to have a highly efficient supply chain as well as fast response to changing market trends and demands. Our strong financial position and scale of production further allow us to meet large orders while excelling in the execution of new products.

Fueled by the increasing popularisation of digital TV broadcasts and affordability of flat panel TVs, the LCD TV market has seen worldwide shipments double to 46 million units in 2006, and is expected to breach the 128 million threshold by 2010 – a compound annual growth rate of roughly 30%. We are well set to capitalise on such growth. With still larger LCD TVs to be introduced by the Group in the pipeline, we can look towards increasing our share of this burgeoning market.

That said, supply of LCD panels, especially that of smaller sizes, did see some tightening in the second quarter of 2007 as suppliers adjusted their product mix to cater to increasing demand for mobile phones and digital cameras. In addition, as larger screen models command higher margins, certain TFT LCD plants that were utilised to manufacture small to medium size panels have switched to the production of panels for notebook computers and monitors. Despite the potential effect of tight supply and rebounding prices for LCD panels, the Group is able to maintain a stable source of panels from a handful of suppliers in Taiwan, Korea and Mainland China. Our purchase volume also gives us reasonable bargaining power in terms of sourcing.

Super High Speed SMT Machine



3D X-ray

Chairman's Statement



1250-ton Injection Molding Machine



Automatic Spraying Clean Room



Automatic Spraying

To cope with increasing production needs, specifically, a higher level of precision required in the manufacture of LCD TVs, we recently purchased super high speed and high precision SMT machines, which have boosted our total production capacity of surface mount components to 32 million placements a day. In addition to bolstering assembly processes, the new equipment has allowed the Group to further reduce its reliance on labor.

Along with our attention on LCD TV products, we will also keep a close eye on further developing the Group's DVD business. In particular, growing public interest for next generation DVD technologies such as high-definition (HD) DVD players are potential business avenues that the Group will explore. Our HD-DVD players produced on OEM basis will be introduced later in the year. Furthermore, we are also developing several new models to be introduced in FY2008 that are specifically designed for products for music and video download. We are also constantly looking at other display technologies that will allow the Group to develop products for home video entertainment other than LCD TVs.

With regards to geographical coverage, we will further explore fresh markets so as to bolster sales. North America continues to receive a majority of our products. Due to solid LCD TV sales to western Europe, this market has contributed 22% of our total sales, as compared to only 13% during the previous financial year. To maintain this upward trend, our LCD TVs will incorporate even more distinctive features that are developed specifically for western European markets. Our LCD TVs have also been warmly received

in markets such as South America and eastern Europe. We expect to start shipments of our LCD TVs to these two markets within FY2008.

Though remaining open minded to our business options, we remain firmly committed to a cautious course of action. Hence, we will continue to look at ways for enhancing automation thereby promoting greater efficiency. We will also seek to incorporate new features in our existing product mix for achieving better market differentiation. In addition, we will continue to phase out low-margin high-labor-intensive products in order to further insulate our business from fluctuations in raw material costs and increase in the costs of direct labor.

APPRECIATION

On behalf of the Board of Directors, I would like to extend my gratitude to our management and staff for their dedication and unwavering efforts throughout the year. I would also like to express my appreciation to our customers, business partners and shareholders for their ongoing support.

LEUNG Kai Ching, Kimen

Chairman

Hong Kong, 10th July 2007

Biographical Details of Directors and Senior Management

Executive Directors

Mr LEUNG Kai Ching, Kimen, aged 74, is the founder and Chairman of the Group. He has more than 40 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 47, 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 53, 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 30 years of experience in finance and accounting with multinational organisations.

Independent Non-executive Directors

Mr WONG Po Yan, G.B.M., J.P., aged 84, joined the Group in 1992 and is 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, J.P., aged 52, 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 46, joined the Group in 2000 and is the chief operating officer of a financial institution. Holding a master degree of management science in accounting, he has extensive experience in investment banking.

Senior Management

Mr Colin Frederick LIVERMORE, aged 52, joined the Group in 1991 and is the managing director of Alco International Limited. He has over 27 years of experience in the marketing of consumer electronic products and is responsible for formulating the marketing strategy primarily to European customers.

Mr YEUNG Kai Hong, Thomas, aged 60, joined the Group in 1972 and is the Group's production manager with responsibility for the Group's production planning and control. He holds a diploma in management studies and has more than 35 years of experience in the electronics industry.

Mr LEUNG Wai Ming, Jimmy, aged 38, joined the Group in 1993 and is the Group's purchasing manager. He has more than 14 years of experience in the field of audio electronic products.

Ms PANG Siu Mui, Wendy, aged 56, 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.

Biographical Details of Directors and Senior Management

Senior Management *(continued)*

Mr CHOW Koon Shing, Stephen, aged 56, joined the Group in 1972 and is the shipping manager of Alco Electronics Limited. He has over 32 years of experience in shipping.

Mr LEUNG Kam Fai, Peter, aged 50, joined the Group in 1979. He is the Group's material planning and control manager. He has over 28 years of experience in the audio field.

Mr LEONG Ue Cheong, aged 49, joined the Group in 1978 and is the shipping manager of Alco International Limited. He has over 29 years of experience in shipping.

Mr LAU Kwok Wai, Francis, aged 56, joined the Group in 1986 and is a director of Alco Plastic Products Limited. He has over 22 years of experience in the plastics industry and is responsible for the operations of the plastics factory.

Mr HO Man Shuen, Francis, aged 48, 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 25 years of experience in research and development, manufacturing and quality control of electronic products.

Mr CHOW Tung Yiu, Tony, aged 37, joined the Group in 1997 and is the Group's management information system manager. He holds a bachelor degree in science and has over 14 years of experience in developing manufacturing systems.

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 2007. 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	4/4
Mr KUOK Kun Man, Andrew	4/4
<i>Independent Non-executive Directors</i>	
Mr WONG Po Yan	4/4
The Hon LI Wah Ming, Fred	3/4
Mr LAU Wang Yip, Derrick	3/4

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 the Hon LI Wah Ming, Fred will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

Corporate Governance Report

DIRECTORS' SECURITIES TRANSACTIONS

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 2007.

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 2007 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 2007.

Three audit committee meetings were held during the year ended 31st March 2007 and the attendance of each committee member is set out as follows:

Members	Attendance Record
Mr LAU Wang Yip, Derrick	3/3
Mr WONG Po Yan	3/3
The Hon LI Wah Ming, Fred	2/3

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 2007, 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	1,855
Non audit-related services	
Tax compliance services	326

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 2007.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 32 to the consolidated financial statements.

An analysis of the Group's performance for the year by business and geographical segments is 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 HK9 cents per ordinary share, totalling HK\$ 50,513,000.

The directors recommended the payment of a final dividend of HK16 cents per ordinary share and a final special dividend of HK8 cents per ordinary share, totalling HK\$134,602,000.

LIQUIDITY AND FINANCIAL RESOURCES

Total equity and total equity per share for the year were HK\$1,556 million and HK\$2.77 respectively.

The Group's cash position remained very strong. As at 31st March 2007, our cash on hand and deposits totaled at HK\$893 million. After deducting the interest bearing debts of HK\$4 million, net cash amounted to HK\$889 million (2006: HK\$708 million). The increase in net cash was attributable to profit generated from operations and the low capital expenditure.

The trade receivables balance as at 31st March 2007 was HK\$291 million (2006: HK\$396 million). We have been adopting a prudent credit policy, and credit terms granted are generally based on the financial strengths of individual customers.

We finance our operations using internal funds and banking facilities. As at 31st March 2007, we were granted banking facilities of HK\$1,720 million, of which HK\$4 million were utilised and repayable within five years.

Capital expenditure on fixed assets during the year was HK\$82 million (2006: HK\$69 million), which was spent mainly on enhancing various advanced production facilities. As at 31st March 2007, we had capital commitments contracted but not provided for in respect of moulds, plant and machinery amounting to HK\$1 million (2006: HK\$8 million).

Our foreign exchange exposure is well managed, and, as nearly all of our sales, purchases and borrowings are denominated in either US dollar or HK dollar, there is a natural hedge against currency risks and it is our policy not to engage in speculative currency activities.

Report of the Directors

EMPLOYEES

As at 31st March 2007, the Group had approximately 11,000 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 2007 are as follows:

Purchases	
the largest supplier	13%
five largest suppliers combined	43%
Sales	
the largest customer	32%
five largest customers combined	77%

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.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in Note 26 to the consolidated financial statements.

DONATIONS

Charitable and other donation made by the Group during the year amounted to HK\$313,000.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group and of the Company 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 63.

SHARE CAPITAL AND BONUS WARRANTS

Details of the movements in the share capital and bonus warrants of the Company are set out in Note 25 to the consolidated financial statements.

Report of the Directors

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st March 2007 amounted to HK\$46,721,000 (2006: HK\$46,670,000), 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 64.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

On 29th December 2006 and 2nd January 2007, respectively 210,000 and 100,000 shares of HK\$0.10 each of the Company were repurchased at a price of HK\$3.36 per share by the Company on The Stock Exchange of Hong Kong Limited and cancelled. Aggregate amount paid by the Company was HK\$1,041,600.

On 10th January 2007, 100,000 shares of HK\$0.10 each of the Company were repurchased at a price of HK\$3.46 per share by the Company on The Stock Exchange of Hong Kong Limited and cancelled. Aggregate amount paid by the Company was HK\$346,000.

Save as disclosed above, neither the Company nor its subsidiary companies has purchased or sold any of the Company's shares during the year ended 31st March 2007 and the Company has not redeemed any of its shares during the year ended 31st March 2007.

BANK LOANS AND OTHER BORROWINGS

An analysis of the Group's bank loans and other borrowings at 31st March 2007 is set out below:

	Trust receipt loans		Bank borrowings	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within one year	–	139,978	648	103,545
In the second year	–	–	661	77,682
In the third to fifth year	–	–	2,244	–
	–	139,978	3,553	181,227

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March 2007 are set out in Note 32 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.

Report of the Directors

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, 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 the Hon LI Wah Ming, Fred will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

On 1st April 2007, 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 2007, 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				Percentage of the issued share capital of the Company
	Personal interest	Corporate interest	Family interest	Total	
Mr LEUNG Kai Ching, Kimen	18,200,000	38,891,600 (note (i))	187,019,800 (note (ii))	244,111,400	43.53%
Mr LEUNG Wai Sing, Wilson	44,640,000	—	187,019,800 (note (ii))	231,659,800	41.31%
Mr KUOK Kun Man, Andrew	1,202,000	—	—	1,202,000	0.21%

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 owned by Kimen Leung UT Limited, a company incorporated in the British Virgin Islands as the trustee of The Kimen Leung Unit Trust which is beneficially owned by The Kimen Leung Family Trust. Mr LEUNG Wai Sing, Wilson and other family members of Mr LEUNG Kai Ching, Kimen are the beneficiaries of The Kimen Leung Family Trust which is a discretionary trust.

(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.

Save as disclosed above, as at 31st March 2007, 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.

Report of the Directors

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 2007, 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	Long position	Percentage of the issued share capital of the Company
Shundean Investments Limited	Beneficial owner	225,911,400 (note (i))	40.28%
HSBC International Trustee Limited	Trustee	187,835,800 (note (ii))	33.49%
Kimien Leung UT Limited	Trustee	187,019,800 (notes (i) & (ii))	33.35%
Commonwealth Bank of Australia	Interest of controlled corporation	39,484,000 (note (iii))	7.04%
Leung Wai Lap David	Beneficial owner	32,972,190	5.88%

Notes:

- (i) Among the referenced shares, 38,891,600 ordinary shares were held by Shundean Investments Limited, a company incorporated in the British Virgin Islands with limited liability, of which Mr LEUNG Kai Ching, Kimien is the sole shareholder; and 187,019,800 ordinary shares were held by Kimien Leung UT Limited, a company incorporated in the British Virgin Islands as the trustee of The Kimien Leung Unit Trust which is beneficially owned by The Kimien Leung Family Trust. Mr LEUNG Wai Sing, Wilson and other family members of Mr LEUNG Kai Ching, Kimien are the beneficiaries of The Kimien Leung Family Trust which is a discretionary trust.
- (ii) Among the referenced shares, 187,019,800 ordinary shares were held for Kimien Leung UT Limited, which were related to the same block of shares held by Kimien Leung UT Limited.
- (iii) According to the information disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, these shares were held by corporations controlled directly or indirectly as to 100% by Commonwealth Bank of Australia.

Save as disclosed above, as at 31st March 2007, 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.

Report of the Directors

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\$5 to the Company for the acceptance of an option.

No share options have been granted by the Company since the adoption of the Scheme.

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.

Report of the Directors

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 2007.

The audit committee 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, 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 2007 and up to the date of this report.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

LEUNG Kai Ching, Kimen
Chairman

Hong Kong, 10th July 2007

Independent Auditor's Report



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor, 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 62, which comprise the consolidated and Company balance sheets as at 31st March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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 as to whether the financial statements are free from material misstatement.

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

Independent Auditor's Report

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 2007 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, 10th July 2007

Consolidated Income Statement

For the year ended 31st March 2007

	Note	2007 HK\$'000	2006 HK\$'000
Turnover	5	5,095,894	4,876,788
Cost of goods sold	7	(4,548,098)	(4,359,738)
Gross profit		547,796	517,050
Other gains	6	50,430	46,226
Selling expenses	7	(136,291)	(123,208)
Administrative expenses	7	(100,061)	(96,296)
Other operating expenses	7	(6,240)	(4,924)
Operating profit		355,634	338,848
Finance costs	9	(19,584)	(21,833)
Profit before income tax		336,050	317,015
Income tax expense	10	(30,266)	(33,540)
Profit attributable to equity holders of the Company		305,784	283,475
Earnings per share attributable to equity holders of the Company			
– basic	12	HK54.5 cents	HK50.6 cents
– diluted	12	HK54.5 cents	HK50.6 cents
Dividends	13	185,115	179,600

The notes on pages 28 to 62 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As at 31st March 2007

	Note	2007 HK\$'000	2006 HK\$'000
Non-current assets			
Property, plant and equipment	14	312,799	320,262
Investment properties	15	46,830	36,060
Leasehold land and land use rights	16	59,189	56,497
Deferred development costs	17	6,184	6,797
Held-to-maturity financial assets	19	111,400	110,887
		536,402	530,503
Current assets			
Inventories	20	401,844	618,405
Trade receivables, prepayments and deposits	21	305,278	413,510
Cash and cash equivalents	22	892,794	1,028,572
		1,599,916	2,060,487
Current liabilities			
Trade payables, other payables and accruals	23	545,669	796,816
Trust receipt loans		–	139,978
Current income tax liabilities		3,474	18,768
Borrowings	24	648	103,545
		549,791	1,059,107
Net current assets		1,050,125	1,001,380
Total assets less current liabilities		1,586,527	1,531,883
Capital and reserves attributable to equity holders of the Company			
Share capital	25	56,084	56,125
Reserves	26	1,499,679	1,369,912
Total equity		1,555,763	1,426,037
Non-current liabilities			
Borrowings	24	2,905	77,682
Deferred income tax liabilities	27	27,859	28,164
		30,764	105,846
Total equity and non-current liabilities		1,586,527	1,531,883

On behalf of the Board

LEUNG Kai Ching, Kimen
Director

LEUNG Wai Sing, Wilson
Director

The notes on pages 28 to 62 are an integral part of these consolidated financial statements.

Balance Sheet

As at 31st March 2007

	Note	2007 HK\$'000	2006 HK\$'000
Non-current assets			
Investment in subsidiaries	18	356,959	358,007
Current assets			
Other receivables, prepayments and deposits		105	106
Tax recoverable		10	178
Cash and cash equivalents	22	1,215	93
		1,330	377
Current liabilities			
Other payables and accruals		2,414	1,214
Net current liabilities		(1,084)	(837)
Total assets less current liabilities		355,875	357,170
Capital and reserves attributable to equity holders of the Company			
Share capital	25	56,084	56,125
Reserves	26	299,791	301,045
Total equity		355,875	357,170

On behalf of the Board

LEUNG Kai Ching, Kimen
Director

LEUNG Wai Sing, Wilson
Director

The notes on pages 28 to 62 are an integral part of this financial statement.

Consolidated Statement of Changes in Equity

For the year ended 31st March 2007

	Share capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1st April 2005	55,733	250,367	978,614	1,284,714
Currency translation differences	–	122	–	122
Profit for the year	–	–	283,475	283,475
Repurchase of own shares	(10)	(250)	(10)	(270)
2006 interim dividend	–	–	(33,675)	(33,675)
2006 interim special dividend	–	–	(22,450)	(22,450)
2005 final and final special dividends	–	–	(89,173)	(89,173)
Adjustment of prior year dividends	–	–	(643)	(643)
Exercise of bonus warrants	402	3,535	–	3,937
Balance at 31st March 2006	56,125	253,774	1,116,138	1,426,037
Balance at 1st April 2006	56,125	253,774	1,116,138	1,426,037
Currency translation differences	–	(683)	–	(683)
Profit for the year	–	–	305,784	305,784
Repurchase of own shares	(41)	(1,305)	(41)	(1,387)
2007 interim dividend	–	–	(50,513)	(50,513)
2006 final and final special dividends	–	–	(123,475)	(123,475)
Balance at 31st March 2007	56,084	251,786	1,247,893	1,555,763

The notes on pages 28 to 62 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31st March 2007

	Note	2007 HK\$'000	2006 HK\$'000
Cash flows from operating activities			
Cash generated from operations	28	342,742	459,199
Interest received		32,791	35,299
Interest paid		(19,584)	(21,831)
Income tax paid		(45,865)	(34,000)
Net cash generated from operating activities		310,084	438,667
Cash flows from investing activities			
Purchase of property, plant and equipment		(81,519)	(69,212)
Proceeds from sale of property, plant and equipment		889	1,221
Purchase of leasehold land and land use rights		(2,984)	–
Deferred development costs paid		(9,960)	(10,879)
Net cash used in investing activities		(93,574)	(78,870)
Cash flows from financing activities			
Interest element of finance leases		–	(2)
Repayment of capital element of finance leases		–	(206)
Repurchase of own shares		(1,387)	(270)
Exercise of bonus warrants		–	3,937
Proceeds from borrowings		120,553	181,227
Repayments of borrowings		(298,227)	(117,619)
Dividends paid to the Company's shareholders		(173,988)	(145,941)
Net cash used in financing activities		(353,049)	(78,874)
Net (decrease)/increase in cash and cash equivalents		(136,539)	280,923
Cash and cash equivalents at beginning of the year		1,028,572	746,944
Effect of foreign exchange rate change		761	705
Cash and cash equivalents at end of the year	22	892,794	1,028,572

The notes on pages 28 to 62 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

31st March 2007

1 GENERAL INFORMATION

Alco Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) design, manufacture and sell 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 has its primary listing 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 10th July 2007.

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 Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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.

The following amendments to standards and interpretation are relevant to the Group’s operation and are mandatory for financial year ended 31st March 2007:

HKAS 21 Amendment	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
HKAS 39 Amendment	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HKAS 39 & HKFRS 4 Amendments	Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts
HKFRS-Interpretation 4	Determining whether an Arrangement contains a Lease

These amendments to standards and interpretation had no material effect on the Group’s accounting policies.

Notes to the Consolidated Financial Statements

31st March 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

The following new standard, amendment to standard and interpretations are relevant to the Group's operation but are not effective for the year ended 31st March 2007 and have not been early adopted:

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Interpretation 8	Scope of HKFRS 2
HK(IFRIC)-Interpretation 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Interpretation 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Interpretation 11	HKFRS 2-Group and Treasury Share Transactions

The Group believes that the adoption of the above new standard, amendment to standard and interpretations will not result in substantial changes to the Group's accounting policies except that there will be additional disclosures required by HKAS 1 Amendment and HKFRS 7.

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

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

In the Company's balance sheet the investment in subsidiaries are stated at cost less provision for impairment losses (Note 2.8). The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

Notes to the Consolidated Financial Statements

31st March 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Segment reporting

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

2.4 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, which is the Company's functional and presentation currency.

(b) Transactions and balances

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

(c) Group companies

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

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

Notes to the Consolidated Financial Statements

31st March 2007

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, and of borrowings are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

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

2.5 Property, plant and equipment

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

Depreciation of buildings and moulds are calculated using the straight-line method to allocate cost 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 annual rates are as follows:

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Notes to the Consolidated Financial Statements

31st March 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Investment properties

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

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, 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.

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

Changes in fair values are recognised in the income statement as part of "other gains".

2.7 Deferred development costs

Research expenditure is expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as deferred development costs when it is probable that the project will be a success considering its commercial and technologies feasibility, and costs can be measured reliably. Other development expenditures are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs with a finite useful life that have been capitalised are amortised on a straight-line basis 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 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Impairment of investment in subsidiaries and non-financial assets

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

2.9 Financial assets

The Group classifies its financial assets in the following categories: loans and receivables and held-to-maturity financial assets. The classification depends on the purposes 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 maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet (Note 2.11).

(b) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the balance sheet date; these are classified as current assets.

Regular 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. Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements

31st March 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Financial assets *(continued)*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade and other receivables is described in Note 2.11.

2.10 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.

2.11 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade 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 trade and other receivables are 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 amount of the provision is recognised in the income statement.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.13 Share capital

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

2.14 Trade payables

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

Notes to the Consolidated Financial Statements

31st March 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 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 income statement over the period of the borrowings using the effective interest method.

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

2.16 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the 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.

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

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

2.17 Employee benefits

(a) *Employee leave entitlements*

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

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

Notes to the Consolidated Financial Statements

31st March 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Employee benefits *(continued)*

(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. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.18 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.

Notes to the Consolidated Financial Statements

31st March 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.19 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. Revenue is recognised as follows:

- (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.

2.20 Leases

(a) Operating lease (as lessee)

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

(b) Operating lease (as lessor)

Where the Company leases out assets under operating leases, the assets are included in the balance sheet according to their nature as set out in note 2.6. Revenue arising from operating leases is credited to the income statement in accordance with the Group's revenue recognition policies, as set out in note 2.19(ii).

(c) Finance lease

Leases of assets 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. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance lease is depreciated over the estimated useful life of the asset.

Notes to the Consolidated Financial Statements

31st March 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.21 Dividend distribution

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

3 FINANCIAL RISK MANAGEMENT

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.

(a) Market risk

Foreign exchange risk

The Group is not significantly exposed to foreign exchange risk as nearly all of the Group's sales, purchases and borrowings are denominated in either US dollar or HK dollar. The Group has a natural hedge against currency risks and it is the Group's policy not to engage in speculative currency activities.

(b) Credit risk

The Group's sales are made to a number of reputable and creditworthy customers. To minimise the credit risk, the Group performs ongoing credit evaluations of its customers' financial conditions.

(c) Interest rate risk

As the Group has no significant interest-bearing assets, other than short-term bank deposits and held-to-maturity financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk.

(d) Liquidity risk

The Group adopts a prudent liquidity risk management policy to maintain sufficient cash to fund its operations.

Notes to the Consolidated Financial Statements

31st March 2007

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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.

Critical accounting estimates and assumptions

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.

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.

5 TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the design, manufacture and sale of consumer electronic products and plastic products. Revenues recognised during the year are as follows:

	Group	
	2007 HK\$'000	2006 HK\$'000
Turnover		
Consumer electronic products	5,090,793	4,866,005
Plastic products	5,101	10,783
	5,095,894	4,876,788

(a) Primary reporting format – business segments

The Group mainly operates in the People's Republic of China (the "PRC") and Hong Kong in two main business segments:

- 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 plastic products between subsidiaries. The transactions were entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, deferred development costs, held-to-maturity financial assets, inventories, receivables and operating cash.

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 deferred development costs.

Notes to the Consolidated Financial Statements

31st March 2007

5 TURNOVER AND SEGMENT INFORMATION (continued)

(a) Primary reporting format – business segments (continued)

The segment results and other segment items included in the income statement for the years ended 31st March 2007 and 2006 are as follows:

	Group				Group			
	2007				2006			
	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
Turnover								
External sales	5,090,793	5,101	–	5,095,894	4,866,005	10,783	–	4,876,788
Inter-segment sales	–	173,863	(173,863)	–	–	206,005	(206,005)	–
	5,090,793	178,964	(173,863)	5,095,894	4,866,005	216,788	(206,005)	4,876,788
Segment results	355,876	(242)		355,634	338,460	388		338,848
Finance costs				(19,584)				(21,833)
Profit before income tax				336,050				317,015
Income tax expense				(30,266)				(33,540)
Profit attributable to equity holders of the Company				305,784				283,475
Capital expenditure	66,520	27,943		94,463	56,471	23,620		80,091
Depreciation of property, plant and equipment	53,651	14,189		67,840	54,608	10,788		65,396
Amortisation of leasehold land and land use rights	368	12		380	326	12		338
Amortisation and write-off of deferred development costs	10,573	–		10,573	12,194	–		12,194
Write-off/impairment of property, plant and equipment	17,907	1,279		19,186	16,308	573		16,881

Notes to the Consolidated Financial Statements

31st March 2007

5 TURNOVER AND SEGMENT INFORMATION (continued)

(a) Primary reporting format – business segment (continued)

The segment assets and liabilities at 31st March 2007 and 2006 are as follows:

	Group				Group			
	2007				2006			
	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 assets	2,042,336	93,982	-	2,136,318	2,504,701	86,289	-	2,590,990
Segment liabilities	534,364	11,305	-	545,669	915,317	21,477	-	936,794
Unallocated corporate liabilities				34,886				228,159
Total liabilities				580,555				1,164,953

(b) Secondary reporting format – geographical segment

The segment turnover for the years ended 31st March 2007 and 2006 are as follows:

	Group	
	2007 HK\$'000	2006 HK\$'000
North America	3,556,457	3,764,034
Europe	1,099,795	610,575
Asia	268,456	364,300
Others	171,186	137,879
	5,095,894	4,876,788

The analysis of turnover by geographical segment is based on the destination to which the shipments are made. No analysis of the contribution by geographical segment has been presented as the ratios of profit to turnover achieved for the above geographical segments are not substantially out of line with the Group's overall ratio of profit to turnover. Most of its assets and capital expenditure for the years ended 31st March 2007 and 2006 were located or utilised in the PRC and Hong Kong.

Notes to the Consolidated Financial Statements

31st March 2007

6 OTHER GAINS

	Group	
	2007 HK\$'000	2006 HK\$'000
Interest income	32,791	35,299
Rental income from investment properties	3,643	3,232
Fair value gains on investment properties (Note 15)	10,770	1,800
Sale of moulds	941	3,053
Others	2,285	2,842
	50,430	46,226

7 EXPENSES BY NATURE

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

	Group	
	2007 HK\$'000	2006 HK\$'000
Depreciation of property, plant and equipment	67,840	65,396
Amortisation of leasehold land and land use rights	380	338
Amortisation of deferred development costs	6,386	7,147
Auditors' remuneration	1,935	1,810
Write-off/impairment of property, plant and equipment	19,186	16,881
Write-off of deferred development costs	4,187	5,047
Loss on disposal of property, plant and equipment	1,213	813
Operating lease rental in respect of land and buildings	34,379	35,322
Research and development costs	24,241	20,005
Employee benefit expenses (including directors' emoluments) (Note 8)	326,557	303,600

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Group	
	2007 HK\$'000	2006 HK\$'000
Wages and salaries	312,240	290,254
Pension costs – defined contribution retirement schemes (Note (a)(i))	3,375	3,461
Long service payments (Note (a)(ii))	(1,445)	(573)
Other staff benefits	8,823	10,194
Termination benefits	3,564	264
	326,557	303,600

Notes to the Consolidated Financial Statements

31st March 2007

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

Notes:

(a) Retirement benefit costs

	Group	
	2007 HK\$'000	2006 HK\$'000
Obligations on:		
– defined contribution retirement schemes (Note (i))	558	556
– long service payments (Note (ii))	5,463	6,908
	6,021	7,464

(i) 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 is 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 required to contribute 5% on the employees' monthly net salaries with a maximum monthly contribution of HK\$1,000.

Contributions to the ORSO Scheme and MPF Scheme charged to the consolidated income statement for the year amounted to HK\$3,375,000 (2006: HK\$3,461,000). Forfeited contributions in respect of the defined contribution retirement scheme of approximately HK\$88,000 (2006: HK\$45,000) were utilised during the year. No forfeiture balance was available as at 31st March 2007 and 2006 to reduce future contributions.

Contributions totalling HK\$558,000 (2006: HK\$556,000) were payable to the ORSO Scheme and MPF Scheme at the year end and were included in other payables and accruals.

(ii) Long service payments

Long service payments provision is calculated in accordance with Section 31V of the Hong Kong Employment Ordinance at two-thirds of the employee's last full month's wages, or the two-thirds of HK\$22,500, whichever is lower, with the total provision for each employee limited to HK\$390,000. The provision balance is set-off against the Group's accumulated contributions to the ORSO and MPF Schemes.

Notes to the Consolidated Financial Statements

31st March 2007

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

Notes: (continued)

(b) Directors' and senior management's emoluments

The remuneration of every director of the Company for the year ended 31st March 2007 is set out below:

Name of Director	Fee HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Employer's contribution to pension scheme	Total HK\$'000
				HK\$'000	
Mr LEUNG Kai Ching, Kimen	–	3,000	6,294	150	9,444
Mr LEUNG Wai Sing, Wilson	–	3,000	5,940	150	9,090
Mr KUOK Kun Man, Andrew	–	1,262	3,452	63	4,777
Mr WONG Po Yan	120	–	–	–	120
The Hon LI Wah Ming, Fred	120	–	–	6	126
Mr LAU Wang Yip, Derrick	120	–	–	6	126

The remuneration of every director of the Company for the year ended 31st March 2006 is set out below:

Name of Director	Fee HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Employer's contribution to pension scheme	Total HK\$'000
				HK\$'000	
Mr LEUNG Kai Ching, Kimen	–	3,000	5,408	150	8,558
Mr LEUNG Wai Sing, Wilson	–	3,000	5,109	150	8,259
Mr KUOK Kun Man, Andrew	–	1,262	2,953	63	4,278
Mr WONG Po Yan	120	–	–	–	120
The Hon LI Wah Ming, Fred	120	–	–	6	126
Mr LAU Wang Yip, Derrick	120	–	–	6	126

No directors waived emoluments in respect of the years ended 31st March 2007 and 31st March 2006.

Notes to the Consolidated Financial Statements

31st March 2007

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

Notes: (continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2006: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2006: two) individuals during the year are as follows:

	Group	
	2007 HK\$'000	2006 HK\$'000
Basic salaries, housing allowances, other allowances and benefits in kind	2,994	2,994
Discretionary bonuses	9,675	6,675
Contributions to pension schemes	87	87
	12,756	9,756

The emoluments fell within the following bands:

	Number of individuals	
	2007	2006
Emolument bands		
HK\$3,000,001-HK\$3,500,000	1	1
HK\$6,000,001-HK\$6,500,000	–	1
HK\$9,000,001-HK\$9,500,000	1	–

(d) Key management compensation

	Group	
	2007 HK\$'000	2006 HK\$'000
Basic salaries, housing allowances, other allowances and benefits in kind	10,256	10,256
Discretionary bonuses	25,361	20,145
Contributions to pension schemes	450	450
	36,067	30,851

9 FINANCE COSTS

	Group	
	2007 HK\$'000	2006 HK\$'000
Interest expense:		
– bank borrowings and trust receipt loans	19,584	21,831
– Interest element of finance leases	–	2
	19,584	21,833

Notes to the Consolidated Financial Statements

31st March 2007

10 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	Group	
	2007 HK\$'000	2006 HK\$'000
Current income tax		
– Hong Kong profits tax	30,876	36,767
– (Over)/under-provision in prior years	(305)	3,187
Deferred income tax (Note 27)	(305)	(6,414)
	30,266	33,540

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	
	2007 HK\$'000	2006 HK\$'000
Profit before income tax	336,050	317,015
Tax calculated at a tax rate of 17.5% (2006: 17.5%)	58,809	55,478
Effect of different tax rates in other countries	(226)	275
Income not subject to tax	(41,068)	(41,444)
Expenses not deductible for tax purposes	10,715	13,645
(Over)/under-provisions in prior years	(305)	3,187
Unrecognised tax losses	2,341	2,399
Tax charge	30,266	33,540

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 HK\$174,080,000 (2006: HK\$145,873,000).

Notes to the Consolidated Financial Statements

31st March 2007

12 EARNINGS PER SHARE

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

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Group	
	2007	2006
Profit attributable to equity holders of the Company (HK\$'000)	305,784	283,475
Weighted average number of ordinary shares in issue (thousands)	561,152	559,967
Basic and diluted earnings per share (HK cents) (Note)	54.5	50.6

Note: There were no dilutive potential ordinary shares during the years ended 31st March 2007 and 2006.

13 DIVIDENDS

	Company	
	2007 HK\$'000	2006 HK\$'000
Interim dividend, paid, of HK9 cents (2006: HK6 cents) per ordinary share	50,513	33,675
No interim special dividend paid (2006: HK4 cents per ordinary share)	–	22,450
Final dividend, proposed, of HK16 cents (2006: HK16 cents) per ordinary share	89,735	89,800
Final special dividend, proposed, of HK8 cents (2006: HK6 cents) per ordinary share	44,867	33,675
	185,115	179,600

At a meeting held on 10th July 2007, the directors proposed a final dividend of HK16 cents per ordinary share and a final special dividend of HK8 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these financial statements but will be reflected as an appropriation of retained earnings for the year ending 31st March 2008.

Notes to the Consolidated Financial Statements

31st March 2007

14 PROPERTY, PLANT AND EQUIPMENT

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

	Group						Total HK\$'000
	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 1st April 2005							
Cost	27,336	305,038	87,650	245,080	516,340	18,703	1,200,147
Accumulated depreciation and impairment	(5,662)	(279,748)	(71,612)	(195,027)	(300,118)	(12,619)	(864,786)
Net book amount	21,674	25,290	16,038	50,053	216,222	6,084	335,361
Year ended 31st March 2006							
Opening net book amount	21,674	25,290	16,038	50,053	216,222	6,084	335,361
Additions	–	24,276	3,157	14,888	25,875	1,016	69,212
Disposals	–	–	(29)	(1,263)	(689)	(53)	(2,034)
Depreciation	(681)	(11,551)	(3,440)	(11,784)	(36,630)	(1,310)	(65,396)
Impairment charges	–	(6,468)	(330)	(1,787)	(8,238)	(58)	(16,881)
Closing net book amount	20,993	31,547	15,396	50,107	196,540	5,679	320,262
At 31st March 2006							
Cost	27,336	306,804	90,639	249,682	533,719	19,064	1,227,244
Accumulated depreciation and impairment	(6,343)	(275,257)	(75,243)	(199,575)	(337,179)	(13,385)	(906,982)
Net book amount	20,993	31,547	15,396	50,107	196,540	5,679	320,262
Year ended 31st March 2007							
Opening net book amount	20,993	31,547	15,396	50,107	196,540	5,679	320,262
Additions	2,118	22,375	5,651	17,884	30,719	2,772	81,519
Disposals	–	–	(20)	(725)	(967)	(390)	(2,102)
Depreciation	(707)	(14,405)	(3,736)	(12,340)	(35,190)	(1,462)	(67,840)
Write-off	–	(9,034)	(3,716)	(3,556)	(2,880)	–	(19,186)
Exchange differences	63	–	(1)	69	–	15	146
Closing net book amount	22,467	30,483	13,574	51,439	188,222	6,614	312,799
At 31st March 2007							
Cost	29,518	328,342	95,739	257,483	552,759	18,848	1,282,689
Accumulated depreciation and impairment	(7,051)	(297,859)	(82,165)	(206,044)	(364,537)	(12,234)	(969,890)
Net book amount	22,467	30,483	13,574	51,439	188,222	6,614	312,799

Notes to the Consolidated Financial Statements

31st March 2007

14 PROPERTY, PLANT AND EQUIPMENT (continued)

- (b) Depreciation expenses have been included in:

	Group	
	2007 HK\$'000	2006 HK\$'000
Cost of goods sold	63,662	61,015
Administrative expenses	4,178	4,381
	67,840	65,396

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

	Group	
	2007 HK\$'000	2006 HK\$'000
In Hong Kong, held on:		
Leases of over 50 years	9,241	9,573
Leases of between 10 and 50 years	328	340
Outside Hong Kong, held on:		
Leases of between 10 and 50 years	12,898	11,080
	22,467	20,993

- (d) As at 31st March 2007, bank borrowing is secured on a building for the carrying amount of HK\$2,155,000 (2006: Nil) (Note 24).
- (e) As at 31st March 2007, the Company's property, plant and equipment comprised furniture, fixtures and equipment with a total cost of HK\$41,000 (2006: HK\$41,000) and accumulated depreciation of HK\$41,000 (2006: HK\$41,000).

15 INVESTMENT PROPERTIES

	Group	
	2007 HK\$'000	2006 HK\$'000
Beginning of the year	36,060	34,260
Fair value gains (Note 6)	10,770	1,800
End of the year	46,830	36,060

The investment properties were revalued at 31st March 2007 by independent, professionally qualified valuers, LCH (Asia-Pacific) Surveyors Limited. Valuations were based on current prices in an active market for all properties.

Notes to the Consolidated Financial Statements

31st March 2007

15 INVESTMENT PROPERTIES (continued)

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

	Group	
	2007 HK\$'000	2006 HK\$'000
In Hong Kong, held on:		
Leases of over 50 years	27,750	18,800
Leases of between 10 and 50 years	19,080	17,260
	46,830	36,060

16 LEASEHOLD LAND AND LAND USE RIGHTS

	Group	
	2007 HK\$'000	2006 HK\$'000
Opening net book amount	56,497	56,835
Addition	2,984	–
Amortisation	(380)	(338)
Exchange differences	88	–
Closing net book amount	59,189	56,497

Amortisation expenses of prepaid operating lease payment have been included in:

	Group	
	2007 HK\$'000	2006 HK\$'000
Administrative expenses	380	338

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:

	Group	
	2007 HK\$'000	2006 HK\$'000
In Hong Kong, held on:		
Leases of over 50 years	45,921	45,973
Leases of between 10 and 50 years	465	476
Outside Hong Kong, held on:		
Leases of between 10 and 50 years	12,803	10,048
	59,189	56,497

As at 31st March 2007, bank borrowing is secured on leasehold land and land use rights for the carrying amount of HK\$3,029,000 (2006: Nil) (Note 24).

Notes to the Consolidated Financial Statements

31st March 2007

17 DEFERRED DEVELOPMENT COSTS

	Group HK\$'000
At 1st April 2005	
Cost	62,340
Accumulated amortisation	(54,228)
Net book amount	8,112
For the year ended 31st March 2006	
At 1st April 2005	8,112
Additions	10,879
Write-off	(5,047)
Amortisation	(7,147)
At 31st March 2006	6,797
At 31st March 2006	
Cost	69,566
Accumulated amortisation	(62,769)
Net book amount	6,797
For the year ended 31st March 2007	
At 1st April 2006	6,797
Additions	9,960
Write-off	(4,187)
Amortisation	(6,386)
At 31st March 2007	6,184
At 31st March 2007	
Cost	67,188
Accumulated amortisation	(61,004)
Net book amount	6,184

Amortisation expenses of deferred development costs have been included in:

	Group 2007 HK\$'000	2006 HK\$'000
Cost of goods sold	6,386	7,147

Notes to the Consolidated Financial Statements

31st March 2007

18 INVESTMENT IN SUBSIDIARIES

	Company	
	2007 HK\$'000	2006 HK\$'000
Unlisted shares, at cost (note (a))	67,586	67,586
Amounts due from subsidiaries (note (b))	289,373	290,421
	356,959	358,007

Notes:

(a) Details of principal subsidiaries are set out in Note 32 to the consolidated financial statements.

(b) The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

19 HELD-TO-MATURITY FINANCIAL ASSETS

	Group	
	2007 HK\$'000	2006 HK\$'000
Structured bank deposits in Hong Kong	111,400	110,887

The movement in held-to-maturity financial assets is as follows:

	Group	
	2007 HK\$'000	2006 HK\$'000
Beginning of the year	110,887	–
Reclassified from long-term bank deposits	–	111,400
Exchange differences	513	(513)
End of the year	111,400	110,887

Held-to-maturity financial assets are denominated in the following currencies:

	Group	
	2007 HK\$'000	2006 HK\$'000
Hong Kong dollar	10,000	10,000
US dollar	101,400	100,887
	111,400	110,887

These investments earn interests at rates offered by the banks. The fair value of these financial assets is not materially different from the carrying value.

Notes to the Consolidated Financial Statements

31st March 2007

20 INVENTORIES

	Group	
	2007 HK\$'000	2006 HK\$'000
Raw materials	185,990	235,701
Work in progress	23,194	75,872
Finished goods	192,660	306,832
	401,844	618,405

The cost of inventories recognised as expense and included in cost of goods sold amounted to HK\$3,859,232,000 (2006: HK\$3,687,407,000).

21 TRADE RECEIVABLES, PREPAYMENTS AND DEPOSITS

	Group	
	2007 HK\$'000	2006 HK\$'000
Trade receivables	291,006	395,911
Prepayments and deposits	14,272	17,599
	305,278	413,510

The credit terms given 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 value of the trade receivables, prepayments and deposits approximate to their carrying value.

At 31st March 2007 and 2006, the ageing analysis of the trade receivables based on invoiced date is as follows:

	Group	
	2007 HK\$'000	2006 HK\$'000
0-30 days	209,323	211,571
31-60 days	79,160	144,560
61-90 days	48	38,427
Over 90 days	2,475	1,353
	291,006	395,911

Notes to the Consolidated Financial Statements

31st March 2007

22 CASH AND CASH EQUIVALENTS

	Group		Company	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Cash at bank and in hand	124,672	141,959	1,215	93
Short-term bank deposits	768,122	886,613	–	–
	892,794	1,028,572	1,215	93

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

	Group		Company	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Hong Kong dollar	650,508	61,555	1,215	93
US dollar	236,277	961,796	–	–
Others	6,009	5,221	–	–
	892,794	1,028,572	1,215	93

The cash and cash equivalents earn interests at deposit rates offered by the banks.

23 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	Group	
	2007 HK\$'000	2006 HK\$'000
Trade payables	288,436	513,900
Other payables and accruals	257,233	282,916
	545,669	796,816

At 31st March 2007 and 2006, the ageing analysis of the trade payables based on invoiced date is as follows:

	Group	
	2007 HK\$'000	2006 HK\$'000
0-30 days	214,665	366,391
31-60 days	48,979	122,511
61-90 days	23,904	22,109
Over 90 days	888	2,889
	288,436	513,900

Notes to the Consolidated Financial Statements

31st March 2007

24 BORROWINGS

	Group	
	2007 HK\$'000	2006 HK\$'000
Non-current		
Bank borrowing, secured (Note (a))	2,905	–
Bank borrowings, unsecured (Note (b))	–	77,682
	2,905	77,682
Current		
Bank borrowing, secured (Note (a))	648	–
Bank borrowings, unsecured (Note (b))	–	103,545
	648	103,545
Total borrowings	3,553	181,227

Notes:

- (a) The bank borrowing is secured by a building and leasehold land and land use rights of the Group (Notes 14 and 16). The borrowing is denominated in Renminbi. Interest is charged at market borrowing rate offered by the bank.
- (b) The bank borrowings are unsecured and are supported by corporate guarantees given by the Company (Notes 29 and 30). The borrowings are denominated in Hong Kong dollars. Interests are charged at margin over the HIBOR rate.

The maturity of bank borrowings is as follows:

	Group	
	2007 HK\$'000	2006 HK\$'000
Within 1 year	648	103,545
Between 1 and 2 years	661	77,682
Between 2 and 5 years	2,244	–
	3,553	181,227

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

Notes to the Consolidated Financial Statements

31st March 2007

25 SHARE CAPITAL

	Company	
	Number of shares (Thousands)	Ordinary shares HK\$'000
Authorised:		
Ordinary shares of HK\$0.10 each		
At 31st March 2007 and 2006	800,000	80,000
Issued and fully paid:		
Ordinary shares of HK\$0.10 each		
At 1st April 2005	557,334	55,733
Repurchase of own shares (Note (a))	(100)	(10)
Exercise of bonus warrants (Note (b))	4,018	402
At 31st March 2006	561,252	56,125
At 1st April 2006	561,252	56,125
Repurchase of own shares (Note (a))	(410)	(41)
At 31st March 2007	560,842	56,084

Notes:

(a) Repurchase of own shares

On 25th October 2005, 100,000 shares of HK\$0.10 each of the Company were repurchased at a price of HK\$2.70 per share by the Company on The Stock Exchange of Hong Kong Limited and cancelled. Aggregate amount paid by the Company was HK\$270,000.

On 29th December 2006 and 2nd January 2007, respectively 210,000 and 100,000 shares of HK\$0.10 each of the Company were repurchased at a price of HK\$3.36 per share by the Company on The Stock Exchange of Hong Kong Limited and cancelled. Aggregate amount paid by the Company was HK\$1,041,600.

On 10th January 2007, 100,000 shares of HK\$0.10 each of the Company were repurchased at a price of HK\$3.46 per share by the Company on The Stock Exchange of Hong Kong Limited and cancelled. Aggregate amount paid by the Company was HK\$346,000.

(b) Exercise of bonus warrants

On 11th July 2002, the directors proposed to grant bonus warrants to the shareholders (other than overseas shareholders) whose names appeared on the register of members of the Company on 22nd August 2002 on the basis of one warrant for every ten ordinary shares of HK\$0.10 each in the issued share capital of the Company held.

On 22nd August 2002, bonus warrants conferring rights to subscribe for 51,138,185 ordinary shares at HK\$0.98 each were granted by the Board of Directors. The bonus warrants were exercisable at any time from 2nd September 2002 to 1st September 2005, both days inclusive.

During the year ended 31st March 2006, 4,017,632 ordinary shares of HK\$0.10 each of the Company were issued at a subscription price of HK\$0.98 per share to bonus warrant holders on the exercise of their bonus warrants for a total cash consideration of HK\$3,937,279. All bonus warrants were either exercised or forfeited as at 31st March 2006. No further bonus warrants were granted for the year ended 31st March 2007.

Notes to the Consolidated Financial Statements

31st March 2007

26 RESERVES

	Group				
	Share premium	Capital redemption reserve	Exchange reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1st April 2005	250,619	471	(723)	978,614	1,228,981
Currency translation differences	–	–	122	–	122
Profit for the year	–	–	–	283,475	283,475
Repurchase of own shares	(260)	10	–	(10)	(260)
2006 interim dividend	–	–	–	(33,675)	(33,675)
2006 interim special dividend	–	–	–	(22,450)	(22,450)
2005 final and final special dividends	–	–	–	(89,173)	(89,173)
Adjustment of prior year dividends	–	–	–	(643)	(643)
Exercise of bonus warrants	3,535	–	–	–	3,535
Balance at 31st March 2006	253,894	481	(601)	1,116,138	1,369,912
Representing:					
Proposed dividend					123,475
Reserves					1,246,437
At 31st March 2006					1,369,912
Balance at 1st April 2006	253,894	481	(601)	1,116,138	1,369,912
Currency translation differences	–	–	(683)	–	(683)
Profit for the year	–	–	–	305,784	305,784
Repurchase of own shares	(1,346)	41	–	(41)	(1,346)
2007 interim dividend	–	–	–	(50,513)	(50,513)
2006 final and final special dividends	–	–	–	(123,475)	(123,475)
Balance at 31st March 2007	252,548	522	(1,284)	1,247,893	1,499,679
Representing:					
Proposed dividend					134,602
Reserves					1,365,077
At 31st March 2007					1,499,679

Notes to the Consolidated Financial Statements

31st March 2007

26 RESERVES (continued)

	Company				
	Share premium	Capital redemption reserve	Contributed surplus	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1st April 2005	250,619	471	40,586	6,162	297,838
Profit for the year	–	–	–	145,873	145,873
Repurchase of own shares	(260)	10	–	(10)	(260)
2006 interim dividend	–	–	–	(33,675)	(33,675)
2006 interim special dividend	–	–	–	(22,450)	(22,450)
2005 final and final special dividends	–	–	–	(89,173)	(89,173)
Adjustment of prior year dividends	–	–	–	(643)	(643)
Exercise of bonus warrants	3,535	–	–	–	3,535
Balance at 31st March 2006	253,894	481	40,586	6,084	301,045
Representing:					
Proposed dividend					123,475
Reserves					177,570
At 31st March 2006					301,045
Balance at 1st April 2006	253,894	481	40,586	6,084	301,045
Profit for the year	–	–	–	174,080	174,080
Repurchase of own shares	(1,346)	41	–	(41)	(1,346)
2007 interim dividend	–	–	–	(50,513)	(50,513)
2006 final and final special dividends	–	–	–	(123,475)	(123,475)
Balance at 31st March 2007	252,548	522	40,586	6,135	299,791
Representing:					
Proposed dividend					134,602
Reserves					165,189
At 31st March 2007					299,791

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 6th 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. At consolidation level, the contributed surplus is classified into its components of reserves of the underlying subsidiaries.

Notes to the Consolidated Financial Statements

31st March 2007

27 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using a principal tax rate of 17.5% (2006: 17.5%).

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	
	2007 HK\$'000	2006 HK\$'000
Deferred income tax liabilities to be settled after more than 12 months	30,319	29,694
Deferred income tax assets to be recovered after more than 12 months	(2,460)	(1,530)
	27,859	28,164

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

	Group	
	2007 HK\$'000	2006 HK\$'000
Beginning of the year	28,164	34,578
Recognised in the consolidated income statement (Note 10)	(305)	(6,414)
End of the year	27,859	28,164

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:

Deferred tax (assets)/liabilities

	Group									
	Tax losses		Accelerated tax depreciation		Deferred development costs		Others		Total	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Beginning of the year	(1,530)	(476)	28,428	32,249	801	2,125	465	680	28,164	34,578
Recognised in the consolidated income statement	(930)	(1,054)	1,114	(3,821)	(116)	(1,324)	(373)	(215)	(305)	(6,414)
End of the year	(2,460)	(1,530)	29,542	28,428	685	801	92	465	27,859	28,164

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group has tax losses of HK\$13,235,000 (2006: HK\$12,132,000) to carry forward against future taxable income.

Notes to the Consolidated Financial Statements

31st March 2007

28 CASH GENERATED FROM OPERATIONS

	Group	
	2007 HK\$'000	2006 HK\$'000
Profit before income tax	336,050	317,015
Interest income	(32,791)	(35,299)
Interest expense on bank borrowings and trust receipt loans	19,584	21,831
Interest element of finance leases	–	2
Amortisation of deferred development costs	6,386	7,147
Write-off of deferred development costs	4,187	5,047
Loss on disposal of property, plant and equipment	1,213	813
Depreciation of property, plant and equipment	67,840	65,396
Amortisation of leasehold land and land use rights	380	338
Write-off/impairment of property, plant and equipment	19,186	16,881
Fair value gains on investment properties	(10,770)	(1,800)
Operating profit before working capital changes	411,265	397,371
Decrease/(increase) in inventories	216,561	(68,859)
Decrease/(increase) in trade receivables, prepayments and deposits	108,232	(45,894)
(Decrease)/increase in trade payables, other payables and accruals	(253,338)	125,653
(Decrease)/increase in trust receipt loans	(139,978)	50,928
Net cash generated from operations	342,742	459,199

29 BANKING FACILITIES

As at 31st March 2007, banking facilities of HK\$1,720 million (2006: HK\$2,001 million) were granted by banks to the Group, of which HK\$4 million (2006: HK\$321 million) have been utilised by the Group. Of the banking facilities, HK\$1,716 million (2006: HK\$2,001 million) were supported by corporate guarantees given by the Company and HK\$4 million (2006: Nil) is secured by charges over the use of certain assets of the Group with carrying amount of HK\$5 million (Notes 14 and 16).

30 FINANCIAL GUARANTEE

The Company provided guarantees in favour of certain banks to secure general banking facilities granted to certain of its subsidiaries (Note 24).

The directors consider that it is not probable that such guarantees would be called upon and thus the fair value of such guarantees is immaterial.

Notes to the Consolidated Financial Statements

31st March 2007

31 COMMITMENTS

(a) Capital commitments

	Group	
	2007 HK\$'000	2006 HK\$'000
Moulds, plant and machinery contracted but not provided for	859	8,225

(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	
	2007 HK\$'000	2006 HK\$'000
Not later than one year	15,331	32,854
Later than one year and not later than five years	33,094	44,093
Later than five years	13,026	17,082
	61,451	94,029

(c) Operating lease commitments (as lessor)

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

	Group	
	2007 HK\$'000	2006 HK\$'000
Not later than one year	2,469	2,025
Later than one year and not later than five years	536	423
	3,005	2,448

Notes to the Consolidated Financial Statements

31st March 2007

32 PRINCIPAL SUBSIDIARIES

As at 31st March 2007, 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 Communications Limited	Hong Kong	Ordinary HK\$10,000	–	100	Manufacture of consumer electronic products
Alco Digital Devices Limited	Hong Kong	Ordinary HK\$1,000,000	–	100	Software development and trading of electronic products
Alco Electronics Inc.	Canada	Ordinary C\$500,000	–	100	Trading of consumer electronic products
Alco Electronics Limited	Hong Kong	Ordinary HK\$1,000 Non-voting deferred HK\$5,000,000	–	100	Design, manufacture and sale of consumer electronic products
Alco Electronics (Shenzhen) Limited ¹	The PRC	Registered capital HK\$8,000,000	–	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
Asia Dragon International Limited	Hong Kong	Ordinary HK\$10,000	–	100	Trading of consumer electronic products
Commusonic Industries Limited	Hong Kong	Ordinary HK\$400,000	–	100	Manufacture of consumer electronic products

Note:

¹ Represents a wholly foreign owned enterprise.

The above table lists out the principal subsidiaries of the Company as at 31st March 2007 which, in the opinion of the directors, principally affected the results for the year or form 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.

Principal Properties

31st March 2007

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

Five-year Financial Summary

31st March 2007

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

	2007 HK\$'000	2006 HK\$'000	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000
Turnover	5,095,894	4,876,788	5,389,124	3,814,781	4,314,503
Profit attributable to equity holders of the Company	305,784	283,475	239,716	150,267	138,310
Total assets	2,136,318	2,590,990	2,210,074	2,025,738	1,577,983
Total liabilities	(580,555)	(1,164,953)	(925,360)	(898,864)	(545,084)
Total equity	1,555,763	1,426,037	1,284,714	1,126,874	1,032,899



ALCO HOLDINGS LIMITED

股份代號：328 Stock Code: 328

二零零七年年報
ANNUAL REPORT 2007

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公司資料

董事

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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，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
香港上海匯豐銀行有限公司
中國銀行(香港)有限公司
中國建設銀行
星展銀行(香港)有限公司

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

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香港過戶登記處

雅柏勤證券登記有限公司
香港灣仔皇后大道東28號
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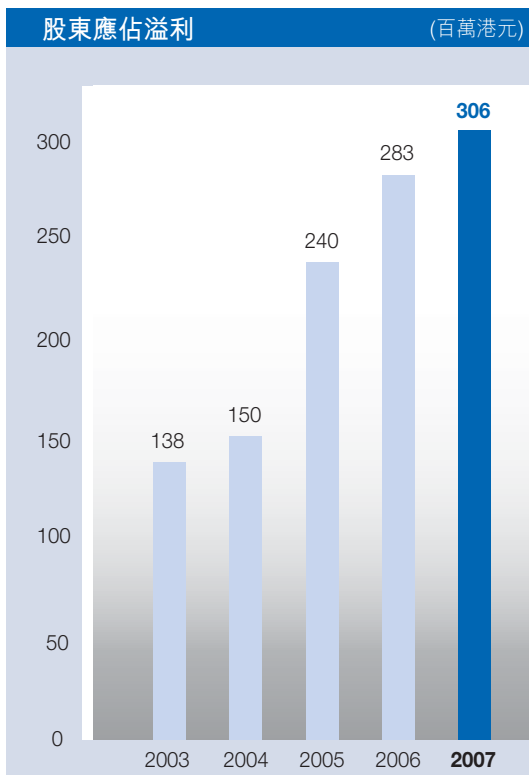
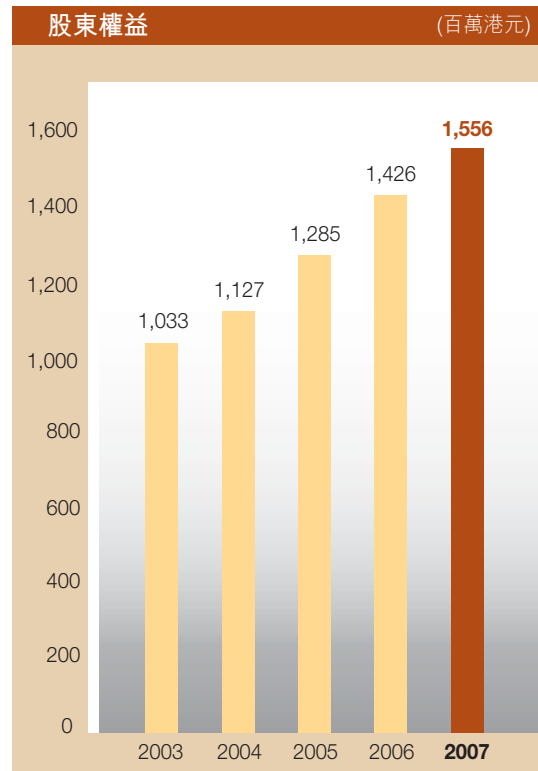
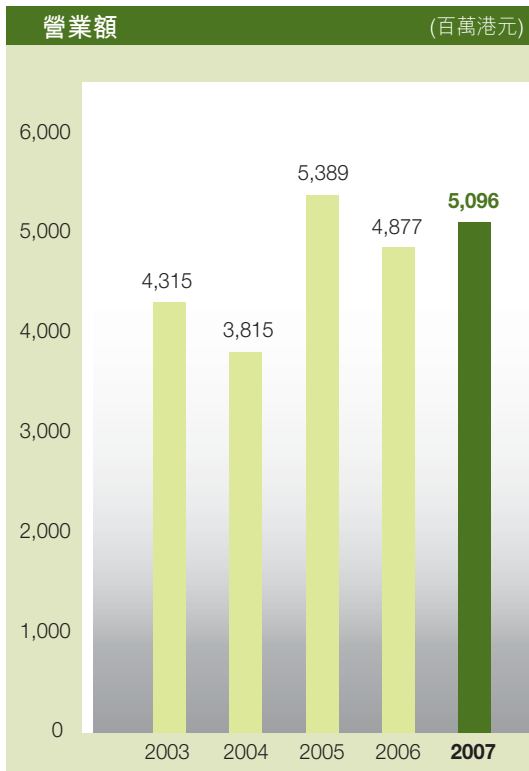
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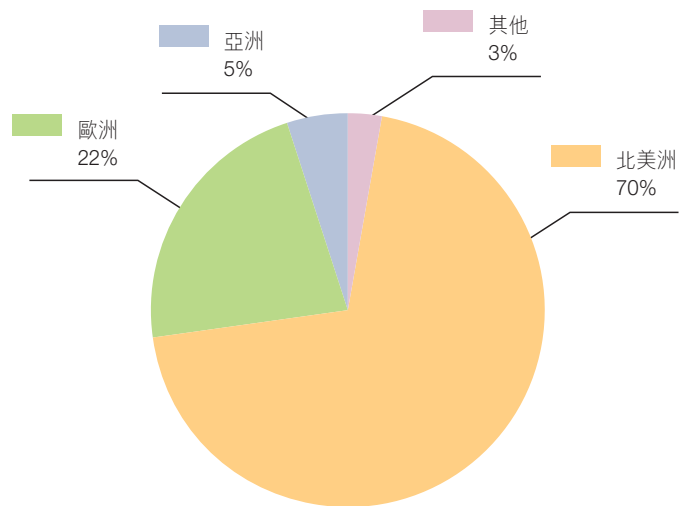
股份代號

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財務摘要



於二零零七年按地區分類之營業額



主席報告

投入發展 高端產品的 進展理想



梁劍文

主席

集團業績及股息

董事會欣然宣佈本集團於截至二零零七年三月三十一日止年度的業績穩步增長。於回顧期內，本集團的營業額由去年的48億8千萬港元上升至51億港元。股東應佔溢利較二零零六年財政年度的2億8千3百萬港元上升8%至3億零6百萬港元。每股盈利較去年的50.6港仙上調8%至54.5港仙。

本集團貫徹其注重穩定回報的股息政策，董事會建議派付截至二零零七年三月三十一日止年度的末期股息每股16港仙(二零零六年：16港仙)及末期特別股息每股8港仙(二零零六年：6港仙)。連同年內已派付的中期股息每股9港仙，本財政年度派發的股息總額為每股33港仙(二零零六年：32港仙)。

末期及末期特別股息將於二零零七年九月五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

回顧年度各影音產品生產商仍然面對挑戰，不但營運環境競爭激烈，生產成本亦有所上升。華南地區的影音產品生產商均需面對當地技術勞工短缺，生產商爭相招聘使人力成本上漲高達20%。而長江三角洲及內陸省份快速發展，令前往珠三角地區工作的工人數目減少，使問題更趨嚴重。

然而，本集團仍能透過策劃及執行謹慎的業務計劃克服各項挑戰，達到穩健增長。本集團採取了多項措施，包括減少成本，並減少生產低檔次的產品，因為該等產品的成本較容易受塑膠和金屬等原材料的價格波動所影響。再者，本集團致力加強自動化，以抵銷中國不斷上漲的人力成本。此外，增加使用自動光學

主席報告



綠色有害物質分析儀



太陽能發熱板

檢測設施有助進一步減少本集團對人力的依賴，同時提升其印刷線路板組裝及產品的質素。我們亦大幅擴充了自動噴漆設備80%，有效減省成本並進一步降低對技術勞工的需求。透過以上及其他措施，本集團每年成功減少員工數量約10%至15%。本集團有效地使用現有生產力，於高峰期實施兩班輪班制，以保證可如期完成客戶的訂單。

提高盈利是對抗成本上漲的最佳方法，因此，本集團致力持續轉移至生產高增值產品的策略。受惠於年內顯示屏價格回落，使客戶購買能力有所提高，需求殷切，有助本集團成功滲透液晶體電視市場。自二零零六財政年度起，本集團的產品系列加入多種尺碼螢幕的液晶體電視，並於二零零七財政年度推出達32吋螢幕的型號，更計劃於二零零八財政年度推出40吋螢幕

的型號。為配合此目標，本集團擴大了「無塵區」面積達40%，包括達10,000級別的無塵房，用作液晶體顯示屏（包括用於液晶體電視的液晶體顯示屏）背光的組裝工序。鑒於策略成功，即使面對困難的營商環境，本集團仍能於回顧期內維持毛利率。

對於電力短缺這個持續的問題，本集團繼續利用太陽能支持非核心業務的運作，同時設有約50台發電機，以確保生產設備能無間斷運作。



LCD 顯示屏無塵區



模擬環境實驗室



LCD TV 生產綫

主席報告



自動光學檢測儀

展望

鑒於開發高端和高增值影音產品組合的過程順利，因此本集團對前景保持審慎樂觀。儘管競爭日益激烈，但是我們與若干大型連鎖零售商建立了長期的業務關係，為未來發展奠定穩固的基礎。此外，透過向客戶直接銷售，我們可以有效控制供應鏈，並迅速對應不停轉變的市場趨勢及需求。本集團的財務狀況穩健，加上生產規模龐大，讓我們有能力接受大額訂單，並同時迅速開發新產品。

鑒於數碼電視廣播越來越普及，以及平面電視的價格越趨大眾化，液晶體電視市場的全球付運量於二零零六年已倍增至4千600萬部，預期到二零一零年將達到1億2千800萬部，按複合年增長率約30%增長。我們已準備就緒把握此龐大商機。本集團將推出更大型的液晶體電視以及液晶體顯示屏產品，我們期望本集團在這個發展迅速的市場之佔有率能將繼續上升。

然而，有見市場對流動電話和數碼相機的需求日益殷切，供應商已調整其產品組合，導致液晶體顯示屏的供應於二零零七年第二季出現緊張，尤其是小型液晶體顯示屏。此外，由於較大螢幕型號的利潤較高，一些以往生產小型及中型螢幕的工廠亦改為生產筆記本電腦及螢幕的顯示屏。面對供應緊張和液晶體顯示屏價格回升的潛在影響，本集團仍能從台灣、韓國及中國大陸的多個供應商取得穩定的供應。而且本集團的訂購量大，可大大提升議價能力。

超高速自動貼片機



3維X射綫檢測儀

主席報告



1250噸注塑機



自動噴油無塵區



自動噴油設施

為了應付日漸上升的生產需要，特別是生產液晶體電視需要更精確的技術，本集團近期已購入超高速且極精確的自動貼片機，目前每天總產能達3千200萬插件。除了提升組裝工序以外，新設備亦有助本集團進一步減少依賴人力資源。

除了液晶體電視以外，本集團亦會積極拓展DVD業務。尤其是市場特別感興趣的新一代技術，如高清DVD播放機，本集團會致力開拓這些有潛力的業務。今年稍後將推出OEM高清DVD播放機。另外，本集團正在開發專為下載數碼音樂及數碼錄像產品的幾個新型號，將於二零零八財政年度推出。我們亦密切注視其他顯示器科技，從而開發液晶體電視以外的其他家庭影像娛樂產品。

至於地區方面，我們將進一步尋求開拓新市場，以提高銷售額。北美仍是本集團產品的主要出口地。隨著往西歐的液晶體電視銷售大幅增加，歐洲市場佔總營業額已由上一個財政年度的13%升至22%。為了維持這上升的趨勢，本集團的液晶體電視將加入更多專為西歐市場而設的獨特功能。本集團的液晶體電視在南美及東歐等市場亦大受歡迎，我們預期將於二零零八財政年度開始向這兩個市場付運液晶體電視。

儘管本集團對業務發展保持開放態度，但仍會以謹慎為先。因此，我們將繼續發掘提高生產自動化的方法以提升效益。我們亦將為現有產品組合加入新元素，務求切合不同的市場需要。此外，我們將繼續淘汰需大量人力生產的低毛利產品，以進一步減低原材料成本波動及人工成本上漲的影響。

致謝

本人謹代表董事會感謝管理層及各員工在年內的努力和貢獻，亦特此向客戶、業務夥伴及股東不斷的支持致衷心謝意。

主席
梁劍文

香港，二零零七年七月十日

董事及高級管理人員履歷

執行董事

梁劍文先生，74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40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，47歲，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，53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30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，84歲，於一九九二年加入本集團，為聯僑企業有限公司董事長、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，太平紳士，52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，46歲，於二零零零年加入本集團，為一家金融機構之行政總裁。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。

高級管理人員

Colin Frederick LIVERMORE先生，52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27年經驗。

楊啟康先生，60歲，於一九七二年加入本集團，現為本集團之生產經理，負責本集團之生產策劃與控制。彼持有管理學文憑，於電子業方面擁有超過35年經驗。

梁偉明先生，38歲，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14年經驗。

彭少梅女士，56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。

董事及高級管理人員履歷

高級管理人員(續)

周冠成先生，56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32年經驗。

梁錦輝先生，50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28年經驗。

梁裕昌先生，49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29年經驗。

劉國偉先生，56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22年經驗，現負責塑膠廠之運作。

何民信先生，48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發展、製造及品質控制方面擁有超過25年經驗。

周棟耀先生，37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，彼持有理學學士學位，於發展製造系統方面擁有超過14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。

董事會於截至二零零七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	4/4
郭冠文先生	4/4
獨立非執行董事	
黃保欣先生	4/4
李華明議員	3/4
劉宏業先生	3/4

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值退任，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。

梁偉成先生及李華明議員將於應屆股東週年大會告退，惟符合資格並願膺選連任。

企業管治報告

董事之證券交易

本公司已採納上市規則附錄十所載列之上市發行人董事進行證券交易之標準守則(「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，彼等於截至二零零七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以書面列明權責範圍之薪酬委員會。

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。

薪酬委員會於截至二零零七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二零零七年三月三十一日止年度之財務報表。

審核委員會於截至二零零七年三月三十一日止年度舉行三次會議，各委員會成員出席率如下：

成員	出席紀錄
劉宏業先生	3/3
黃保欣先生	3/3
李華明議員	2/3

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

於截至二零零七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	1,855
非審計有關服務	
稅務服務	326

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二零零七年三月三十一日止年度之經審核財務報表。

主要業務及地域營運分析

本公司之主要業務為投資控股，其附屬公司之活動載列於綜合財務報表附註32。

本集團按業務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9港仙，合共50,513,000港元。

董事會建議派發末期股息每股普通股16港仙及末期特別股息每股普通股8港仙，合共134,602,000港元。

流動資金及財政資源

本年度股東資金及每股資產淨值分別為15億5千6百萬港元及2.77港元。

本集團之現金狀況維持強勁。於二零零七年三月三十一日，本集團之現金及存款達8億9千3百萬港元。扣除附息債項4百萬港元後，本集團淨現金為8億8千9百萬港元(二零零六年：7億零8百萬港元)。淨現金上升主要由於營運產生溢利和資本開支維持在低水平。

於二零零七年三月三十一日之應收貿易賬款結餘為2億9千1百萬港元(二零零六年：3億9千6百萬港元)。本集團一直採取審慎信貸政策，而授出之信貸條款一般根據個別客戶之財務能力而定。

本集團動用內部資金及銀行信貸作為業務營運之資金。於二零零七年三月三十一日，本集團已獲授銀行信貸額17億2千萬港元，其中已經動用之數額為4百萬港元，此貸款須於五年內償還。

年內，本集團投資於固定資產開支為8千2百萬港元(二零零六年：6千9百萬港元)，主要用於加強多項先進生產設施。於二零零七年三月三十一日，本集團就模具、廠房及機器之已訂約但未撥備資本承擔達1百萬港元(二零零六年：8百萬港元)。

我們有效管理外匯風險，由於本集團絕大部分買賣及借貸均以美元或港元結算，因此貨幣風險得以自然對沖，而本集團之政策乃絕不進行投機貨幣活動。

董事會報告

僱員

於二零零七年三月三十一日，本集團於香港及中國聘用約 11,000 名僱員。薪酬方案一般經參考市場條款及個人資歷後釐定。薪金及工資通常每年根據表現評價及其他有關因素釐定。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

本集團截至二零零七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	13%
五大供應商合計	43%

銷售額

最大客戶	32%
五大客戶合計	77%

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額之變動情況載列於綜合財務報表附註 26。

捐款

年內本集團用於慈善及其他捐款款項為 313,000 港元。

物業、廠房及設備

本集團及本公司物業、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 63 頁。

股本及紅利認股權證

本公司股本及紅利認股權證之變動詳情載列於綜合財務報表附註 25。

董事會報告

可供分派儲備

本公司於二零零七年三月三十一日之可供分派儲備為46,721,000港元(二零零六年：46,670,000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、資產與負債概要載列於第64頁。

購買、出售或贖回證券

於二零零六年十二月二十九日及二零零七年一月二日，本公司於香港聯合交易所有限公司以每股3.36港元之價格購回本公司分別每股面值0.10港元之210,000股及100,000股股份並將其註銷。本公司所付總金額為1,041,600港元。

於二零零七年一月十日，本公司於香港聯合交易所有限公司以每股3.46港元之價格購回本公司每股面值0.10港元之100,000股股份並將其註銷。本公司所付總金額為346,000港元。

除上文所披露者外，截至二零零七年三月三十一日止年度，本公司或其附屬公司概無購買或出售本公司任何股份，於截至二零零七年三月三十一日止年度本公司亦無贖回其任何股份。

銀行貸款及其他借款

於二零零七年三月三十一日本集團之銀行貸款及其他借款之分析載列如下：

	信託收據貸款		銀行貸款	
	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元
一年內	—	139,978	648	103,545
於第二年	—	—	661	77,682
於第三年至第五年	—	—	2,244	—
	—	139,978	3,553	181,227

主要附屬公司

本公司於二零零七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32。

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。

董事會報告

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，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，梁偉成先生及李華明議員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

於二零零七年四月一日，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頁至第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

於二零零七年三月三十一日，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之標準守則（「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				佔本公司 已發行股本 之百分比
	個人權益	法團權益	家族權益	總計	
梁劍文先生	18,200,000	38,891,600 (附註(i))	187,019,800 (附註(ii))	244,111,400	43.53%
梁偉成先生	44,640,000	—	187,019,800 (附註(ii))	231,659,800	41.31%
郭冠文先生	1,202,000	—	—	1,202,000	0.21%

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) 此等股份由在英屬處女群島註冊成立之有限公司 Kimen Leung UT Limited 擁有，該公司為 The Kimen Leung Family Trust 實益擁有之 The Kimen Leung Unit Trust 之受託人。梁偉成先生與梁劍文先生之其他家族成員均為全權信託基金 The Kimen Leung Family Trust 之受益人。

(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。

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，於二零零七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。

董事會報告

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，於二零零七年三月三十一日，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	好倉 股份數目	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))	40.28%
HSBC International Trustee Limited	信託人	187,835,800 (附註(ii))	33.49%
Kimien Leung UT Limited	信託人	187,019,800 (附註(i)及(ii))	33.35%
Commonwealth Bank of Australia	持有控股公司權益	39,484,000 (附註(iii))	7.04%
Leung Wai Lap David	實益擁有人	32,972,190	5.88%

附註：

- (i) 所提述之股份當中，在英屬處女群島註冊成立之有限公司Shundean Investments Limited擁有38,891,600股普通股股份，梁劍文先生為該公司唯一股東；在英屬處女群島註冊成立之有限公司Kimien Leung UT Limited擁有187,019,800股普通股股份，該公司為The Kimien Leung Family Trust實益擁有之The Kimien Leung Unit Trust之受託人。梁偉成先生及梁劍文先生之其他家族成員為全權信託The Kimien Leung Family Trust之受益人。
- (ii) 所提述之股份當中，Kimien Leung UT Limited擁有屬同一批股份之187,019,800股普通股股份。
- (iii) 根據《證券及期貨條例》第XV部第二及第三分部規定向本公司披露的資料顯示，該等股份由Commonwealth Bank of Australia直接或間接擁有100%控制權之法團所持有。

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，於二零零七年三月三十一日，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」一段載列之權益外，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。

董事會報告

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」）。該計劃從採納當年起計十年期內有效。

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營業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5港元以接納購股權。

自採納該計劃日期起計，本公司並無授出購股權。

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份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，而百慕達法例並無對有關權利施加限制。

企業管治

本公司保持高水平之企業管治常規。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。

董事會報告

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二零零七年三月三十一日止年度之財務報表。

審核委員會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，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，於截至二零零七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，並符合資格願續聘連任。

承董事會命

主席
梁劍文

香港，二零零七年七月十日

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
太子大廈二十二樓

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」)已審核列載於第23至62頁Alco Holdings Limited(「貴公司」)及其子公司(以下合稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零零七年三月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就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按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，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，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核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執执行程序以獲取有關財務報表所載金額及披露資料的審核憑證。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財務報表存有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及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

獨立核數師報告

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

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二零零七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，二零零七年七月十日

綜合損益表

截至二零零七年三月三十一日止年度

	附註	二零零七年 千港元	二零零六年 千港元
營業額	5	5,095,894	4,876,788
銷貨成本	7	(4,548,098)	(4,359,738)
毛利		547,796	517,050
其他收益	6	50,430	46,226
銷售開支	7	(136,291)	(123,208)
行政開支	7	(100,061)	(96,296)
其他經營開支	7	(6,240)	(4,924)
經營溢利		355,634	338,848
財務成本	9	(19,584)	(21,833)
除所得稅前溢利		336,050	317,015
所得稅支出	10	(30,266)	(33,540)
本公司股東應佔溢利		305,784	283,475
本公司股東應佔每股盈利			
— 基本	12	54.5 港仙	50.6 港仙
— 攤薄	12	54.5 港仙	50.6 港仙
股息	13	185,115	179,600

第28至62頁之附註乃本綜合財務報表之一部分。

綜合資產負債表

於二零零七年三月三十一日

	附註	二零零七年 千港元	二零零六年 千港元
非流動資產			
物業、廠房及設備	14	312,799	320,262
投資物業	15	46,830	36,060
租賃土地及土地使用權	16	59,189	56,497
遞延發展費用	17	6,184	6,797
持至到期日金融資產	19	111,400	110,887
		536,402	530,503
流動資產			
存貨	20	401,844	618,405
應收貿易賬款、預付款項及按金	21	305,278	413,510
現金及現金等值	22	892,794	1,028,572
		1,599,916	2,060,487
流動負債			
應付貿易賬款、其他應付款項及應計費用	23	545,669	796,816
信託收據貸款		—	139,978
即期所得稅負債		3,474	18,768
貸款	24	648	103,545
		549,791	1,059,107
流動資產淨值		1,050,125	1,001,380
總資產減流動負債		1,586,527	1,531,883
本公司股東應佔資本及儲備			
股本	25	56,084	56,125
儲備	26	1,499,679	1,369,912
總權益		1,555,763	1,426,037
非流動負債			
貸款	24	2,905	77,682
遞延所得稅負債	27	27,859	28,164
		30,764	105,846
總權益及非流動負債		1,586,527	1,531,883

承董事會命

董事
梁劍文

董事
梁偉成

資產負債表

於二零零七年三月三十一日

	附註	二零零七年 千港元	二零零六年 千港元
非流動資產			
附屬公司之投資	18	356,959	358,007
流動資產			
其他應收款項、預付款項及按金		105	106
可收回稅項		10	178
現金及現金等值	22	1,215	93
		1,330	377
流動負債			
其他應付款項及應計費用		2,414	1,214
流動負債淨值		(1,084)	(837)
總資產減流動負債		355,875	357,170
本公司股東應佔資本及儲備			
股本	25	56,084	56,125
儲備	26	299,791	301,045
總權益		355,875	357,170

承董事會命

董事
梁劍文

董事
梁偉成

第28至62頁之附註為本綜合財務報表之一部分。

綜合權益變動表

截至二零零七年三月三十一日止年度

	股本 千港元	其他儲備 千港元	保留溢利 千港元	總計 千港元
於二零零五年四月一日結餘	55,733	250,367	978,614	1,284,714
貨幣兌換差額	—	122	—	122
本年度溢利	—	—	283,475	283,475
回購本公司股份	(10)	(250)	(10)	(270)
二零零六年中期股息	—	—	(33,675)	(33,675)
二零零六年中期特別股息	—	—	(22,450)	(22,450)
二零零五年末期及末期特別股息	—	—	(89,173)	(89,173)
往年度股息調整	—	—	(643)	(643)
行使紅利認股權證	402	3,535	—	3,937
於二零零六年三月三十一日結餘	56,125	253,774	1,116,138	1,426,037
於二零零六年四月一日結餘	56,125	253,774	1,116,138	1,426,037
貨幣兌換差額	—	(683)	—	(683)
本年度溢利	—	—	305,784	305,784
回購本公司股份	(41)	(1,305)	(41)	(1,387)
二零零七年中期股息	—	—	(50,513)	(50,513)
二零零六年末期及末期特別股息	—	—	(123,475)	(123,475)
於二零零七年三月三十一日結餘	56,084	251,786	1,247,893	1,555,763

第28至62頁之附註乃本綜合財務報表之一部分。

綜合現金流量表

截至二零零七年三月三十一日止年度

	附註	二零零七年 千港元	二零零六年 千港元
經營業務之現金流量			
經營產生之現金	28	342,742	459,199
收取利息		32,791	35,299
支付利息		(19,584)	(21,831)
支付所得稅		(45,865)	(34,000)
經營業務產生之現金淨額		310,084	438,667
投資業務之現金流量			
購置物業、廠房及設備		(81,519)	(69,212)
出售物業、廠房及設備所得款項		889	1,221
購置租賃土地及土地使用權		(2,984)	—
支付遞延發展費用		(9,960)	(10,879)
投資業務所用之現金淨額		(93,574)	(78,870)
融資業務之現金流量			
融資租約之利息		—	(2)
償還融資租約之本金		—	(206)
回購本公司股份		(1,387)	(270)
行使紅利認股權證		—	3,937
貸款所得款項		120,553	181,227
償還貸款		(298,227)	(117,619)
派發予本公司股東股息		(173,988)	(145,941)
融資業務所用之現金淨額		(353,049)	(78,874)
現金及現金等值(減少)/增加淨額		(136,539)	280,923
於年初之現金及現金等值		1,028,572	746,944
外幣匯率變化之影響		761	705
於年末之現金及現金等值	22	892,794	1,028,572

第28至62頁之附註乃本綜合財務報表之一部分。

綜合財務報表附註

二零零七年三月三十一日

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。本公司以香港聯合交易所有限公司主板為第一上市地。

除另有說明外，該等綜合財務報表均以千港元呈列。該等綜合財務報表已獲董事會於二零零七年七月十日批准刊發。

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。除另有說明者外，該等政策已於所有呈報年度貫徹採用。

2.1 編製基準

本集團之綜合財務報表乃根據香港財務報告準則編製。綜合財務報表乃按歷史成本常規法編製，並經按公平值列賬之投資物業之重估予以修訂。

編製符合香港財務報告準則規定之財務報表須作出若干重要會計評估，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攸關重要之範圍於附註4披露。

以下準則之修訂及詮釋與本集團之業務有關，並就截至二零零七年三月三十一日止年度為強制性會計準則：

香港會計準則第21號(經修訂)	匯率變動之影響 — 對海外經營之投資淨額
香港會計準則第39號(經修訂)	金融資產及金融負債之臨時及初步確認
香港會計準則第39號(經修訂)	預測內部交易之現金流量對沖會計處理
香港會計準則第39號(經修訂)	公平值期權
香港會計準則第39號及	金融工具：確認及計量及保險合約 — 財務擔保合約
香港財務報告準則第4號(經修訂)	
香港財務報告準則一詮釋第4號	釐定一項安排是否包含租賃

此等準則之修訂及詮釋對本集團之會計政策並無重大影響。

綜合財務報表附註

二零零七年三月三十一日

2 主要會計政策概要(續)

2.1 編製基準(續)

以下新準則、準則之修訂及詮釋與本集團之業務有關，但並未就截至二零零七年三月三十一日止年度生效，及並未被提前採納：

香港會計準則第1號(經修訂)	資本披露
香港財務報告準則第7號	金融工具：披露
香港(國際財務報告詮釋委員會)－詮釋第8號	香港財務報告準則第2號之範圍
香港(國際財務報告詮釋委員會)－詮釋第9號	重新評估附帶衍生工具
香港(國際財務報告詮釋委員會)－詮釋第10號	中期財務報告及減值
香港(國際財務報告詮釋委員會)－詮釋第11號	香港財務報告準則第2號－集團及庫存股交易

本集團相信，採納上述新準則、準則之修訂及詮釋將不會對本集團之會計政策造成重大變動，惟香港會計準則第1號(經修訂)及香港財務報告準則第7號將需要作出額外披露。

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。

本集團收購附屬公司以收購會計法入賬。收購成本為所獲得的資產、發行的股本證券及承擔的負債於交易日期的公平值，加上直接與收購有關的成本。不論少數股東權益所佔比例，因企業併購所獲得的可識別資產及所承擔的負債及或然負債初步均以收購日期公平值入賬。收購成本高於本集團所佔所收購可識別資產淨值的差額作為商譽入賬。倘若收購成本低於所收購附屬公司淨資產的公平值，則差額直接在損益表確認。

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。除非交易提供所轉讓資產減值的憑證，否則未變現虧損亦予以撇銷。附屬公司之會計政策於有需要時已作變動，以與本集團所採納之政策一致。

於本公司之資產負債表中，於附屬公司之投資以成本減減值虧損撥備而列賬(附註2.8)。本公司根據已收及應收股息將附屬公司之業績入賬。

綜合財務報表附註

二零零七年三月三十一日

2 主要會計政策概要(續)

2.3 分部報告

業務分部為從事提供產品或服務的一組資產或服務涉及的風險與回報，與其他業務分部所涉及者不同。地域分部指在某一經濟環境提供之產品或服務涉及的風險與回報，與在其他經濟環境經營之分部所涉及者不同。

2.4 外幣匯兌

(a) 功能及呈報貨幣

本集團各附屬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，即本公司之功能及呈報貨幣。

(b) 交易和結餘

外幣交易均按交易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，均於損益表內確認。

(c) 集團公司

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權益中分開確認。

綜合財務報表附註

二零零七年三月三十一日

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和借貸而產生之匯兌差額，均列入股東權益賬內。當部分出售或出售海外業務時，此等匯兌差額將於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價值調整，均視作為該海外公司之資產及負債處理，並以結算日之匯率折算。

2.5 物業、廠房及設備

物業、廠房及設備均按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，方會將其後之成本包括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，均於產生之財政期間內，於損益表內支銷。

樓宇及模具的折舊乃利用直線法計算，將成本分配至分別為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減值虧損。所採用之主要年率如下：

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

資產之可使用年期均於各結算日予以審閱及調整(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2.8)。

出售之盈虧均透過將所得款項與賬面值作比較而釐定，並列入損益表內。

綜合財務報表附註

二零零七年三月三十一日

2 主要會計政策概要(續)

2.6 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，及並非由綜合後本集團內公司所佔有，乃歸類為投資物業。

投資物業包括以經營租約持有的土地及以融資租約持有之樓宇。

以經營租約持有的土地，如符合投資物業其餘定義，按投資物業分類及記賬。經營租約仍當作融資租約列賬。

投資物業按最初之成本，包括相關之交易成本計算。

經過最初之確認，投資物業以公平值結轉。此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。

當未來經濟利益之關聯項目將流入集團及項目成本能可靠計量時，方會將其後之開支包括入資產之賬面值。在此財務期間，所有其他維修及保養成本於損益表列為開支。

公平值之改變作為「其他收益」之部份，於損益表內確認。

2.7 遞延發展費用

研究開支於產生時支銷。倘證明發展中產品在商業及技術上可行且成本可予可靠地量度，則發展項目中(有關設計及測試全新或經改良產品)產生之費用乃確認作遞延發展費用。其他發展開支於產生時支銷。先前確認作開支之發展費用在往後期間並不確認作資產。有固定年期且已資本化之發展費用，按30個月期間以直線法攤銷，以反映確認有關經濟利益之形式。

根據香港會計準則第36條，發展資產須每年進行減值測試。

綜合財務報表附註

二零零七年三月三十一日

2 主要會計政策概要(續)

2.8 附屬公司投資及非金融資產減值

並無固定可使用年期或尚未可使用之資產毋須攤銷，並每年測試有否減值。須攤銷之資產須在遇上有事件顯示或情況有變而顯示其賬面值或許不能收回時，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或使用價值(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。出現減值之資產(不包括商譽)，於各呈報日期均就可能撥回減值而予以審核。

2.9 金融資產

本集團之金融資產分為以下類別：貸款及應收款項及持至到期日金融資產。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

貸款與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，惟不包括到期日為結算日起計十二個月以後者。該等款項概列作非流動資產。貸款及應收款項乃計入資產負債表之貿易及其他應收款內(附註2.11)。

(b) 持至到期日金融資產

持至到期日金融資產是指有固定或可予釐定之款項，有固定到期日且管理層明確打算並能夠持有至到期日之非衍生金融資產。倘本集團出售持至到期日金融資產(金額微不足道者除外)，整個類別將受到影響，並重新分類至可供出售之金融資產。持至到期日金融資產計入非流動資產，惟於結算日起計十二個月內到期者，則分類為流動資產。

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，終止確認有關金融資產。貸款及應收款項以及持至到期日金融資產以實際利息法按攤銷成本列賬。

綜合財務報表附註

二零零七年三月三十一日

2 主要會計政策概要(續)

2.9 金融資產(續)

本集團於每個資產負債表日期評核是否有客觀證據證明一項或一組金融資產出現減值。貿易及其他應收款之減值測試，於附註2.11項說明。

2.10 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)。存貨不包括借款成本。可變現淨值乃於日常業務範圍內之估計售價，減適用可變銷售開支。

2.11 貿易及其他應收款

貿易及其他應收款最初按公平價值確認，其後則以實際利息法按經攤銷成本值計算，並須扣除減值撥備。如有客觀證據顯示本集團無法按照應收款的原來條款收取所有欠款，則須為貿易及其他應收款作出減值撥備。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，均被視為貿易及其他應收款被減值之跡象。撥備額為資產賬面值與估計未來現金流量按實際利率折算之現值兩者的差額，並於損益表確認。

2.12 現金及現金等值

現金及現金等值包括手頭現金、銀行之通知存款、由投資當日起計到期日為三個月或以下的其他短期高流動投資。

2.13 股本

普通股分類列為權益。與發行新股或購股權直接有關的增量成本，列入權益作為所得款項的減值(扣除稅項)。

2.14 應付貿易賬款

應付貿易賬款最初按公平價值確認，其後則以實際利息法按經攤銷成本計算。

綜合財務報表附註

二零零七年三月三十一日

2 主要會計政策概要(續)

2.15 借貸

借貸最初乃按公平價值(扣除已產生的交易成本)確認。借貸其後按經攤銷成本列賬，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結算日後至少十二個月，否則借貸將被分類為流動負債。

2.16 遞延所得稅

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全數撥備。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。

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短暫時差抵銷而確認。

遞延所得稅乃就附屬公司投資產生之短暫時差而撥備，但假若本集團可以控制短暫時差之撥回，並有可能在可預見未來不會撥回則除外。

2.17 僱員福利

(a) 僱員應享假期權利

僱員應享年假及長期服務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及長期服務假計提撥備。

僱員應享病假及分娩或侍產假期權利，僅於支取假期時方予確認。

綜合財務報表附註

二零零七年三月三十一日

2 主要會計政策概要(續)

2.17 僱員福利(續)

(b) 退休金承擔

本集團為僱員設立多項界定供款公積金計劃，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。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。

對界定供款計劃，本集團在強制、協議或自願的基礎上，向公營或私營退休金保險計劃作出供款。供款後本集團即無進一步付款責任。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。提前供款若可獲現金退款或扣減未來付款，則可確認為一項資產。

2.18 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。

綜合財務報表附註

二零零七年三月三十一日

2 主要會計政策概要(續)

2.19 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價值。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。收入按以下方式確認：

- (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貼現之估計未來現金流)，並繼續解除貼現作為利息收入。

2.20 租賃

(a) 經營租賃(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，則分類為經營租賃。根據經營租賃支付的款項(扣除向出租人收取之任何優惠後)於租賃期內以直線法在損益表支銷。

(b) 經營租賃(作為出租人)

當公司按經營租約租出資產時，該等資產按其性質列入資產負債表(載於附註2.6)。按經營租約產生的收入根據本集團確認政策於損益表列賬(載於附註2.19(ii))。

(c) 融資租賃

倘若本集團持有租賃資產擁有權之大部份風險及回報，則分類為融資租賃。融資租賃於租賃開始時按租賃物業之公平值及最低租賃付款現值兩者之較低者入賬。每項租金均分攤為負債及財務開支，從而使融資結欠額具有一常數比率。相應租賃責任在扣除財務開支後計入流動及非流動借貸內。財務開支之利息部分於租約期內在損益表確認，從而使每個期間之負債餘額具有一常數定期利率。根據融資租賃收購之物業、廠房及設備，均按資產之估計使用年期折舊。

綜合財務報表附註

二零零七年三月三十一日

2 主要會計政策概要(續)

2.21 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之財務報表內確認為負債。

3 金融風險管理

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，重點關注以下財務風險因素並儘量減低對本集團財務表現可能產生的負面影響。

(a) 市場風險

外幣兌換風險

本集團並無重大的外幣兌換風險，因為本集團之銷售、採購及借款幾乎全部均以美元或港元計值。本集團具有貨幣風險之自然對沖，且不進行投機性貨幣業務乃本集團之政策。

(b) 信貸風險

本集團與多個知名且信譽良好的客戶進行銷售。本集團對客戶之財政狀況進行持續信貸評估，以儘量降低信貸風險。

(c) 利率風險

由於本集團除短期銀行存款及持至到期日金融資產以外，並無重要的計息資產，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長期貸款。以浮息批出之貸款令本集團承受現金流量利率風險。

(d) 流動資金風險

本集團採用審慎之流動資金風險管理政策，以保持足夠現金作為經營資金。

綜合財務報表附註

二零零七年三月三十一日

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。

關鍵會計估計及假設

本集團對未來作出估計及假設，所達致之會計估計依定義與有關實際結果甚少一致。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。

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。

5 營業額及分類資料

本集團主要從事設計、製造及銷售消費電子產品及塑膠產品。年內確認之收入如下：

	本集團	
	二零零七年 千港元	二零零六年 千港元
營業額		
消費電子產品	5,090,793	4,866,005
塑膠產品	5,101	10,783
	5,095,894	4,876,788

(a) 主要報告形式－業務分類

本集團主要於中華人民共和國(「中國」)及香港從事兩類主要業務：

消費電子產品 一 設計、製造及銷售消費電子產品

塑膠產品 一 製造及銷售塑膠及包裝產品

本集團之內部分部交易主要包括附屬公司之間的塑膠產品。該等交易乃根據可從無關連之第三方獲得之正常商業條款及條件訂立。

分類資產主要包括物業、廠房及設備、投資物業、租賃土地及土地使用權、遞延發展費用、持至到期日金融資產、存貨、應收款項及經營現金。

分類負債包括經營負債，惟稅項及若干企業借貸等項目除外。

資本開支包括添置之物業、廠房及設備、投資物業、租賃土地及土地使用權以及遞延發展費用。

綜合財務報表附註

二零零七年三月三十一日

5 營業額及分類資料(續)

(a) 主要報告形式－業務分類(續)

截至二零零七年及二零零六年三月三十一日止年度之分類業績及載於損益表之其他分類項目如下：

	本集團							
	二零零七年				二零零六年			
	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
營業額								
對外銷售	5,090,793	5,101	-	5,095,894	4,866,005	10,783	-	4,876,788
內部分部銷售	-	173,863	(173,863)	-	-	206,005	(206,005)	-
	5,090,793	178,964	(173,863)	5,095,894	4,866,005	216,788	(206,005)	4,876,788
分類業績	355,876	(242)		355,634	338,460	388		338,848
財務成本				(19,584)				(21,833)
除所得稅前溢利				336,050				317,015
所得稅支出				(30,266)				(33,540)
本公司股東應佔溢利				305,784				283,475
資本開支	66,520	27,943		94,463	56,471	23,620		80,091
物業、廠房及設備折舊	53,651	14,189		67,840	54,608	10,788		65,396
租賃土地及土地使用權 攤銷	368	12		380	326	12		338
遞延發展費用攤銷及撇銷	10,573	-		10,573	12,194	-		12,194
物業、廠房及設備撇銷/ 減值	17,907	1,279		19,186	16,308	573		16,881

綜合財務報表附註

二零零七年三月三十一日

5 營業額及分類資料(續)

(a) 主要報告形式－業務分類(續)

於二零零七年及二零零六年三月三十一日分類資產及負債如下：

	本集團				本集團			
	二零零七年				二零零六年			
	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
分類資產	2,042,336	93,982	-	2,136,318	2,504,701	86,289	-	2,590,990
分類負債	534,364	11,305	-	545,669	915,317	21,477	-	936,794
未分配集團負債				34,886				228,159
總負債				580,555				1,164,953

(b) 次要報告形式－地區分類

截至二零零七年及二零零六年三月三十一日止年度之分類營業額如下：

	本集團	
	二零零七年 千港元	二零零六年 千港元
北美洲	3,556,457	3,764,034
歐洲	1,099,795	610,575
亞洲	268,456	364,300
其他	171,186	137,879
	5,095,894	4,876,788

按地區分類作出之營業額分析乃根據付運目的地釐定。由於上述地區之溢利佔營業額比例並無大幅超出本集團整體溢利佔營業額之比例，因此並無編製按地區劃分之溢利貢獻。於截至二零零七年及二零零六年三月三十一日止年度，絕大部份資產及資本開支均於中國及香港境內動用。

綜合財務報表附註

二零零七年三月三十一日

6 其他收益

	本集團	
	二零零七年 千港元	二零零六年 千港元
利息收入	32,791	35,299
投資物業之租金收入	3,643	3,232
投資物業之公平值收益(附註15)	10,770	1,800
銷售模具	941	3,053
其他	2,285	2,842
	50,430	46,226

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	
	二零零七年 千港元	二零零六年 千港元
物業、廠房及設備折舊	67,840	65,396
租賃土地及土地使用權攤銷	380	338
遞延發展費用攤銷	6,386	7,147
核數師酬金	1,935	1,810
物業、廠房及設備撇銷／減值	19,186	16,881
遞延發展費用撇銷	4,187	5,047
出售物業、廠房及設備虧損	1,213	813
土地及樓宇之經營租約租金	34,379	35,322
研發成本	24,241	20,005
僱員福利開支(包括董事酬金)(附註8)	326,557	303,600

8 僱員福利開支(包括董事酬金)

	本集團	
	二零零七年 千港元	二零零六年 千港元
工資及薪金	312,240	290,254
退休金成本—界定供款退休計劃(附註(a)(i))	3,375	3,461
長期服務金(附註(a)(ii))	(1,445)	(573)
其他員工福利	8,823	10,194
終止僱傭福利	3,564	264
	326,557	303,600

綜合財務報表附註

二零零七年三月三十一日

8 僱員福利開支(包括董事酬金)(續)

附註：

(a) 退休福利成本

	本集團	
	二零零七年 千港元	二零零六年 千港元
責任：		
— 界定供款退休計劃(附註(i))	558	556
— 長期服務金(附註(ii))	5,463	6,908
	6,021	7,464

(i) 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，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3,375,000港元(二零零六年：3,461,000港元)。年內，已動用界定供款退休計劃之沒收供款約88,000港元(二零零六年：45,000港元)。於二零零七年及二零零六年三月三十一日，並無沒收之餘額可用作減少未來供款。

於年底時已向職業退休計劃及強積金計劃作出合共558,000港元(二零零六年：556,000港元)之供款，並已包括在其他應付款項及應計費用內。

(ii) 長期服務金

長期服務金撥備乃根據香港僱傭條例第31V條按僱員上一個完整工作月工資之三分之二，或22,500港元之三分之二計算(以較低者為準)，而每名僱員之撥備總額最多為390,000港元。撥備結餘乃用作抵銷本公司職業退休計劃及強積金計劃之累積供款。

綜合財務報表附註

二零零七年三月三十一日

8 僱員福利開支(包括董事酬金)(續)

附註：(續)

(b) 董事及高級管理層之薪酬

本公司各董事於截至二零零七年三月三十一日止年度之薪酬如下：

董事姓名	袍金 千港元	薪金 千港元	酌情花紅 千港元	僱主對退休金 計劃之供款 千港元	總額 千港元
梁劍文先生	—	3,000	6,294	150	9,444
梁偉成先生	—	3,000	5,940	150	9,090
郭冠文先生	—	1,262	3,452	63	4,777
黃保欣先生	120	—	—	—	120
李華明議員	120	—	—	6	126
劉宏業先生	120	—	—	6	126

本公司各董事於截至二零零六年三月三十一日止年度之薪酬如下：

董事姓名	袍金 千港元	薪金 千港元	酌情花紅 千港元	僱主對退休金 計劃之供款 千港元	總額 千港元
梁劍文先生	—	3,000	5,408	150	8,558
梁偉成先生	—	3,000	5,109	150	8,259
郭冠文先生	—	1,262	2,953	63	4,278
黃保欣先生	120	—	—	—	120
李華明議員	120	—	—	6	126
劉宏業先生	120	—	—	6	126

於截至二零零七年及二零零六年三月三十一日止年度，概無董事放棄薪酬。

綜合財務報表附註

二零零七年三月三十一日

8 僱員福利開支(包括董事酬金)(續)

附註：(續)

(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(二零零六年：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(二零零六年：兩位)最高薪酬人士之酬金如下：

	本集團	
	二零零七年 千港元	二零零六年 千港元
基本薪酬、房屋津貼、其他津貼及實物利益	2,994	2,994
酌情花紅	9,675	6,675
退休金計劃供款	87	87
	12,756	9,756

所屬酬金組別分類如下：

	人數	
	二零零七年	二零零六年
酬金範圍		
3,000,001 港元－3,500,000 港元	1	1
6,000,001 港元－6,500,000 港元	—	1
9,000,001 港元－9,500,000 港元	1	—

(d) 主要管理層之薪酬

	本集團	
	二零零七年 千港元	二零零六年 千港元
基本薪酬、房屋津貼、其他津貼及實物利益	10,256	10,256
酌情花紅	25,361	20,145
退休金計劃供款	450	450
	36,067	30,851

9 財務成本

	本集團	
	二零零七年 千港元	二零零六年 千港元
利息支出：		
— 銀行貸款及信託收據貸款	19,584	21,831
— 融資租約之利息	—	2
	19,584	21,833

綜合財務報表附註

二零零七年三月三十一日

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 17.5% (二零零六年：17.5%) 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依本集團經營業務地區之現行稅率計算。

	本集團	
	二零零七年 千港元	二零零六年 千港元
本年度所得稅		
— 香港利得稅	30,876	36,767
— 往年度撥備(超額)/不足	(305)	3,187
遞延所得稅(附註27)	(305)	(6,414)
	30,266	33,540

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	
	二零零七年 千港元	二零零六年 千港元
除所得稅前溢利	336,050	317,015
以稅率 17.5% (二零零六年：17.5%) 計算之稅項	58,809	55,478
其他國家不同稅率之影響	(226)	275
無須課稅之收入	(41,068)	(41,444)
不可扣稅之支出	10,715	13,645
往年度撥備(超額)/不足	(305)	3,187
未有確認之稅損	2,341	2,399
稅項支出	30,266	33,540

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為 174,080,000 港元 (二零零六年：145,873,000 港元)。

綜合財務報表附註

二零零七年三月三十一日

12 每股盈利

每股基本盈利乃按本公司股東應佔溢利除以年內已發行普通股之加權平均數計算。

每股攤薄盈利乃經調整已發行普通股之加權平均數而計算，以假設所有潛在攤薄普通股已獲轉換。

	本集團	
	二零零七年	二零零六年
本公司股東應佔溢利(千港元)	305,784	283,475
已發行普通股之加權平均數(千股)	561,152	559,967
每股基本及攤薄盈利(港仙)(附註)	54.5	50.6

附註：截至二零零七年及二零零六年三月三十一日止年度並無潛在具攤薄影響之普通股。

13 股息

	本公司	
	二零零七年 千港元	二零零六年 千港元
已派付中期股息每股普通股9港仙 (二零零六年：6港仙)	50,513	33,675
不派付中期特別股息 (二零零六年：每股普通股4港仙)	—	22,450
擬派付末期股息每股普通股16港仙 (二零零六年：16港仙)	89,735	89,800
擬派付末期特別股息每股普通股8港仙 (二零零六年：6港仙)	44,867	33,675
	185,115	179,600

於二零零七年七月十日舉行之會議上，董事建議派付末期股息每股普通股16港仙及末期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財務報表內，但將反映為截至二零零八年三月三十一日止年度之保留盈利之一項分派。

綜合財務報表附註

二零零七年三月三十一日

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						
	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
於二零零五年四月一日							
成本	27,336	305,038	87,650	245,080	516,340	18,703	1,200,147
累積折舊及減值	(5,662)	(279,748)	(71,612)	(195,027)	(300,118)	(12,619)	(864,786)
賬面淨值	21,674	25,290	16,038	50,053	216,222	6,084	335,361
截至二零零六年三月三十一日止年度							
期初賬面淨值	21,674	25,290	16,038	50,053	216,222	6,084	335,361
增添	-	24,276	3,157	14,888	25,875	1,016	69,212
出售	-	-	(29)	(1,263)	(689)	(53)	(2,034)
折舊	(681)	(11,551)	(3,440)	(11,784)	(36,630)	(1,310)	(65,396)
減值開支	-	(6,468)	(330)	(1,787)	(8,238)	(58)	(16,881)
期末賬面淨值	20,993	31,547	15,396	50,107	196,540	5,679	320,262
於二零零六年三月三十一日							
成本	27,336	306,804	90,639	249,682	533,719	19,064	1,227,244
累積折舊及減值	(6,343)	(275,257)	(75,243)	(199,575)	(337,179)	(13,385)	(906,982)
賬面淨值	20,993	31,547	15,396	50,107	196,540	5,679	320,262
截至二零零七年三月三十一日止年度							
期初賬面淨值	20,993	31,547	15,396	50,107	196,540	5,679	320,262
增添	2,118	22,375	5,651	17,884	30,719	2,772	81,519
出售	-	-	(20)	(725)	(967)	(390)	(2,102)
折舊	(707)	(14,405)	(3,736)	(12,340)	(35,190)	(1,462)	(67,840)
撇銷	-	(9,034)	(3,716)	(3,556)	(2,880)	-	(19,186)
匯兌差額	63	-	(1)	69	-	15	146
期末賬面淨值	22,467	30,483	13,574	51,439	188,222	6,614	312,799
於二零零七年三月三十一日							
成本	29,518	328,342	95,739	257,483	552,759	18,848	1,282,689
累積折舊及減值	(7,051)	(297,859)	(82,165)	(206,044)	(364,537)	(12,234)	(969,890)
賬面淨值	22,467	30,483	13,574	51,439	188,222	6,614	312,799

綜合財務報表附註

二零零七年三月三十一日

14 物業、廠房及設備(續)

(b) 折舊開支包括於：

	本集團	
	二零零七年 千港元	二零零六年 千港元
銷貨成本	63,662	61,015
行政開支	4,178	4,381
	67,840	65,396

(c) 本集團於樓宇權益之賬面淨值分析如下：

	本集團	
	二零零七年 千港元	二零零六年 千港元
於香港按下列租約持有：		
租約逾50年	9,241	9,573
租約介乎10年至50年	328	340
於香港以外地區按下列租約持有：		
租約介乎10年至50年	12,898	11,080
	22,467	20,993

(d) 於二零零七年三月三十一日，銀行貨款以面值為2,155,000港元(二零零六年：零)之樓宇抵押(附註24)。

(e) 於二零零七年三月三十一日，本公司之物業、廠房及設備包括傢俬、裝置及設備，總成本為41,000港元(二零零六年：41,000港元)，累積折舊為41,000港元(二零零六年：41,000港元)。

15 投資物業

	本集團	
	二零零七年 千港元	二零零六年 千港元
年初	36,060	34,260
公平值收益(附註6)	10,770	1,800
年末	46,830	36,060

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二零零七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。

綜合財務報表附註

二零零七年三月三十一日

15 投資物業(續)

本集團於投資物業權益之賬面淨值分析如下：

	本集團	
	二零零七年 千港元	二零零六年 千港元
於香港按下列租約持有：		
租約逾50年	27,750	18,800
租約介乎10年至50年	19,080	17,260
	46,830	36,060

16 租賃土地及土地使用權

	本集團	
	二零零七年 千港元	二零零六年 千港元
年初賬面淨值	56,497	56,835
增添	2,984	—
攤銷	(380)	(338)
匯兌差額	88	—
年末賬面淨值	59,189	56,497

預付經營租賃租金之攤銷開支被計入：

	本集團	
	二零零七年 千港元	二零零六年 千港元
行政開支	380	338

本集團於租賃土地及土地使用權之權益指預付經營租賃租金，其賬面淨值分析如下：

	本集團	
	二零零七年 千港元	二零零六年 千港元
於香港按下列租約持有：		
租約逾50年	45,921	45,973
租約介乎10年至50年	465	476
於香港以外按下列租約持有：		
租約介乎10年至50年	12,803	10,048
	59,189	56,497

於二零零七年三月三十一日，銀行貨款以賬面值為3,029,000港元(二零零六年：零)之租賃土地及土地使用權抵押(附註24)。

綜合財務報表附註

二零零七年三月三十一日

17 遞延發展費用

	本集團 千港元
於二零零五年四月一日	
成本	62,340
累積攤銷	(54,228)
賬面淨值	8,112
截至二零零六年三月三十一日止年度	
於二零零五年四月一日	8,112
增添	10,879
撇銷	(5,047)
攤銷	(7,147)
於二零零六年三月三十一日	6,797
於二零零六年三月三十一日	
成本	69,566
累積攤銷	(62,769)
賬面淨值	6,797
截至二零零七年三月三十一日止年度	
於二零零六年四月一日	6,797
增添	9,960
撇銷	(4,187)
攤銷	(6,386)
於二零零七年三月三十一日	6,184
於二零零七年三月三十一日	
成本	67,188
累積攤銷	(61,004)
賬面淨值	6,184

遞延發展費用之攤銷開支被計入：

	本集團	
	二零零七年 千港元	二零零六年 千港元
銷貨成本	6,386	7,147

綜合財務報表附註

二零零七年三月三十一日

18 附屬公司之投資

	本公司	
	二零零七年 千港元	二零零六年 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))	289,373	290,421
	356,959	358,007

附註：

(a) 主要附屬公司之詳情載列於綜合財務報表附註32。

(b) 應收附屬公司款項為無抵押、免息及無固定還款期。

19 持至到期日金融資產

	本集團	
	二零零七年 千港元	二零零六年 千港元
香港之結構性銀行存款	111,400	110,887

持至到期日金融資產之變動如下：

	本集團	
	二零零七年 千港元	二零零六年 千港元
年初	110,887	—
長期銀行存款之重新分類	—	111,400
匯兌差額	513	(513)
年末	111,400	110,887

持至到期日金融資產乃以下列貨幣計值：

	本集團	
	二零零七年 千港元	二零零六年 千港元
港元	10,000	10,000
美元	101,400	100,887
	111,400	110,887

該等投資按銀行提供之利率賺取利息。該等金融資產之公平值與其賬面值並無顯著差別。

綜合財務報表附註

二零零七年三月三十一日

20 存貨

	本集團	
	二零零七年 千港元	二零零六年 千港元
原料	185,990	235,701
在製品	23,194	75,872
製成品	192,660	306,832
	401,844	618,405

確認為開支並計入銷貨成本之存貨成本達3,859,232,000港元(二零零六年：3,687,407,000港元)。

21 應收貿易賬款、預付款項及按金

	本集團	
	二零零七年 千港元	二零零六年 千港元
應收貿易賬款	291,006	395,911
預付款項及按金	14,272	17,599
	305,278	413,510

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。

應收貿易賬款、預付款項及按金之公平值約等於其賬面值。

於二零零七年及二零零六年三月三十一日，根據發票日期之應收貿易賬款之賬齡分析如下：

	本集團	
	二零零七年 千港元	二零零六年 千港元
0—30日	209,323	211,571
31—60日	79,160	144,560
61—90日	48	38,427
超過90日	2,475	1,353
	291,006	395,911

綜合財務報表附註

二零零七年三月三十一日

22 現金及現金等值

	本集團		本公司	
	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元
現金及銀行存款	124,672	141,959	1,215	93
短期銀行存款	768,122	886,613	—	—
	892,794	1,028,572	1,215	93

現金及現金等值以下列貨幣計值：

	本集團		本公司	
	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元
港元	650,508	61,555	1,215	93
美元	236,277	961,796	—	—
其他	6,009	5,221	—	—
	892,794	1,028,572	1,215	93

現金及現金等值按銀行提供之存款利率賺取利息。

23 應付貿易賬款、其他應付款項及應計費用

	本集團	
	二零零七年 千港元	二零零六年 千港元
應付貿易賬款	288,436	513,900
其他應付款項及應計費用	257,233	282,916
	545,669	796,816

於二零零七年及二零零六年三月三十一日，根據發票日期之應付貿易賬款之賬齡分析如下：

	本集團	
	二零零七年 千港元	二零零六年 千港元
0—30 日	214,665	366,391
31—60 日	48,979	122,511
61—90 日	23,904	22,109
超過 90 日	888	2,889
	288,436	513,900

綜合財務報表附註

二零零七年三月三十一日

24 貸款

	本集團	
	二零零七年 千港元	二零零六年 千港元
非流動		
銀行貸款，有抵押(附註(a))	2,905	—
銀行貸款，無抵押(附註(b))	—	77,682
	2,905	77,682
流動		
銀行貸款，有抵押(附註(a))	648	—
銀行貸款，無抵押(附註(b))	—	103,545
	648	103,545
貸款總額	3,553	181,227

附註：

- (a) 銀行貸款以本集團之樓宇及租賃土地及土地使用權為抵押(附註14及16)。該貸款以人民幣計算。利息乃以銀行所提供市場貸款之利率計算。
- (b) 銀行貸款為無抵押並受本公司提供之公司擔保支持(附註29及30)。該貸款以港元計算。利息乃以高於香港銀行同業拆息之利率計算。

銀行貸款之到期日如下：

	本集團	
	二零零七年 千港元	二零零六年 千港元
一年以內	648	103,545
一至兩年	661	77,682
二至五年	2,244	—
	3,553	181,227

銀行貸款之賬面值約等於其公平值。

綜合財務報表附註

二零零七年三月三十一日

25 股本

	本公司	
	股份數目 (千股)	普通股 千港元
法定股本：		
每股面值0.10港元普通股		
於二零零七年及二零零六年三月三十一日	800,000	80,000
已發行及繳足股本：		
每股面值0.10港元之普通股		
於二零零五年四月一日	557,334	55,733
回購本公司股份(附註(a))	(100)	(10)
行使紅利認股權證(附註(b))	4,018	402
於二零零六年三月三十一日	561,252	56,125
於二零零六年四月一日	561,252	56,125
回購本公司股份(附註(a))	(410)	(41)
於二零零七年三月三十一日	560,842	56,084

附註：

(a) 回購本公司股份

於二零零五年十月二十五日，本公司於香港聯合交易所有限公司以每股2.70港元之價格回購本公司每股面值0.10港元之100,000股股份並註銷。本公司共已支付270,000港元。

於二零零六年十二月二十九日及二零零七年一月二日，本公司於香港聯合交易所有限公司以每股3.36港元之價格回購本公司分別每股面值0.10港元之210,000股及100,000股股份並註銷。本公司共已支付1,041,600港元。

於二零零七年一月十日，本公司於香港聯合交易所有限公司以每股3.46港元之價格回購本公司每股面值0.10港元之100,000股股份並註銷。本公司共已支付346,000港元。

(b) 行使紅利認股權證

於二零零二年七月十一日，董事建議按持有本公司已發行股本中每十股每股面值0.10港元普通股可獲一份認股權證之基準，向於二零零二年八月二十二日名列本公司股東名冊之股東(海外股東除外)授予紅利認股權證。

於二零零二年八月二十二日，董事會批准並授出賦予權利可按每股0.98港元認購51,138,185股普通股之紅利認股權證。紅利認股權證可於二零零二年九月二日至二零零五年九月一日(包括首尾兩天)期間隨時行使。

於截至二零零六年三月三十一日止年度內，因紅利認股權證持有人行使彼等之紅利認股權證，本公司已按認購價每股0.98港元向彼等發行4,017,632股本公司每股面值0.10港元之普通股，總現金代價為3,937,279港元。全部紅利認股權證已於二零零六年三月三十一日獲行使或作廢。概無進一步授出截至二零零七年三月三十一日止年度之紅利認股權。

綜合財務報表附註

二零零七年三月三十一日

26 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	保留溢利 千港元	總計 千港元
於二零零五年四月一日結餘	250,619	471	(723)	978,614	1,228,981
貨幣匯兌差額	—	—	122	—	122
本年度溢利	—	—	—	283,475	283,475
回購本公司股份	(260)	10	—	(10)	(260)
二零零六年中期股息	—	—	—	(33,675)	(33,675)
二零零六年中期特別股息	—	—	—	(22,450)	(22,450)
二零零五年末期及末期特別股息	—	—	—	(89,173)	(89,173)
上年度股息之調整	—	—	—	(643)	(643)
行使紅利認股權證	3,535	—	—	—	3,535
於二零零六年三月三十一日結餘	253,894	481	(601)	1,116,138	1,369,912
代表：					
擬派股息					123,475
儲備					1,246,437
於二零零六年三月三十一日					1,369,912
於二零零六年四月一日結餘	253,894	481	(601)	1,116,138	1,369,912
貨幣匯兌差額	—	—	(683)	—	(683)
本年度溢利	—	—	—	305,784	305,784
回購本公司股份	(1,346)	41	—	(41)	(1,346)
二零零七年中期股息	—	—	—	(50,513)	(50,513)
二零零六年末期及末期特別股息	—	—	—	(123,475)	(123,475)
於二零零七年三月三十一日結餘	252,548	522	(1,284)	1,247,893	1,499,679
代表：					
擬派股息					134,602
儲備					1,365,077
於二零零七年三月三十一日					1,499,679

綜合財務報表附註

二零零七年三月三十一日

26 儲備(續)

	本公司				
	股份溢價 千港元	股本 贖回儲備 千港元	繳入盈餘 千港元	保留溢利 千港元	總計 千港元
於二零零五年四月一日結餘	250,619	471	40,586	6,162	297,838
本年度溢利	—	—	—	145,873	145,873
回購本公司股份	(260)	10	—	(10)	(260)
二零零六年中期股息	—	—	—	(33,675)	(33,675)
二零零六年中期特別股息	—	—	—	(22,450)	(22,450)
二零零五年末期及末期特別股息	—	—	—	(89,173)	(89,173)
上年度股息之調整	—	—	—	(643)	(643)
行使紅利認股權證	3,535	—	—	—	3,535
於二零零六年三月三十一日結餘	253,894	481	40,586	6,084	301,045
代表：					
擬派股息					123,475
儲備					177,570
於二零零六年三月三十一日					301,045
於二零零六年四月一日結餘	253,894	481	40,586	6,084	301,045
本年度溢利	—	—	—	174,080	174,080
回購本公司股份	(1,346)	41	—	(41)	(1,346)
二零零七年中期股息	—	—	—	(50,513)	(50,513)
二零零六年末期及末期特別股息	—	—	—	(123,475)	(123,475)
於二零零七年三月三十一日結餘	252,548	522	40,586	6,135	299,791
代表：					
擬派股息					134,602
儲備					165,189
於二零零七年三月三十一日					299,791

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負債；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。從合併層面而言，繳入盈餘列為有關附屬公司之儲備。

綜合財務報表附註

二零零七年三月三十一日

27 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 17.5% (二零零六年：17.5%) 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	
		二零零七年 千港元	二零零六年 千港元
須於十二個月後支付之遞延所得稅負債		30,319	29,694
須於十二個月後收回之遞延所得稅資產		(2,460)	(1,530)
		27,859	28,164

遞延所得稅賬目之變動如下：

		本集團	
		二零零七年 千港元	二零零六年 千港元
年初		28,164	34,578
於綜合損益表內確認(附註 10)		(305)	(6,414)
年末		27,859	28,164

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餘額，詳情如下：

遞延所得稅(資產)/負債

	本集團									
	稅收虧損		加速稅項折舊		遞延發展費用		其他		總計	
	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元	二零零七年 千港元	二零零六年 千港元
年初	(1,530)	(476)	28,428	32,249	801	2,125	465	680	28,164	34,578
於綜合損益表內確認	(930)	(1,054)	1,114	(3,821)	(116)	(1,324)	(373)	(215)	(305)	(6,414)
年末	(2,460)	(1,530)	29,542	28,428	685	801	92	465	27,859	28,164

若有可能透過未來應課稅溢利實現有關的稅項利益，則為稅損之結轉確認遞延所得稅資產。本集團擁有稅損 13,235,000 港元(二零零六年：12,132,000 港元)可結轉以抵銷未來應課稅溢利。

綜合財務報表附註

二零零七年三月三十一日

28 經營產生之現金

	本集團	
	二零零七年 千港元	二零零六年 千港元
除所得稅前溢利	336,050	317,015
利息收入	(32,791)	(35,299)
銀行貸款及信託收據貸款利息開支	19,584	21,831
融資租約之利息	—	2
遞延發展費用攤銷	6,386	7,147
遞延發展費用撇銷	4,187	5,047
出售物業、廠房及設備之虧損	1,213	813
物業、廠房及設備折舊	67,840	65,396
租賃土地及土地使用權攤銷	380	338
物業、廠房及設備之撇銷／減值	19,186	16,881
投資物業公平值收益	(10,770)	(1,800)
營運資金變動前之經營溢利	411,265	397,371
存貨減少／(增加)	216,561	(68,859)
應收貿易賬款、預付款項及按金之減少／(增加)	108,232	(45,894)
應付貿易賬款、其他應付款項及應計項目之(減少)／增加	(253,338)	125,653
信託收據貸款(減少)／增加	(139,978)	50,928
經營產生之現金淨額	342,742	459,199

29 銀行信貸

於二零零七年三月三十一日，若干銀行向本集團授出銀行信貸17億2千萬港元(二零零六年：20億零1百萬港元)，其中本集團已動用4百萬港元(二零零六年：3億2千1百萬港元)。於該等銀行信貸中，17億1千6百萬港元(二零零六年：20億零1百萬港元)乃由本公司提供之公司擔保支持及4百萬港元(二零零六年：零)以本集團賬面值為5百萬港元之所用若干資產作為抵押(附註14及16)。

30 財務擔保

本公司已向若干銀行出具公司擔保以為其若干附屬公司取得一般銀行信貸(附註24)。

董事認為，該等擔保被催繳的可能性不大，因此該等擔保之公平值並非重大。

綜合財務報表附註

二零零七年三月三十一日

31 承擔

(a) 資本承擔

	本集團	
	二零零七年 千港元	二零零六年 千港元
已訂約但未撥備之模具、廠房及機器	859	8,225

(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約款項總額如下：

	本集團	
	二零零七年 千港元	二零零六年 千港元
一年內	15,331	32,854
一年後但於五年內	33,094	44,093
五年後	13,026	17,082
	61,451	94,029

(c) 經營租約承擔(作為出租人)

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	
	二零零七年 千港元	二零零六年 千港元
一年內	2,469	2,025
一年後但於五年內	536	423
	3,005	2,448

綜合財務報表附註

二零零七年三月三十一日

32 主要附屬公司

於二零零七年三月三十一日，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
愛高通訊有限公司	香港	普通股 10,000 港元	—	100	製造消費電子產品
愛高數碼有限公司	香港	普通股 1,000,000 港元	—	100	電子產品軟件開發 及銷售
Alco Electronics Inc.	加拿大	普通股 500,000 加元	—	100	銷售消費電子產品
愛高電業有限公司	香港	普通股 1,000 港元 無投票權遞延股 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 8,000,000 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	銷售消費電子產品
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
雅龍國際有限公司	香港	普通股 10,000 港元	—	100	銷售消費電子產品
迅達工業有限公司	香港	普通股 400,000 港元	—	100	製造消費電子產品

附註：

1 代表外商獨資企業。

上表列載了董事會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份之本公司主要附屬公司於二零零七年三月三十一日之詳情。董事會認為列載其他附屬公司之詳情將導致篇幅過於冗長。

主要物業

二零零七年三月三十一日

持作投資之主要物業

地點	地段編號	類別	租約屆滿年期
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

五年財務概要

二零零七年三月三十一日

本集團於過往五個財政年度之業績以及資產及負債概要如下：

	二零零七年 千港元	二零零六年 千港元	二零零五年 千港元	二零零四年 千港元	二零零三年 千港元
營業額	5,095,894	4,876,788	5,389,124	3,814,781	4,314,503
本公司股東應佔溢利	305,784	283,475	239,716	150,267	138,310
總資產	2,136,318	2,590,990	2,210,074	2,025,738	1,577,983
總負債	(580,555)	(1,164,953)	(925,360)	(898,864)	(545,084)
總權益	1,555,763	1,426,037	1,284,714	1,126,874	1,032,899

