

ANNUAL  
REPORT

2007 年報

stock code 股份代號 : 8085



新 醫 藥 控 股 有 限 公 司  
NEW CHINESE MEDICINE HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)



**CHARACTERISTICS OF THE GROWTH ENTERPRISES MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristic of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazette newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at [www.hkgem.com](http://www.hkgem.com) in order to obtain up-to-date information on GEM-listed issuers.

*The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from on or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors of New Chinese Medicine Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange for the purpose of giving information with regard to New Chinese Medicine Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板乃為帶有高投資風險之公司提供一個上市之市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須預測溢利。此外，在創業板上市之公司可因其新興性質及該等公司經營業務之行業或國家而帶有風險。有意投資之人士應瞭解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他經驗豐富投資者。

由於創業板上市公司新興之性質使然，在創業板買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板發佈資料之主要方法為在聯交所為創業板而設之創業板網頁刊登。上市公司毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資之人士應注意彼等能閱覽創業板網頁（[www.hkgem.com](http://www.hkgem.com)），以便取得創業板上市發行人之最新資料。

聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

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

# CONTENTS 目 錄

<b>Corporate Information</b> 公司資料	2
<b>Chairman Statement</b> 主席報告	4
<b>Management Discussion and Analysis</b> 管理層討論及分析	5
<b>Profile of Directors</b> 董事簡介	9
<b>Corporate Governance Report</b> 企業管治報告	12
<b>Directors' Report</b> 董事會報告	17
<b>Independent Auditors' Report</b> 獨立核數師報告	24
<b>Consolidated Income Statement</b> 綜合損益表	26
<b>Consolidated Balance Sheet</b> 綜合資產負債表	27
<b>Balance Sheet</b> 資產負債表	28
<b>Consolidated Statement of Changes in Equity</b> 綜合權益變動表	29
<b>Consolidated Cash Flow Statement</b> 綜合現金流量表	30
<b>Notes to the Consolidated Financial Statements</b> 綜合財務報表附註	31
<b>Financial Summary</b> 財務概要	76

# CORPORATE INFORMATION 公司資料

## COPRORATE PROFILE

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

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

Mr. Wong Chun Keung *Chairman*  
Mr. Wong Mo Wah Gordon *Chief Executive Officer*  
Mr. Fung Cheuk Nang Clement  
Ms. Tong Pui Chi Lucia  
Mr. Ng Tin Shui

### INDEPENDENT NON-EXECUTIVE DIRECTORS

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

### COMPANY SECRETARY

Mr. Law Kwok Chung

### COMPLIANCE OFFICER

Ms. Tong Pui Chi Lucia

### QUALIFIED ACCOUNTANT

Mr. Law Kwok Chung

### AUTHORIZED REPRESENTATIVES

Mr. Wong Mo Wah Gordon  
Mr. Law Kwok Chung

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

## 公司簡介

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

## 董事會

### 執行董事

黃進強先生 主席  
王武樺先生 行政總裁  
馮卓能先生  
唐佩芝小姐  
吳天墅先生

### 獨立非執行董事

朱嘉榮先生  
陸海林博士  
顧陵儒先生

### 公司秘書

羅國忠先生

### 監察主任

唐佩芝小姐

### 合資格會計師

羅國忠先生

### 法定代表

王武樺先生  
羅國忠先生

### 審核委員會

朱嘉榮先生  
陸海林博士  
顧陵儒先生

### 薪酬委員會

唐佩芝小姐  
朱嘉榮先生  
陸海林博士  
顧陵儒先生

## CORPORATE INFORMATION 公 司 資 料

### AUDITORS

HLB Hodgson Impey Cheng  
Chartered Accountants  
Certified Public Accountants  
31/F, Gloucester Tower  
The Landmark  
11 Pedder Street, Central  
Hong Kong

### PRINCIPAL BANKERS

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

### REGISTERED OFFICE

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### GEM STOCK CODE

8085

### WEBSITE ADDRESS

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

### 核數師

國衛會計師事務所  
英國特許會計師  
香港執業會計師  
香港  
中環畢打街11號  
置地廣場  
告羅士打大廈31樓

### 主要往來銀行

香港上海滙豐銀行有限公司  
中國銀行(香港)有限公司

### 註冊辦事處

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

### 香港主要營業地點

香港  
九龍紅磡  
鶴翔街一號  
維港中心一期  
802室

### 香港股份過戶登記分處

標準證券登記有限公司  
香港  
皇后大道東28號  
金鐘匯中心26樓

### 創業板股份編號

8085

### 網址

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



# CHAIRMAN'S STATEMENT 主席報告

On behalf of the board of directors (the "Board"), I am pleased to present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2007.

The financial year of 2006/07 is the period for the new management team to implement our new business strategy and to lay all the ground work for further growth of the Group. Health care is still our main focus and in the past year, we have concentrated our wholesale and retail business in the marketing and sale of top graded six-year Korean red ginseng processed products in Hong Kong, Macau and the People's Republic of China. A series of successful promotional campaign had been launched throughout the year in leading department stores, retail chains, hospitals, educational institutions, as well as medical and health-related associations. Our products were represented in various trade shows in both Hong Kong and various parts of China. The sale of the aforesaid products had brought to the Group a steady turnover throughout the year.

Nevertheless, we have also put a great deal of time and effort in developing new business opportunities with various medical and health department of several provinces in the Greater China region with a focus to explore new retail and investment possibilities in order to establish and expand our platform as a base for medical and health products and services throughout the region. We anticipate our effort will be entering a phase of fruition in the coming year.

## APPRECIATION

On behalf of the board, I would again like to take this opportunity to express our sincere gratitude to all our equity holders, customers, business partners who have continuously offered their support, confidence and encouragement. Not to mention the great devotion, diligence and effort of the management and the members of staff who tirelessly committed themselves towards the continuous improvement of the Group. With all these supports remain, we shall continue to explore means to improve on our Group's financial results and investment returns in the years to come.

**Wong Chun Keung**  
Chairman

Hong Kong, 15 June 2007

本人謹代表董事會(「董事會」)欣然呈報本公司及其附屬公司(「本集團」)截至二零零七年三月三十一日止年度之年度業績。

新管理層於二零零六／零七年財政年度實施本集團之新業務策略，並為本集團進一步增長奠下穩健基礎。本集團仍主力專注於保健產品，本集團於去年將批發及零售業務集中於在香港、澳門及中華人民共和國推廣及銷售由栽種六年之頂級高麗紅參製成之保健產品。年內在各大百貨公司、零售連鎖店、醫院、教育機構以及醫療及保健相關組織推出了一系列成功之推廣活動。本集團產品在香港及中國各地之各展銷會均有參展。上述產品之銷售額於年內一直為本集團帶來穩定之營業額。

然而，本集團亦投放大量時間及力量於在大中華區與幾個省之醫療及衛生部門謀求發展新業務機會，期望可拓展新零售及投資商機，以求建立及擴展本集團作為區內醫療及保健產品及服務之基地。本集團預計本集團之努力於來年將進入一個收成之階段。

## 致謝

本人謹藉此機會，代表董事會對所有權益持有人、客戶及業務夥伴對本集團一直之支持、信心及鼓勵衷心致謝。更不用說管理層及員工之莫大付出、努力及辛勞，彼等不辭勞苦，委身推動本集團不斷改善。憑藉該等支持，本集團將繼續探索機會，改善本集團來年之財務業績及投資回報。

主席  
黃進強

香港，二零零七年六月十五日

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

## BUSINESS REVIEW

In order to increase the public awareness of the Group's health care products, the Group has been engaged in a series of promotional campaign in restaurants, exhibitions, shopping centres, health and beauty retail chains in Hong Kong and Macau. Since processed health care products made from 6-years Korean Red Ginseng has recently been the Group's key products, the Group has been concentrating in several brand building as well as educational exercises of the end-users with more knowledge of the Group's products.

The majority of the public know that Korean ginseng helps maintain health but they still do not have a clear picture of the active ingredients contained in ginseng and how these active ingredients work in a human body, such as ginsenosides (Ginseng saponin), which consists of more than 30 different kinds of congeners which help maintain homeostatic against deleterious environmental stress, and also further improve the quality of life by alleviating or improving psychological, cardiovascular, immunological and digestive system disorders.

Korean Red Ginseng not only being accredited for the highest quality of ginseng product worldwide but also its unique usage as a traditional herbal medicine as well as in food that help expand life span makes them very popular in Korea as well as other parts of the world especially in Asian countries.

## PROSPECTS

The Group firmly believes that the products introduced to the general public is a premium type of health supplement and will be well received by health conscious users regardless of their age group. In addition to general promotional campaigns, the Group also targets our marketing work towards key professional organizations, academic and sports groups, etc. The Group will invest in educating users and potential users alike the benefits of taking the Group's health care products made from 6-years Korean Red Ginseng. This aims to convince the public the efficacies of the Group's processed health care products substantiated by reputable scientific research.

In addition to promoting the Group's ginseng processed products, the Group will at the same time explore other health care as well as beauty products that will suit the taste of the increasingly demanding health conscious consumers in Hong Kong, Macau, China, as well as other parts of Asia. The exploration and adoption of the modern health, beauty and drug store concept will be the Group's major target development in China in the years to come.

## 業務回顧

為了增加公眾人士對本集團保健產品之認知，本集團於香港及澳門之酒樓、展覽會、購物中心、健康及美容連鎖店進行了一連串之推廣計劃。基於由栽種六年之高麗紅參製成之保健產品為本集團之主要商品，本集團繼續專注於品牌之建立及對最終消費者之教育活動，致使消費者對本集團之產品有更多之了解。

大部分之公眾人士均知道高麗人參對保健有所幫助，然而他們對人參內之主要成份卻沒有全面之認知，尤其該等主要成份對人體產生之作用。高麗紅參內含有30多種相同種類或性質之皂甙（人參皂素），有助平衡身體因環境壓力而產生之毒素，緩和或改善因心理、心血管、免疫力和消化系統引致之機能失調，從而進一步提升生活質素。

高麗紅參不單在世界人參產品中被喻為擁有最高質量的美譽，其在傳統草本醫藥及食物療養中有助延展壽命之獨特性質，亦使高麗紅參在韓國甚至世界其他地區廣受歡迎，其中尤以亞洲國家為甚。

## 前景

本集團堅信該等向所有公眾人士推介之產品，皆為優質之健康補給品，將會受到不同年齡及對健康關注人士的歡迎。在一般推廣計劃之外，本集團亦致力向主要之專業組織、學術團體及體育群組等進行市場推廣。本集團將投放資源，教導消費者認識由栽種六年之高麗紅參製成之本集團保健產品之益處。此舉主要在於使公眾人士確信，經由有信譽之科研機構證實之本集團保健製品乃是具有成效的。

再者，除推廣本集團之人參製品外，本集團將同時物色其他保健或美容產品，以符合越來越多於香港、澳門及中國甚或其他亞洲地區注重健康之消費者之口味。探索及採納現代保健、美容及藥品專門店的概念，將會成為本集團在未來數年於中國的主要發展目標。

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

## FINANCIAL REVIEW

The Group recorded an audited consolidated turnover of approximately HK\$14,692,000 for the year ended 31 March 2007, which represented sales of health care products. The turnover for the year ended 31 March 2006 was approximately HK\$9,017,000.

The Group also managed to maintain tight control over its operating expenses in the year under review. The operating expenses, exclude the equity-settled share-based payments of HK\$5,823,600, decrease from approximately HK\$5,176,000 in 2006 to approximately HK\$4,875,000 in 2007, representing a decrease of 6%.

Audited net loss attributable to the equity holders for the year ended 31 March 2007 amounted to HK\$6,628,342. The net loss for the year ended 31 March 2006 amounted to HK\$1,332,011.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2007, the Group's net current assets was HK\$15,051,464 as compared to net current assets of HK\$8,970,966 as at 31 March 2006. There were no bank borrowings as at 31 March 2007 (31 March 2006: Nil).

On 9 October 2006, holders of the Convertible Bonds (the "Bond") have fully converted an aggregated principal amount of HK\$10,000,000 Bond into shares of the Company at the price of HK\$0.072 per share, which resulted in a total of 138,888,890 shares being issued on the conversion.

Pursuant to the share option scheme adopted by the Company on 1 February 2002, a total of 46,000,000 options have been granted on 29 November 2006 to employees of the Group to subscribe for a total of 46,000,000 shares of the Company at a price of HK\$0.153 per share. A total of 46,000,000 options were exercised by the option holders during the year ended 31 March 2007, which resulted in a total of 46,000,000 shares being issued on the subscription. There was no option outstanding as at 31 March 2007.

## GEARING RATIO

As at 31 March 2007, the Group's gearing ratio, being the ratio of total liabilities to total assets, was approximately 25% (2006: approximately 87%).

## 財務回顧

截至二零零七年三月三十一日止年度，本集團之經審核綜合收益約為14,692,000港元，主要來自銷售保健產品。截至二零零六年三月三十一日止年度之收益約為9,017,000港元。

於回顧年內，本集團亦致力繼續嚴謹控制其經營開支。經營開支(不包括以權益方式結算及以股份為基礎付款5,823,600港元)由二零零六年之約5,176,000港元減少至二零零七年之約4,875,000港元，下降6%。

於截至二零零七年三月三十一日止年度之經審核權益持有人應佔虧損淨額為6,628,342港元。截至二零零六年三月三十一日止年度之虧損淨額為1,332,011港元。

## 流動資金、財政資源及資本架構

於二零零七年三月三十一日，本集團之流動資產淨值為15,051,464港元，於二零零六年三月三十一日之流動資產淨值為8,970,966港元。於二零零七年三月三十一日並無銀行借款(於二零零六年三月三十一日：無)。

於二零零六年十月九日，可換股債券(該「債券」)之持有人將本金總額為10,000,000港元之該債券，按每股股份0.072港元之價格全數轉換為本公司之股份。按此，為數共138,888,890股之股份於是次轉換中已被發行。

根據本公司於二零零二年二月一日所採納之購股權計劃，為數共46,000,000份之購股權於二零零六年十一月二十九日已被授予本集團之僱員，按每股股份0.153港元之價格認購為數共46,000,000股之本公司股份。於截至二零零七年三月三十一日止年度，購股權之持有人行使為數共46,000,000份購股權，致令為數共46,000,000股股份於認購中已被發行。於二零零七年三月三十一日，並無尚未行使之購股權。

## 資產負債比率

於二零零七年三月三十一日，本集團之資產負債比率(即負債總額與資產總額之比例)約25%(二零零六年：約87%)。



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

## FOREIGN EXCHANGE EXPOSURE

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

## CHARGE OF GROUP ASSETS

As at 31 March 2007, the Group did not have any material charge on assets (2006: Nil).

## SIGNIFICANT INVESTMENTS

The Group had no significant investments during the year.

## MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions or disposals during the year under review.

## EMPLOYEE INFORMATION

As at 31 March 2007, the Group employed a total of 4 (31 March 2006: 3) full-time employees in Hong Kong. During the year ended 31 March 2007, the total staff costs, including directors' emoluments, but excluding the equity-settled share-based payments of HK\$5,823,600, amounted to HK\$2,034,328 (2006: HK\$1,801,520). The Group remunerates its employees based on their performance, qualification, experience and the prevailing industry practice. Some directors waived their remuneration for the year ended 31 March 2007.

## CONTINGENT LIABILITIES

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

## 外匯風險

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

## 集團資產抵押

於二零零七年三月三十一日，本集團並無任何重大資產抵押(二零零六年：無)。

## 重大投資

於本年度，本集團並無任何重大投資。

## 重大收購及出售

於回顧年度內，本集團並無重大收購或出售。

## 僱員資料

於二零零七年三月三十一日，本集團在香港合共聘用4名(二零零六年三月三十一日：3名)全職僱員。截至二零零七年三月三十一日止年度內，員工成本總額(包括董事酬金但未計以權益方式結算及以股份為基礎之付款5,823,600港元)為2,034,328港元(二零零六年：1,801,520港元)。本集團向其僱員發放之薪酬乃根據彼等之表現、資歷、經驗及行業慣例而定。部份董事於截至二零零七年三月三十一日止年度免收彼等之酬金。

## 或然負債

於二零零七年三月三十一日，本集團並無任何重大或然負債(二零零六年：無)。

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

## OPERATING LEASE COMMITMENTS

As at 31 March 2007, the Group had commitment for future minimum lease payments under non-cancelable operating lease which fall due as follows:

		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Within 1 year	一年內	129,600	12,320
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	23,040	-
		<b>152,640</b>	12,320

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

## 經營租賃承擔

於二零零七年三月三十一日，本集團根據不可撤銷經營租約而有之未來最低租金款項承擔之年期如下：

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

# PROFILES OF DIRECTORS 董事簡介

## EXECUTIVE DIRECTORS

**Mr. Wong Chun Keung**, aged 54, is the chairman of the Group. Mr. Wong is responsible for overseeing the formulation of corporate strategy of the Group. Mr. Wong joined the Group on 22 July 2005. Mr. Wong has extensive experience in trading, merchandising and logistics businesses, and financial and real estate investments. He is also active in the Singaporean real estate market in recent years. Mr. Wong has management and investment experiences in different areas which may be beneficial to the Company.

**Mr. Wong Mo Wah Gordon**, aged 47, is the Chief Executive Officer of the Group. Mr. Wong is responsible for the overall management and business operations of the group. Mr. Wong joined the Group on 31 August 2005. Mr. Wong holds a Master of Business Administration degree from the University of Southern California. Mr. Wong has over 25 years' experience of securities trading, international property development and investment and holds directorships in a number of private companies in the investment and commercial sectors. Mr. Wong has served for over 23 years as one of the senior executives of an international private investment group based in Hong Kong.

**Mr. Fung Cheuk Nang Clement**, aged 30, is the executive director of the Group. Mr. Fung is responsible for the Group's strategic planning; research and development; and marketing operations. Mr. Fung joined the Group on 22 July 2005. Mr. Fung has gained extensive management experience in the development and manufacturing of consumer products for a number of years. Mr. Fung is also a director of a number of established privately-owned manufacturing companies in Hong Kong and PRC. His knowledge and expertise in the manufacturing industry may be beneficial to the Company in research and development areas.

**Ms. Tong Pui Chi Lucia**, aged 43, is the executive director of the Group. Ms. Tong is responsible for the business; sales and marketing operations of the Group. Ms. Tong joined the Group on 22 July 2005. Ms. Tong is the chairlady of the remuneration committee of the Company. Ms. Tong is experienced in management and business development both in Hong Kong and overseas. Ms. Tong has been engaged in the tourist-retailing industry for over 10 years which include the supervision of various investment projects such as the operation of the Duty Free Shops. She will be responsible for research and development in Chinese medicine, health and skin-care products as well as new investment opportunities.

## 執行董事

**黃進強先生**，54歲，為本集團主席。黃先生負責監督本集團企業策略之制定。黃先生於二零零五年七月二十二日加盟本集團。黃先生於貿易業務、買辦、物流業務及金融及房地產投資具廣泛經驗。彼近年亦涉足新加坡房地產市場。黃先生具有不同領域之管理及投資經驗，將對本公司有益。

**王武樺先生**，47歲，為本集團行政總裁。王先生負責本集團之整體管理及業務營運。王先生於二零零五年八月三十一日加盟本集團。王先生持有美國南加州大學之工商管理碩士學位。王先生在證券買賣、國際物業發展及投資方面具有25年以上之經驗，並兼為多間從事投資及商務之私人公司之董事。王先生曾在一間以香港為業務基地之國際私人投資集團任職高級行政人員逾23年。

**馮卓能先生**，30歲，為本集團執行董事。馮先生負責本集團之策略規劃；研究與開發；以及市場推廣業務。馮先生於二零零五年七月二十二日加盟本集團。馮先生擁有多多年開發及製造消費產品之廣泛管理經驗。馮先生亦為香港及中國多間歷史悠久之私人製造公司之董事。馮先生對製造業之認識及專業知識對本公司之研發工作有利。

**唐佩芝小姐**，43歲，為本集團執行董事。唐小姐負責本集團之營商；銷售及市場推廣業務。唐小姐於二零零五年七月二十二日加盟本集團。唐小姐為本公司薪酬委員會主席。唐小姐擁有在香港及海外從事管理及業務發展之豐富經驗。唐小姐從事旅遊零售業逾十年，其中包括監督多項投資項目，例如營運免稅品店。唐小姐將負責研發中藥、保健及護膚產品，以及開拓新投資商機。

## PROFILES OF DIRECTORS 董事簡介

**Mr. Ng Tin Shui**, aged 51, is the executive director of the Group. Mr. Ng is responsible for the business; sales and marketing operations of the Group. Mr. Ng joined the Group on 13 July 2006. Mr. Ng holds a Bachelor of Science degree in Engineering. He is a senior member of the American Society of Mechanical Engineers and Society of Manufacturing Engineers in the United States of America. Mr. Ng has over 20 years experience in manufacturing and marketing of traditional Chinese medicines in PRC and Hong Kong. His knowledge and expertise in the Chinese medicine industry may be beneficial to the Company in research and development areas.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Chu Kar Wing**, aged 50, was appointed as independent non-executive director on 6 October, 2004. Mr. Chu graduated from the Chinese University of Hong Kong with a degree in Social Science in 1979. He has over 20 years of experience in the banking industry and commerce. He is currently an independent non-executive director of three Hong Kong listed companies, namely Emperor Entertainment Group Limited, Oriental Investment Corporation Limited and Foundation Group Limited.

**Dr. Loke Yu (alias Loke Hoi Lam)**, aged 57, was appointed as an independent non-executive director and chairman of the audit committee of the Company on 6 October, 2004. Dr. Loke has over 30 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administration degree from Universiti Teknologi Malaysia and a Doctor of Business Administration degree from University of South Australia. He is a Fellow of The Institute of Chartered Accountants in England and Wales; Hong Kong Institute of Certified Public Accountants; and the Hong Kong Institute of Directors. He is also an Associate member of the Hong Kong Institute of Chartered Secretaries and a member of the Malaysian Institute of Accountants. He is the Chairman of MHL Consulting Limited. He also serves as an independent non-executive director of Shandong Molong Petroleum Machinery Company Limited, United Metals Holdings Limited, Matrix Holdings Limited, VODone Limited, Wealthmark International Holdings Limited and China Fire Safety Enterprise Group Holdings Limited, companies listed on the Stock Exchange of Hong Kong Limited.

**吳天墜先生**，51歲，為本集團執行董事。吳先生負責本集團營商；銷售及市場推廣業務。吳先生於二零零六年七月十三日加盟本集團。吳先生持有工程學之理學士學位。彼為美國機械工程師學會及美國製造工程師學會之資深會員。吳先生於中國及香港從事製造及推廣傳統中成藥方面具有逾20年之經驗。彼在中成藥工業之知識及專長可使本公司在研究及開發方面得益。

### 獨立非執行董事

**朱嘉樂先生**，50歲，於二零零四年十月六日獲委任為獨立非執行董事。朱先生於一九七九年於香港中文大學畢業，取得社會科學系學士學位，於銀行及工商界等方面擁有逾二十年經驗。彼現為三家香港上市公司英皇娛樂集團有限公司、東成控股有限公司及基業控股有限公司之獨立非執行董事。

**陸海林博士**，57歲，於二零零四年十月六日獲委任為獨立非執行董事及本公司審核委員會主席。陸博士於私人及公眾公司之會計及審計工作、財務顧問及企業管理等方面擁有逾三十年經驗。彼持有馬來西亞科技大學工商管理碩士學位及南澳大學工商管理博士學位。彼為英格蘭及威爾斯特許會計師公會、香港會計師公會及香港董事學會之資深會員，亦是香港特許秘書公會及馬來西亞會計師公會之會員。彼現為MHL Consulting Limited主席，亦為多家香港聯合交易所有限公司上市公司山東墨龍石油機械股份有限公司、科鑄技術集團有限公司、美力時集團有限公司、第一視頻集團有限公司、和寶國際控股有限公司及中國消防企業集團控股有限公司之獨立非執行董事。



## PROFILES OF DIRECTORS 董事簡介

**Mr. Ku Ling Yu, John**, aged 59, was appointed as an independent non-executive director on 20 July 2005. Mr. Ku is a practising solicitor and Notary Public in the Hong Kong Special Administrative Region. Mr. Ku is also qualified to practise as a solicitor in England and Wales, and in Victoria, Australia. Mr. Ku served firstly as a non-executive director and later as an executive director of Magician Industries (Holdings) Limited during the period from June 2000 to March 2005.

顧陵儒先生，59歲，於二零零五年七月二十日獲委任為獨立非執行董事。顧先生為香港特別行政區之執業律師及公證人。顧先生亦為英格蘭及威爾斯及澳洲維多利亞之合資格執業律師。顧先生曾於二零零零年六月至二零零五年三月先後出任通達工業(集團)有限公司之獨立非執行董事及執行董事。

# CORPORATE GOVERNANCE REPORT 企業管治報告

## OVERVIEW

The board of directors (the "Board") of the Company is pleased to present this Corporate Governance Report in the annual report for the year ended 31 March 2007.

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

The Board will discuss the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 15 of the GEM Listing Rules and the Company's compliance and deviations throughout the year ended 31 March 2007.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings throughout the year ended 31 March 2007.

## THE BOARD

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

The Board currently comprises 8 members, consisting of five executive directors and three independent non-executive directors. Mr. Wong Chun Keung, Mr. Fung Cheuk Nang Clement, Ms. Tong Pui Chi Lucia and Mr. Wong Mo Wah Gordon served as executive directors for the whole year ended 31 March 2007. Mr. Ng Tin Shui was appointed as an executive director on 13 July 2006. Mr. Chu Kar Wing, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Ku Ling Yu John served as independent non-executive directors for the whole year ended 31 March 2007.

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

## 概覽

本公司之董事會(「董事會」)欣然於本年報內提呈截至二零零七年三月三十一日止年度之企業管治報告。

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

董事會將討論創業板上市規則附錄十五所載之企業管治常規守則(「企業管治守則」)載列之守則條文及本公司於截至二零零七年三月三十一日止年度遵守及偏離企業管治守則之情況。

## 董事進行之證券交易

本公司已採納有關董事進行證券交易之操守守則，條款不比創業板上市規則第5.48至5.67條之交易標準規定寬鬆。經向全體董事作出特定查詢後，董事於截至二零零七年三月三十一日止年度一直遵守有關操守守則及交易標準之規定。

## 董事會

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

董事會現時由八名成員組成，包括五名執行董事及三名獨立非執行董事。黃進強先生、馮卓能先生、唐佩芝小姐及王武樺先生於截至二零零七年三月三十一日止整個年度內一直擔任執行董事。吳天墅先生於二零零六年七月十三日獲委任為執行董事。朱嘉榮先生、陸海林博士及顧陵儒先生於截至二零零七年三月三十一日止整個年度內一直擔任獨立非執行董事。

董事會一年最少舉行四次會議，以檢討本集團之財務及營運表現。

## CORPORATE GOVERNANCE REPORT 企 業 管 治 報 告

There were 11 Board meetings held for the year ended 31 March 2007. Individual attendance of each Board member at these meetings is as follows:

截至二零零七年三月三十一日止年度舉行了11次董事會會議。各董事會成員出席該等會議之情況如下：

Name of Director	董事姓名	Attend/ Eligible to attend 出席次數/ 符合資格出席之次數
<b>Executive directors</b>		
Mr. Wong Chun Keung	黃進強先生	8/11
Mr. Wong Mo Wah Gordon	王武樺先生	9/11
Mr. Fung Cheuk Nang Clement	馮卓能先生	6/11
Ms. Tong Pui Chi Lucia	唐佩芝小姐	8/11
Mr. Ng Tin Shui	吳天墅先生	1/7
<b>Independent non-executive directors</b>		
Mr. Chu Kar Wing	朱嘉榮先生	8/11
Dr. Loke Yu (alias Loke Hoi Lam)	陸海林博士	7/11
Mr. Ku Ling Yu John	顧陵儒先生	8/11

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

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

#### DISTINCTIVE ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

#### 主席及行政總裁之不同角色

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

Mr. Wong Chun Keung is the chairman of the Company who is responsible for managing the Board and overseeing the formulation of corporate strategy of the Group. Mr. Wong Mo Wah Gordon is the chief executive officer of the Company who is responsible for the overall management and business operations of the group.

黃進強先生為本公司主席，負責管理董事會及監督本集團企業策略之制定。王武樺先生為本公司行政總裁，負責本集團之整體管理及業務營運。

# CORPORATE GOVERNANCE REPORT 企業管治報告

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

All the non-executive directors of the Company do not have a specific term of appointment. However, this deviation was rectified on 8 November 2006.

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

Article 87 of the articles of association of the Company does not require the chairman of the board and/or managing director of the Company to retire from his office at each annual general meeting. In order to ensure full compliance with the CG Code 4.2, a special resolution was proposed to amend the relevant provisions of the articles of association of the Company at the last general meeting on 30 August 2006 so that every director of the Company shall be subject to retirement by rotation at least once every three years.

## AUDIT COMMITTEE

An audit committee was established with written terms of reference in compliance with the relevant GEM Listing Rules. There are three members in the audit committee comprising three independent non-executive directors, namely, Mr. Chu Kar Wing, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Ku Ling Yu John. The primary duties of the audit committee are to review the Company's annual report and accounts, half-yearly report and quarterly reports and to provide advices and comments thereon to the Board. The audit committee meets at least four times a year with management to review the accounting principles and practices adopted by the Group and to discuss audit findings, internal control and financial reporting matters. The audit committee met four times during the year ended 31 March 2007, individual attendance of each committee member at these meetings is as follows:

Name of Director	董事姓名	Attend/ Eligible to attend 出席次數/ 符合資格出席之次數
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>	
Mr. Chu Kar Wing	朱嘉榮先生	4/4
Dr. Loke Yu (alias Loke Hoi Lam)	陸海林博士	3/4
Mr. Ku Ling Yu John	顧陵儒先生	4/4

The Group's audited consolidated results for the year ended 31 March 2007 have been reviewed by the audit committee.

## 董事之委任及重選

企業管治守則4.1規定非執行董事的委任應有指定任期，並須接受重新選舉。

本公司所有非執行董事並無指定任期。然而，該項偏離已於二零零六年十一月八日獲修正。

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

本公司組織章程細則第87條並無規定本公司之董事會主席及/或董事總經理於每次股東週年大會上退任。為確保完全遵守企業管治守則4.2，於二零零六年八月三十日舉行之上屆股東大會上，已提呈一項特別決議案，以修訂本公司之組織章程細則有關條文，致使每名董事須至少每三年輪值退任一次。

## 審核委員會

本公司已根據創業板上市規則之有關規定成立一個審核委員會，並以書面列出其權責範圍。審核委員會由三名成員組成，包括三位獨立非執行董事朱嘉榮先生、陸海林博士及顧陵儒先生。審核委員會之主要職責為審閱本公司之年報及賬目、半年度報告及季度報告，並就此向董事會提供建議及意見。審核委員會一年最少與管理層舉行四次會議，以檢討本集團所採納之會計原則及慣例，並討論審核結果、內部監控及財務報告事宜。於截至二零零七年三月三十一日止年度內，審核委員會舉行了四次會議，各委員會成員出席該等會議之情況如下：

本集團截至二零零七年三月三十一日止年度之經審核綜合業績已經審核委員會審閱。



# CORPORATE GOVERNANCE REPORT 企業管治報告

## REMUNERATION COMMITTEE

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

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

## 薪酬委員會

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

於回顧年度內，薪酬委員會舉行了三次會議，有關之出席記錄如下：

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

## REMUNERATION OF THE AUDITORS

For the year ended 31 March 2007, the Audit Committee had reviewed the performance of Messrs. HLB Hodgson Impey Cheng ("HLB") as the external auditors of the Company and proposed to re-appoint HLB as the external auditors. The auditors' remuneration for the year ended 31 March 2007 is HK\$300,000 (2006: HK\$275,000).

## 核數師酬金

截至二零零七年三月三十一日止年度，審核委員會已檢討國衛會計師事務所(「國衛」)作為本公司外聘核數師之表現，並建議續聘國衛為外聘核數師。截至二零零七年三月三十一日止年度之核數師酬金為300,000港元(二零零六年：275,000港元)。

# CORPORATE GOVERNANCE REPORT 企業管治報告

## RESPONSIBILITY FOR PREPARATION OF THE ACCOUNTS

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

## INTERNAL CONTROL

The Directors have overall responsibility for the establishment, maintenance and review of the Group's system of internal control. For the year ended 31 March 2007, the Directors periodically reviewed its internal control system to ensure its effectiveness and adequacy, which embraced financial, operational and risk management control.

## COMMUNICATION WITH EQUITY HOLDERS

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

## 編製賬目之責任

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

## 內部監控

董事對建立、維持及檢討本集團之內部監控制度具有整體責任。截至二零零七年三月三十一日止年度，董事定期檢討其內部監控制度，以確保其有效及足夠，涉及範圍包括財務、經營及風險管理控制。

## 與權益持有人之間之溝通

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

# DIRECTORS' REPORT 董事會報告

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

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in the sales of healthcare products in Hong Kong. The activities of its principal subsidiaries are set out in note 30 to the financial statements.

## RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2007 are set out on the consolidated income statement on page 26.

No interim dividend was declared for the year ended 31 March 2007 (2006: Nil).

The directors do not recommend the payment of a final dividend for the year ended 31 March 2007 (2006: Nil).

## FINANCIAL SUMMARY

A financial summary of the published results, assets, liabilities and minority interests of the Group for the last five financial years and reclassified as appropriated, is set out on page 76. This summary does not form part of the audited financial statements.

## RESERVES

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

## SHARE CAPITAL AND SHARE OPTIONS

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

On 29 November 2006, a total of 46,000,000 options have been granted to the employees of the Group to subscribe for a total of 46,000,000 shares of the Company at a price of HK\$0.153 per share. A total of 46,000,000 options were exercised by the option holders during the year ended 31 March 2007, which resulted a total of 46,000,000 shares were issued on the subscription. There was no option outstanding as at 31 March 2007. For the year ended 31 March 2006, no share options were granted. Details of the Company's share option scheme are set out in note 26 to the financial statements.

## PROPERTY, PLANT AND EQUIPMENT

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

董事會謹此呈報董事會年度報告及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

本公司乃一間投資控股公司。本集團之主要業務為在香港銷售保健產品。其主要附屬公司之業務活動載於財務報表附註30。

## 業績及股息

本集團截至二零零七年三月三十一日止年度之業績載於第26頁綜合損益表內。

截至二零零七年三月三十一日止年度並無宣派中期股息(二零零六年：無)。

董事會建議不派發截至二零零七年三月三十一日止年度之末期股息(二零零六年：無)。

## 財務概要

本集團過去五個財政年度之已公佈業績、資產、負債及少數股東權益財務概要已在適當情況下重新分類，並載於第76頁。此概要並不構成經審核財務報表之一部份。

## 儲備

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

## 股本及購股權

有關本公司股本之詳情載於財務報表附註21。

於二零零六年十一月二十九日，本集團僱員獲授予總計46,000,000份購股權以按每股0.153港元之價格認購合共本公司46,000,000股股份。於截至二零零七年三月三十一日止年度，購股權持有人合共行使46,000,000份購股權，導致合共46,000,000股股份於認購時獲發行。於二零零七年三月三十一日，並無尚未行使之購股權。截至二零零六年三月三十一日止年度，並無授出任何購股權。有關本公司購股權計劃之詳情載於財務報表附註26。

## 物業、廠房及設備

有關本集團於本年度內之物業、廠房及設備詳情載於財務報表附註16。

# DIRECTORS' REPORT 董事會報告

## DIRECTORS

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

### Executive directors:

Mr. Wong Chun Keung *Chairman*  
 Mr. Wong Mo Wah Gordon *Chief Executive Officer*  
 Mr. Fung Cheuk Nang Clement  
 Ms. Tong Pui Chi Lucia  
 Mr. Ng Tin Shui  
 (appointed on 13 July 2006)

### Independent non-executive directors

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

In accordance with the provisions of the Company's Articles of Association, Ms. Tong Pui Chi Lucia, Mr. Ng Tin Shui and Mr. Chu Kar Wing will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

## DIRECTORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service agreement with the Company for an initial term of three years which will continue thereafter until terminated by either party by giving to the other not less than three months prior written notice. Each of the independent non-executive directors has entered into a service agreement with the Company which shall expire on 30 June 2008. The agreement may be terminated by either party by giving to the other not less than one month prior written notice.

## DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the "Directors' Service Contracts" and the "Continuing Connected Transactions", no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## 董事

本公司於本年度及直至本報告刊發日期之董事如下：

### 執行董事：

黃進強先生主席  
 王武樺先生行政總裁  
 馮卓能先生  
 唐佩芝小姐  
 吳天墅先生  
 (於二零零六年七月十三日獲委任)

### 獨立非執行董事

朱嘉榮先生  
 陸海林博士  
 顧陵儒先生

根據本公司組織章程細則之條文，唐佩芝小姐、吳天墅先生及朱嘉榮先生將於即將舉行之股東週年大會上退任，惟符合資格並願意膺選連任。

## 董事服務合約

各執行董事均與本公司訂立服務協議，初步為期三年，且會繼續生效直至其中一方向另一方發出不少於三個月之預先書面通知終止為止。各獨立非執行董事已與本公司訂立服務協議，將於二零零八年六月三十日屆滿。該協議可以任何一方向另一方作出不少於一個月書面通知而終止。

## 董事於重大合約之權益

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



## DIRECTORS' REPORT 董事會報告

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 March 2007, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealings by directors as referred to in Rules 5.46 of the GEM Listing Rules were as follows:

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

Name of Directors	Type of interest	Number of shares	Interest in the Company's share capital
董事	權益類別	股份數目	於本公司之股本權益
Mr. Wong Chun Keung 黃進強先生	Corporate (Note) 企業 (附註)	354,980,000	47.20%
Mr. Fung Cheuk Nang Clement 馮卓能先生	Personal 個人	7,000,000	0.93%
Ms. Tong Pui Chi Lucia 唐佩芝小姐	Personal 個人	1,300,000	0.17%
Mr. Wong Mo Wah Gordon 王武樺先生	Personal 個人	7,000,000	0.93%

## Notes:

These shares are registered in the name of Excel Point Holdings Limited, a company wholly and beneficially owned by Mr. Wong Chun Keung.

## 董事及行政總裁於證券之權益

於二零零七年三月三十一日，本公司董事及行政總裁擁有根據證券及期貨條例（「證券及期貨條例」）第XV部之第7及第8分部須知會本公司及聯交所之本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券之權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益或淡倉），或根據證券及期貨條例第352條須記入本公司須保存之登記冊，或根據創業板上市規則第5.46條所述董事進行買賣之最低標準須知會本公司及聯交所之權益或淡倉如下：

## (1) 於本公司股份之好倉

Name of Directors	Type of interest	Number of shares	Interest in the Company's share capital
董事	權益類別	股份數目	於本公司之股本權益
Mr. Wong Chun Keung 黃進強先生	Corporate (Note) 企業 (附註)	354,980,000	47.20%
Mr. Fung Cheuk Nang Clement 馮卓能先生	Personal 個人	7,000,000	0.93%
Ms. Tong Pui Chi Lucia 唐佩芝小姐	Personal 個人	1,300,000	0.17%
Mr. Wong Mo Wah Gordon 王武樺先生	Personal 個人	7,000,000	0.93%

## 附註：

此等股份以Excel Point Holdings Limited名稱登記，彼為黃進強先生全資實益擁有。

## DIRECTORS' REPORT 董事會報告

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

Name of Directors	Date of grant of share options	Exercise price per share	Outstanding as at 01/04/2006 於二零零六年四月一日 尚未行使之購股權	Granted during the year 於期內授出之購股權	Exercised during the year 於期內行使之購股權	Lapsed/cancelled during the year 於期內失效/註銷之購股權	Outstanding as at 31/03/2007 於二零零七年三月三十一日 尚未行使之購股權	Expiry date 屆滿日期
Mr. Wong Mo Wah Gordon 王武權先生	29/11/2006 (Note) 二零零六年十一月二十九日 (附註)	0.153 每股股份行使價 HK\$ 港元	-	7,000,000	7,000,000	-	-	28/11/2009 二零零九年十一月二十八日
Mr. Fung Cheuk Nang Clement 馮卓能先生	29/11/2006 (Note) 二零零六年十一月二十九日 (附註)	0.153	-	7,000,000	7,000,000	-	-	28/11/2009 二零零九年十一月二十八日
Ms. Tong Pui Chi Lucia 唐佩芝小姐	29/11/2006 (Note) 二零零六年十一月二十九日 (附註)	0.153	-	7,000,000	7,000,000	-	-	28/11/2009 二零零九年十一月二十八日

## Note:

The grant of options on 29 November 2006 pursuant to the Share Option Scheme had been reviewed and approved by the Independent Non-executive Directors.

Save as disclosed above, as at 31 March 2007, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

## (2) 於本公司相關股份之好倉

Name of Directors	Date of grant of share options	Exercise price per share	Outstanding as at 01/04/2006 於二零零六年四月一日 尚未行使之購股權	Granted during the year 於期內授出之購股權	Exercised during the year 於期內行使之購股權	Lapsed/cancelled during the year 於期內失效/註銷之購股權	Outstanding as at 31/03/2007 於二零零七年三月三十一日 尚未行使之購股權	Expiry date 屆滿日期
Mr. Wong Mo Wah Gordon 王武權先生	29/11/2006 (Note) 二零零六年十一月二十九日 (附註)	0.153 每股股份行使價 HK\$ 港元	-	7,000,000	7,000,000	-	-	28/11/2009 二零零九年十一月二十八日
Mr. Fung Cheuk Nang Clement 馮卓能先生	29/11/2006 (Note) 二零零六年十一月二十九日 (附註)	0.153	-	7,000,000	7,000,000	-	-	28/11/2009 二零零九年十一月二十八日
Ms. Tong Pui Chi Lucia 唐佩芝小姐	29/11/2006 (Note) 二零零六年十一月二十九日 (附註)	0.153	-	7,000,000	7,000,000	-	-	28/11/2009 二零零九年十一月二十八日

## 附註:

根據購股權計劃於二零零六年十一月二十九日所授出之購股權已經由獨立非執行董事審核及批准。

除上文所披露者外，於二零零七年三月三十一日，本公司董事及行政總裁並無擁有根據證券及期貨條例第XV部之第7及第8分部須知會本公司及聯交所之本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券之任何權益或淡倉(包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益或淡倉)，或根據證券及期貨條例第352條須記入本公司須保存之登記冊，或根據創業板上市規則第5.46條須知會本公司及聯交所之權益或淡倉。

# DIRECTORS' REPORT 董事會報告

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the "Directors' and Chief Executives' Interests In Securities" above, at no time during the reporting period was the Company, or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the directors or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

## SUBSTANTIAL SHAREHOLDERS

As at 31 March 2007, the interests and short positions of persons, other than a director or chief executive officer of the Company, in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

### Number of shares held (long positions)

#### Name of shareholder

#### 股東名稱

Excel Point Holdings Limited (note 1)  
Mr. Wong Ching  
Ms. Chu Cheong Hing Jenny (note 2)  
Mr. Pang Wing Keung (note 2)

Excel Point Holdings Limited (附註1)  
王政先生  
朱昌馨小姐(附註2)  
彭永強先生(附註2)

#### Notes:

- Excel Point Holdings Limited is wholly and beneficially owned by Mr. Wong Chun Keung, the chairman of the Group.
- These are joint interests of spouse held by Ms. Chu Cheong Hing Jenny and Mr. Pang Wing Keung.

## 董事收購股份或債券之權利

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

## 主要股東

於二零零七年三月三十一日，擁有根據證券及期貨條例第XV部之第2及第3分部須向本公司披露所持有之本公司股份及相關股份之權益及淡倉，或直接或間接擁有可於本集團任何其他成員公司之股東大會之一切情況下附帶投票權利之任何類別股本之面值5%或以上之權益之人士(不包括本公司董事或行政總裁)，或根據證券及期貨條例第336條規定本公司須保存之登記冊所記錄之主要股東如下：

### 所持股份數目(好倉)

Direct/indirect interest 直接/間接權益	Approximate percentage of shareholding 控股概約百分比
-------------------------------------	---

354,980,000	47.20%
41,666,667	5.54%
40,160,128	5.34%
40,160,128	5.34%

#### 附註：

- Excel Point Holdings Limited由本集團主席黃進強先生全資實益擁有。
- 此為朱昌馨小姐及彭永強先生夫婦共有權益。

## DIRECTORS' REPORT 董事會報告

Save as disclosed above, as at 31 March 2007, the directors or chief executive officer of the Company were not aware of any other person (other than the directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under section 336 of the SFO.

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

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

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest suppliers of the Group accounted for approximately 71% of the Group's total purchases and the largest supplier of the Group accounted for approximately 18% of the Group's total purchases. Aggregate sales attributable to the Group's five largest customers were approximately 91% of the Group's sales while the largest customer of the Group accounted for approximately 75% of the Group's sales.

None of the directors, their associates or any shareholders of the Company (which to the knowledge of the directors own more than 5% of the issued capital of the Company) had any beneficial interest in the Group's major suppliers and customers for the financial year ended 31 March 2007.

### COMPETING INTERESTS

As at 31 March 2007, none of the directors, the management shareholders of the company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group.

除上文所披露者外，於二零零七年三月三十一日，就本公司董事或行政總裁所知，並無任何其他人士（不包括本公司董事或行政總裁）擁有根據證券及期貨條例第XV部之第2及第3分部須向本公司披露所持之本公司股份或相關股份之權益或淡倉，或直接或間接擁有可於本集團任何其他成員公司之股東大會之一切情況下附帶投票權利之任何類別股本之面值5%或以上之權益，或任何其他主要股東擁有須記入根據證券及期貨條例第336條規定本公司須保存之登記冊之權益或淡倉。

### 購買、贖回或出售本公司之上市證券

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

### 主要客戶及供應商

於本年度內，本集團前五名供應商佔本集團總購貨額約71%，而本集團最大供應商佔本集團總購貨額約18%。本集團前五名客戶之綜合銷售額佔本集團銷售額約91%，而本集團最大客戶佔本集團銷售額約75%。

各董事、彼等之聯繫人士或本公司任何股東（就各董事所知，擁有本公司已發行股本5%以上者）並無於截至二零零七年三月三十一日止財政年度內於上述本集團主要供應商及客戶中擁有任何實益權益。

### 競爭權益

於二零零七年三月三十一日，本公司各董事、管理層股東及彼等各自之聯繫人士（見創業板上市規則之定義）概無於與本集團業務構成嚴重競爭或可能構成嚴重競爭之業務中擁有任何權益。

## DIRECTORS' REPORT 董事會報告

### AUDITORS

The financial statements have been audited by HLB Hodgson Impey Cheng who retire and, being eligible, offer themselves for reappointment.

On behalf of the Board

**Wong Mo Wah Gordon**  
*Chief Executive Officer*

Hong Kong, 15 June 2007

### 核數師

財務報表已經國衛會計師事務所審核，國衛會計師事務所須退任，惟符合資格願意膺選連任。

代表董事會

行政總裁  
**王武樺**

香港，二零零七年六月十五日



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



Chartered Accountants  
Certified Public Accountants

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

We have audited the consolidated financial statements of New Chinese Medicine Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 26 to 75, which comprise the consolidated and company balance sheets as at 31 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.

#### **AUDITORS' 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, 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.

31/F, Gloucester Tower  
The Landmark  
11 Pedder Street, Central  
Hong Kong

**致新醫藥控股有限公司  
各股東**  
*(於開曼群島註冊成立之有限公司)*

本核數師行已完成審核新醫藥控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於第26至第75頁之綜合財務報表，包括綜合及貴公司截至二零零七年三月三十一日之資產負債表，及截至該日止年度之綜合損益表、綜合權益變動表及綜合現金流量表，及重大會計政策概要及其他附註。

#### **董事對財務報表之責任**

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

#### **核數師之責任**

本核數師之責任乃根據本核數師審核工作之結果，對該等綜合財務報表作出獨立意見，並只向全體股東報告，除此以外本報告別無其他目的。本核數師不會就本報告內容而向任何其他人士承擔或負上責任。本核數師根據香港會計師公會發出之香港核數準則進行審核工作。這些準則要求本核數師行遵守道德要求，及在計劃及進行核數工作中獲得充份憑證，就該等財務報表免除重大錯誤陳述作出合理之確定。

# INDEPENDENT AUDITORS' REPORT 獨立核數師報告

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

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

## OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2007 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

## HLB Hodgson Impey Cheng

*Chartered Accountants  
Certified Public Accountants*

Hong Kong, 15 June 2007

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

本核數師相信，本核數師已就審核意見獲得充分及合適審核憑證。

## 意見

本核數師認為，綜合財務報表均按照香港財務報告準則真實及公平地反映 貴集團及 貴公司於二零零七年三月三十一日之財務狀況及 貴集團於截至該日止年度之虧損及現金流量，並已根據香港公司條例之披露規定妥善編製。

## 國衛會計師事務所

*英國特許會計師  
香港執業會計師*

香港，二零零七年六月十五日

# CONSOLIDATED INCOME STATEMENT 綜合損益表

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

		Note	2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
		附註		
<b>Revenue</b>	收益	6	<b>14,692,426</b>	9,016,957
Cost of sales	銷售成本		<b>(13,850,010)</b>	(7,763,974)
<b>Gross profit</b>	毛利		<b>842,416</b>	1,252,983
Other income and gains	其他收入及收益	8	<b>3,504,243</b>	3,059,278
Operating expenses	經營開支		<b>(10,698,142)</b>	(5,175,815)
Finance costs	財務費用	9	<b>(276,859)</b>	(468,457)
<b>Loss before income tax</b>	所得稅前虧損		<b>(6,628,342)</b>	(1,332,011)
Income tax expense	所得稅開支	10	-	-
<b>Loss for the year</b>	年度虧損		<b>(6,628,342)</b>	(1,332,011)
<b>Attributable to:</b>	應佔：			
Equity holders of the Company	本公司股本持有人		<b>(6,628,342)</b>	(1,332,011)
Minority interests	少數股東權益		-	-
			<b>(6,628,342)</b>	(1,332,011)
<b>Loss per share attributable to the equity holders of the Company</b>	本公司股本持有人應佔每股虧損			
Basic and diluted (HK cents per share)	基本及攤薄(每股港仙)	15	<b>(1.0)</b>	(0.3)

# CONSOLIDATED BALANCE SHEET 綜合資產負債表

As at 31 March 2007 於二零零七年三月三十一日

	Note 附註	2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
<b>Non-current assets</b>			
Property, plant and equipment	16	180,743	72,880
<b>Current assets</b>			
Inventories of finished goods		1,866,650	990,957
Trade and other receivables	18	6,729,314	1,015,702
Bank balances and cash	19	11,538,414	13,516,622
		20,134,378	15,523,281
<b>Total assets</b>		20,315,121	15,596,161
<b>Current liabilities</b>			
Trade and other payables	20	5,082,914	6,552,315
<b>Net current assets</b>		15,051,464	8,970,966
<b>Total assets less current liabilities</b>		15,232,207	9,043,846
<b>Capital and reserves</b>			
Share capital	21	30,085,556	22,690,000
Reserves	22	(14,853,349)	(20,700,513)
Equity attributable to equity holders of the Company		15,232,207	1,989,487
Minority interests		-	-
<b>Total equity</b>		15,232,207	1,989,487
<b>Non-current liabilities</b>			
Convertible bond	23	-	7,054,359
		15,232,207	9,043,846

The consolidated financial statements on pages 26 to 75 were approved and authorized for issue by the board of directors on 15 June 2007 and are signed on its behalf by:

董事會已於二零零七年六月十五日批准及授權發行載於第26至75頁之綜合財務報表，並由下列人士代表簽署：

**Wong Chun Keung**  
黃進強  
Director  
董事

**Wong Mo Wah Gordon**  
王武樺  
Director  
董事

## BALANCE SHEET 資產負債表

As at 31 March 2007 於二零零七年三月三十一日

		Note 附註	2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Investments in subsidiaries	於附屬公司之投資	17	-	-
<b>Current assets</b>	<b>流動資產</b>			
Amounts due from subsidiaries	應收附屬公司款項	17	-	2,498,971
Trade and other receivables	應收賬款及其他應收款項	18	<b>126,226</b>	126,187
Bank balances and cash	銀行結存及現金	19	<b>6,648,330</b>	11,676,123
			<b>6,774,556</b>	14,301,281
<b>Total assets</b>	<b>總資產</b>		<b>6,774,556</b>	14,301,281
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付賬款及其他應付款項	20	<b>286,885</b>	289,485
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>6,487,671</b>	14,011,796
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>6,487,671</b>	14,011,796
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	21	<b>30,085,556</b>	22,690,000
Reserves	儲備	22	<b>(23,597,885)</b>	(15,732,563)
<b>Total equity</b>	<b>權益總額</b>		<b>6,487,671</b>	6,957,437
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible bond	可換股債券	23	-	7,054,359
			<b>6,487,671</b>	14,011,796

Wong Chun Keung

黃進強  
Director  
董事

Wong Mo Wah Gordon

王武樺  
Director  
董事



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

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

		Reserves 儲備									
		Share capital	Share premium	Convertible bond equity reserve	Share option reserve	Translation reserve	Special reserve	Accumulated losses	Total reserves	Minority interests	Total equity
		股本	股份溢價	可換股債券權益儲備	購股權儲備	換算儲備	特別儲備	累計虧損	儲備總額	股東權益	權益總額
		HKS 港元	HKS 港元	HKS 港元	HKS 港元	HKS 港元	HKS 港元	HKS 港元	HKS 港元	HKS 港元	HKS 港元
At 1 April 2005	於二零零五年四月一日	4,690,000	19,008,723	-	-	195,959	(39,998,440)	(997,235)	(21,790,993)	-	(17,100,993)
Exchange differences arising on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	-	125,797	-	-	125,797	-	125,797
Income recognized directly in equity	直接於權益確認之收入	-	-	-	-	125,797	-	-	125,797	-	125,797
Loss for the year	年度虧損	-	-	-	-	-	-	(1,332,011)	(1,332,011)	-	(1,332,011)
Total recognized income and expenses for the year	年度確認收入及支出總額	-	-	-	-	125,797	-	(1,332,011)	(1,206,214)	-	(1,206,214)
Issue of new shares under the share subscription agreement	根據股份認購協議發行新股份	18,000,000	-	-	-	-	-	-	-	-	18,000,000
Share issue expenses	股份發行費用	-	(739,100)	-	-	-	-	-	(739,100)	-	(739,100)
Issue of convertible bond	發行可換股債券	-	-	3,035,794	-	-	-	-	3,035,794	-	3,035,794
<b>At 31 March 2006 and 1 April 2006</b>	<b>於二零零六年三月三十一日及二零零六年四月一日</b>	<b>22,690,000</b>	<b>18,269,623</b>	<b>3,035,794</b>	<b>-</b>	<b>321,756</b>	<b>(39,998,440)</b>	<b>(2,329,246)</b>	<b>(20,700,513)</b>	<b>-</b>	<b>1,989,487</b>
Loss for the year	年度虧損	-	-	-	-	-	-	(6,628,342)	(6,628,342)	-	(6,628,342)
Total recognized income and expenses for the year	年度確認收入及支出總額	-	-	-	-	-	-	(6,628,342)	(6,628,342)	-	(6,628,342)
Transfer to profit or loss on disposal of foreign operations	出售海外業務時轉撥至溢利或虧損	-	-	-	-	(321,756)	-	-	(321,756)	-	(321,756)
Recognition of equity-settled share-based payments	確認以權益方式結算及以股份為基礎之付款	-	-	-	5,823,600	-	-	-	5,823,600	-	5,823,600
Issue of ordinary shares upon exercise of share options	行使購股權時發行普通股	1,840,000	11,021,600	-	(5,823,600)	-	-	-	5,198,000	-	7,038,000
Issue of ordinary shares upon conversion of convertible bond	於可換股債券獲轉換時發行普通股	5,555,556	4,811,456	(3,035,794)	-	-	-	-	1,775,662	-	7,331,218
<b>At 31 March 2007</b>	<b>於二零零七年三月三十一日</b>	<b>30,085,556</b>	<b>34,102,679</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39,998,440)</b>	<b>(8,957,588)</b>	<b>(14,853,349)</b>	<b>-</b>	<b>15,232,207</b>

The special reserve of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganization prior to the listing of the Company's shares in 2002.

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

# CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

	Note 附註	2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
<b>Operating activities</b>	<b>經營業務</b>		
Loss for the year	年內虧損	<b>(6,628,342)</b>	(1,332,011)
Adjustments for:	已就下列各項作出調整：		
Finance costs	財務費用	<b>276,859</b>	468,457
Interest income	利息收入	<b>(332,018)</b>	(281,115)
Gain arising from the Deed of Settlement	還款契據產生之收益	-	(2,229,743)
Gain on disposal of subsidiaries	出售附屬公司產生之收益	<b>(1,727,575)</b>	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生之虧損	-	258,078
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	<b>50,834</b>	25,095
Equity-settled share-based payment expenses	以權益方式結算及以股份為基礎之付款開支	<b>5,823,600</b>	-
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	<b>(2,536,642)</b>	(3,091,239)
Movements in working capital:	營運資金變動：		
Inventories of finished goods	製成品存貨	<b>(875,693)</b>	(228,644)
Trade and other receivables	應收賬款及其他應收款項	<b>(5,714,523)</b>	(492,985)
Trade and other payables	應付賬款及其他應付款項	<b>(62,673)</b>	(128,558)
Amount due to a director	應付一名董事款項	-	(36,540)
Cash used in operations	經營業務所耗現金	<b>(9,189,531)</b>	(3,977,966)
Interest paid	已付利息	-	(24,779)
Income tax paid	已付所得稅	-	(418)
<b>Net cash used in operating activities</b>	<b>經營業務所耗現金淨額</b>	<b>(9,189,531)</b>	(4,003,163)
<b>Investing activities</b>	<b>投資活動</b>		
Interest received	已收利息	<b>332,018</b>	281,115
Purchase of property, plant and equipment	購買物業、廠房及設備	<b>(158,697)</b>	(89,438)
Disposal of subsidiaries	出售附屬公司	<b>2</b>	-
<b>Net cash generated by investing activities</b>	<b>投資活動所得現金淨額</b>	<b>173,323</b>	191,677
<b>Financing activities</b>	<b>融資活動</b>		
Proceeds from issue of new ordinary shares	發行新普通股股份所得款項	<b>7,038,000</b>	17,260,900
Proceeds from unsecured loan	無抵押貸款所得款項	-	1,291,763
Repayment of unsecured loan	償還無抵押貸款	-	(1,566,692)
<b>Net cash generated by financing activities</b>	<b>融資活動所得現金淨額</b>	<b>7,038,000</b>	16,985,971
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>現金或現金等值物之增加/(減少)淨額</b>	<b>(1,978,208)</b>	13,174,485
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>財政年度初之現金及現金等值物</b>	<b>13,516,622</b>	216,340
Effects of exchange rate changes	匯兌率改變之影響	-	125,797
<b>Cash and cash equivalents at the end of the financial year</b>	<b>財政年度末之現金及現金等值物</b>	<b>11,538,414</b>	13,516,622

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 1. GENERAL

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

The Company's registered office is situate at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT George Town, Grand Cayman, Cayman Islands, British West Indies. The Company's principal place of business in Hong Kong is situate at Room 802, Tower I, Harbour Centre, 1 Hok Cheung Street, Hunghom, Kowloon, Hong Kong.

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

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

## 1. 一般資料

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

本公司註冊辦事處位於Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT George Town, Grand Cayman, Cayman Islands, British West Indies。本公司在香港的主要營業地址位於香港九龍紅磡鶴翔街1號維港中心一期802室。

綜合財務報表以港元列賬，港元等同本公司功能貨幣。

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

**2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations (the “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of these new HKFRSs has had no material impact on the amounts reported for the current or prior accounting years.

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors anticipate that the application of these new standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

**2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)**

於本年度，本集團已首次應用香港會計師公會(「香港會計師公會」)頒佈之若干新訂準則、修訂及詮釋，其於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間起生效。採納該等新訂香港財務報告準則對本會計年度或過往會計年度所呈報的金額並無重大影響。

本集團並無提早應用下列已頒佈但尚未生效之新訂準則、修訂或詮釋。董事預期，應用該等新訂準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

	Note 附註
HKAS 1 (Amendment) 香港會計準則第1號(經修訂)	Capital Disclosures 股本披露 1
HKFRS 7 香港財務報告準則第7號	Financial Instruments: Disclosures 財務工具：披露 1
HKFRS 8 香港財務報告準則第8號	Operating Segments 經營分部 7
HK(IFRIC)-Int 8 香港(國際財務報告詮釋委員會)－詮釋第8號	Scope of HKFRS 2 香港財務報告準則第2號之範疇 2
HK(IFRIC)-Int 9 香港(國際財務報告詮釋委員會)－詮釋第9號	Reassessment of Embedded Derivatives 重估嵌入式衍生工具 3
HK(IFRIC)-Int 10 香港(國際財務報告詮釋委員會)－詮釋第10號	Interim Financial Reporting and Impairment 中期財務報告及減值 4
HK(IFRIC)-Int 11 香港(國際財務報告詮釋委員會)－詮釋第11號	HKFRS 2-Group and Treasury Share Transactions 香港財務報告準則第2號－集團及庫存股份交易 5
HK(IFRIC)-Int 12 香港(國際財務報告詮釋委員會)－詮釋第12號	Service Concession Arrangements 服務經營權安排 6

Notes:

- Effective for annual periods beginning on or after 1 January 2007
- Effective for annual periods beginning on or after 1 May 2006
- Effective for annual periods beginning on or after 1 June 2006
- Effective for annual periods beginning on or after 1 November 2006
- Effective for annual periods beginning on or after 1 March 2007
- Effective for annual periods beginning on or after 1 January 2008
- Effective for annual periods beginning on or after 1 January 2009

附註：

- 於二零零七年一月一日或之後開始之年度期間生效
- 於二零零六年五月一日或之後開始之年度期間生效
- 於二零零六年六月一日或之後開始之年度期間生效
- 於二零零六年十一月一日或之後開始之年度期間生效
- 於二零零七年三月一日或之後開始之年度期間生效
- 於二零零八年一月一日或之後開始之年度期間生效
- 於二零零九年一月一日或之後開始之年度期間生效

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

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

**Basis of consolidation**

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

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

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

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

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

**3. 主要會計政策**

綜合財務報表乃按照歷史成本基準編製，惟若干財務工具則以公平值計量，見下文會計政策所述。

綜合財務報表按香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所創業板證券上市規則及香港公司條例所規定之適用披露資料。

**綜合賬目基準**

綜合財務報表包括本公司及由本公司控制之實體(包括特設實體)(其附屬公司)之財務報表。當本公司有權力規管該實體之財務及營運政策，並從其業務中獲取利益時，則屬擁有控制權。

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

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

所有集團內公司間之交易、結餘、收入及開支於綜合賬目時對銷。

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Goodwill**

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

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

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year.

When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

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

## 3. 主要會計政策(續)

**商譽**

收購附屬公司所產生之商譽指收購成本超出收購日本集團應佔有關附屬公司之可識別資產，負債及或然負債之公平值權益之差額。該項商譽按成本減任何累計減值虧損列賬。

因收購附屬公司所產生而撥充資本之商譽，於綜合資產負債表獨立呈列。

就減值測試而言，因收購所產生之商譽會分配至預期自收購所產生協同效益之有關現金產生單位或多個現金產生單位。已獲分配商譽之現金產生單位將於每年及每當有跡象顯示該單位可能出現減值時測試減值。就因收購產生商譽之財政年度而言，已獲分配商譽之現金產生單位將於該財政年度結束前測試減值。

倘現金產生單位之可收回金額低於該單位之賬面值，則減值虧損會首先用作減低分配至該單位之任何商譽之賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。商譽之任何減值虧損於綜合損益表直接確認。商譽減值虧損不會於往後期間撥回。

倘往後出售附屬公司，於釐定出售所得損益金額時將會包括已撥充資本之商譽應佔金額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue recognition

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

- (i) Sales of goods are recognized when goods are delivered and title has passed.
- (ii) Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

### Property, plant and equipment

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

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

Leasehold improvements	Over the shorter of the term of the lease or 5 years
Computer equipment and systems	30%
Furniture, fixtures and equipment	20%
Motor vehicles	30%

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

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

## 3. 主要會計政策 (續)

### 收益確認

收益乃以已收或應收代價之公平值計量，並為就日常業務過程中已提供貨品之應收款項，扣除折扣及銷售之相關稅項。

- (i) 當交付貨品及所有權獲轉讓時，則確認貨品銷售。
- (ii) 財務資產之利息收入乃按時間基準累計，參考尚餘本金額並按適用實際利率計算，實際利率則為透過財務資產之預期年期貼現日後收取現金至該資產賬面淨值之百分率。

### 物業、廠房及設備

物業、廠房及設備按成本減其後累計折舊及累計減值虧損列賬。

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

租賃裝修	按租約年期或5年兩者之較短者為準
電腦設備及系統	30%
傢俬、裝置及設備	20%
汽車	30%

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

物業、廠房及設備項目於出售時或預期不會自持續使用資產而產生日後經濟利益時取消確認。取消確認資產所產生之任何收益或虧損(按出售所得款項淨額與項目賬面值之間差額計算)於項目取消確認之年度計入綜合損益表。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Leasing**

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

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

**Foreign currencies**

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

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

## 3. 主要會計政策(續)

**租賃**

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

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

**外幣**

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣(外幣)進行之交易，乃按交易日期之適用匯率折算為其功能貨幣(即該實體經營業務所在主要經濟環境之貨幣)入賬。於各結算日，以外幣列值之貨幣項目乃按該結算日之適用匯率重新換算。按公平值列賬並以外幣列值之非貨幣項目，乃按釐定其公平值當日之適用匯率重新換算。按歷史成本計量並以外幣列值之非貨幣項目不予重新換算。

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Foreign currencies (continued)**

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

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

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalized as part of the cost of those assets. Capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

**Retirement benefit costs**

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions.

## 3. 主要會計政策 (續)

**外幣 (續)**

就綜合財務報表之呈列方式而言，本集團海外業務之資產與負債按於結算日適用之匯率換算為本集團之呈列貨幣(即港元)，而其收入及開支則按該年度之平均匯率換算，惟匯率於該期間大幅波動則除外，於此情況下，則採用各交易日期適用之匯率換算。所產生之匯兌差額(如有)確認為股本權益之獨立部分(換算儲備)。該等匯兌差額於出售海外業務期間之損益賬內確認。

收購海外業務所產生之商譽及所收購可識別資產之公平值變動，均當作該海外業務之資產與負債處理，並按於結算日適用之匯率換算。所產生之匯兌差額於換算儲備內確認。

**借貸成本**

收購、建築或生產合資格資產直接應佔之借貸成本會資本化作為該等資產的成本之一部分。該等借貸成本會於資產大致可根據其預期用途使用或銷售時停止資本化。未用於合資格資產的特定借款用於暫時投資賺得的投資收益會於可資本化的借貸成本中扣除。

所有其他借貸成本乃於其產生的期間於損益賬中確認。

**退休福利成本**

當僱員提供服務以有權獲取供款時，向定額供款退休福利計劃付款乃計入為開支。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Taxation**

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

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

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

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

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

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

## 3. 主要會計政策(續)

**稅項**

稅項包括當期應付所得稅及遞延稅項。

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

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

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

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

遞延稅項按預期適用於清償負債或變賣資產期間之稅率計算。遞延稅項於損益賬扣除或計入，惟倘遞延稅項涉及於股本權益直接扣除或計入之項目，則遞延稅項亦於股本權益內處理。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the first-in, first-out method.

**Financial instruments**

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

Financial assets

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

## 3. 主要會計政策 (續)

**存貨**

存貨以成本及可變現淨值兩者之較低者列賬。成本乃採用先進先出法計算。

**財務工具**

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

財務資產

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

## 3. 主要會計政策 (續)

**財務工具 (續)**財務資產 (續)**按公平值計入損益之財務資產**

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

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

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

初始確認後在每個各結算日，按公平值計入損益之財務資產以公平值計量，公平值變動在出現期間直接在損益確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Financial instruments (continued)***Financial assets (continued)***Loans and receivables**

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

**Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. At each balance sheet date subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any identified impairment losses. An impairment loss is recognized in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed on initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognized, subject to the restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

## 3. 主要會計政策 (續)

**財務工具 (續)***財務資產 (續)***貸款及應收款項**

貸款及應收款項為附帶固定或待付付款之非衍生財務資產，且並無在活躍市場報價。於初次確認後之各結算日，貸款及應收款項(包括應收賬款及其他應收款項及銀行結餘)乃採用實際利率法按已攤銷成本扣除任何已識別減值虧損列賬。倘有客觀證據顯示資產出現減值，則於損益賬確認減值虧損，並按資產賬面值與按原實際利率折算之估計未來現金流量現值之間差額計量。當資產之可收回金額增加可客觀地與確認減值後發生之事件聯繫，則減值虧損於其後期間撥回，惟於撥回減值日期之資產賬面值不得超逾假設並無確認減值之原有攤銷成本。

**持有至到期日之投資**

持有至到期日之投資為具有固定或可釐定付款及固定到期日令本集團管理層有正面意向及能力持有至到期之非衍生財務資產。於初始確認後之每個結算日，持有至到期日之投資乃以實際利率法按攤銷成本減任何已識別減值虧損計量。倘有客觀憑證資產出現減值，則於損益賬確認減值虧損，並按資產賬面值與於初始確認時按實際利率法計算貼現之估計未來現金流現值間之差額計量。倘投資之可收回金額增加客觀地與減值確認後發生之事件有關，則減值虧損會於往後期間撥回，前提為減值撥回當日資產之賬面值並不超逾倘並無確認減值之原有攤銷成本水平。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Financial instruments (continued)**Financial assets (continued)**Available-for-sale financial assets**

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

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

Financial liabilities and equity

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

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

## 3. 主要會計政策(續)

**財務工具(續)**財務資產(續)**可出售財務資產**

可出售財務資產乃指定或並未分類為按公平值計入損益之財務資產、貸款及應收款項或持有至到期日之財務資產之非衍生工具。於初始確認後之每個結算日，可出售財務資產按公平值計算。公平值之變動於權益中確認，直至該財務資產被出售或決定出現減值，屆時過往於權益中確認之累計收益或虧損會自權益中剔除，並於損益賬確認。可出售財務資產之任何減值虧損於損益賬確認。可出售股本投資之減值虧損將不會於以後期間撥回。就可出售債項投資而言，倘該投資公平值之增加可客觀地與確認減值虧損後之事件有關，則減值虧損將予撥回。

就並無活躍市場之市價報價及其公平值未能可靠計算及與其相關之衍生工具必須以交付有關非報價股本工具結付之可出售股本投資而言，於初始確認後之各個結算日按成本值減任何已識別減值虧損計算。倘具備客觀證明資產減值，則減值虧損會在損益中確認。減值虧損數額按資產賬面值與按類似財務資產之現行市場回報率折現估計未來現金流量之現值間之差額計算。該等減值虧損將不會於其後期間撥回。

財務負債及股本權益

由集團實體發行之財務負債及股本工具，乃按所訂立合約安排性質以及財務負債及股本工具之定義分類。

股本工具乃集團資產於扣除其所有負債後仍存有剩餘權益之任何合約。本集團之財務負債一般獲分類為按公平值計入損益之財務負債及其他財務負債。就財務負債及股本工具所採納之會計政策如下。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Financial instruments (continued)****Financial liabilities and equity (continued)****Financial liabilities at fair value through profit or loss**

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

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

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

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

**Other financial liabilities**

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

## 3. 主要會計政策 (續)

**財務工具 (續)****財務負債及股本權益 (續)****按公平值計入損益之財務負債**

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

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

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

初始確認後在每個各別結算日，按公平值計入損益之財務負債以公平值計量，公平值變動在出現期間直接在損益確認。

**其他財務負債**

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Financial instruments (continued)**Financial liabilities and equity (continued)**Convertible bonds**

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

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

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

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

## 3. 主要會計政策 (續)

**財務工具 (續)**財務負債及股本權益 (續)**可換股債券**

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Financial instruments (continued)**Financial liabilities and equity (continued)**Equity instruments**

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

Consideration paid to reacquire the Company's own equity instruments are deducted from equity. No gain or loss is recognized in profit or loss.

Financial guarantee contracts

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

Derecognition

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

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

## 3. 主要會計政策 (續)

**財務工具 (續)**財務負債及股本權益 (續)**股本工具**

由本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

支付作重新購買本公司本身之股本工具之代價從股本中扣減。概無於損益賬確認收益或虧損。

財務擔保合約

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

取消確認

若從資產收取現金流量之權利已到期，或財務資產已轉讓及本集團已將其於財務資產擁有權之絕大部份風險及回報轉移，則財務資產將被取消確認。於取消確認財務資產時，資產賬面值與已收取代價及已直接於股本權益確認之累計損益之總和之差額，將於損益中確認。

倘於有關合約之特定責任獲解除、取消或到期，則財務負債將予取消確認。取消確認之財務負債賬面值與已付代價之差額乃於損益中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Provisions**

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

**Share-based payment transactions**Equity-settled share-based payment transactions

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

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

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

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

Cash-settled share-based payment transactions

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

## 3. 主要會計政策(續)

**撥備**

當本集團因過往事件承擔現有責任，且本集團將有可能須償付該項債務時，則會確認撥備。撥備按董事所作最佳估計於結算日用作償還債務之支出計算，並於出現重大影響時貼現至現值。

**股份為基礎之付款交易**

以權益方式結算及以股份為基礎之付款交易  
就授予僱員之購股權而言，參考於授出日期已授出購股權之公平值釐定之所獲取服務之公平值於歸屬期間以直線基準支銷，而權益(購股權儲備)亦會相應增加。

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

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

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

以現金結算及以股份為基礎之付款交易

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Impairment losses (other than goodwill)**

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

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

## 3. 主要會計政策 (續)

**減值虧損 (商譽除外)**

本集團於每個結算日檢討其有形及無形資產之賬面值，以釐定該等資產有否出現減值虧損跡象。倘資產之可收回金額估計低於其賬面值，則資產之賬面值將撇減至其可收回金額。減值虧損即時確認為開支。

倘減值虧損隨後撥回，資產賬面值將增加至其可收回金額之經修訂估計數字，惟因此而增加之賬面值不可超過假設於過往年度並無就該資產確認減值虧損而原應釐定之賬面值。所撥回之減值虧損即時確認為收入。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

### (a) Estimated useful lives of property, plant and equipment

Management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charges where useful lives are less than previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

### (b) Impairment loss of trade and other receivables

The Group's policy for doubtful receivables is based on the on-going evaluation of the collectability and ageing analysis of the trade and other receivables and on management's judgments. Considerable judgment is required in assessing the ultimate realization of these receivables, including the current creditworthiness and the past collection history of each debtor, and the present values of the estimated future cash flows discounted at the effective interest rates. If the financial conditions of the Group's debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment loss of trade and other receivables may be required.

## 4. 重要會計判斷及不確定預測之主要來源

關於將來之主要假設及於結算日之不確定預測之其他主要來源，從而導致下一個財政年度之資產及負債賬面值出現大幅調整之重大風險如下：

### (a) 物業、廠房及設備之估計可用年期

管理層釐定物業、廠房及設備之估計可用年期及相關之折舊支出。此項估計乃根據類別與功能類同之物業、廠房及設備之實際可用年期之過往經驗而釐定。科技革新及競爭對手因應行業週期嚴峻情況而作出回應可令其出現顯著改變。管理層會將於可用年期少於先前估計時增加折舊支出，或將技術上過時或已廢棄或變賣之非策略性資產撇銷或撇減。

### (b) 應收賬款及其他應收款項之減值虧損

本集團之應收款項呆賬政策乃按持續評估貿易應收款項之收回可能性及賬齡分析及按照管理層之判斷而制訂。評估該等應收款項之最終變現可能性時需要作出大量判斷，包括每名客戶目前之信用情況及過往收回款項記錄，以及按實際利率貼現之估計未來現金流量現值。倘本集團應收賬項客戶之財務狀況惡化，導致其付款能力受損，則本集團可能需要確認額外之應收貿易款項及其他應收款項之減值虧損。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include bank balances, trade and other receivables, trade and other payables and convertible bond. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**Market risk***Currency risk*

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

*Cash flow and fair value interest rate risk*

As the Group has no significant interest-bearing assets and liabilities as at 31 March 2007, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

*Price risk*

The Group is not subject to significant price risk.

**Credit risk**

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

## 5. 財務風險管理目標及政策

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

**市場風險***貨幣風險*

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

*現金流及公平值利率風險*

由於本集團截至二零零七年三月三十一日沒有重大附息資產及負債，本集團之收益及經營現金流大致不受市場利率轉變影響。

*價格風險*

本集團並未受到重大價格風險影響。

**信貸風險**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**Liquidity risk**

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

## 6. REVENUE

		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Revenue from sales of goods	銷售貨品收益	<b>14,692,426</b>	9,016,957

## 7. BUSINESS AND GEOGRAPHICAL SEGMENTS

**Business segments**

No further business segment information is presented as the Group's operations relate solely to the sales of healthcare products in Hong Kong.

**Geographical segments**

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

## 5. 重要會計判斷及不確定預測之主要來源 (續)

**流動資金風險**

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

## 6. 收益

## 7. 業務及地區分類

**業務分類**

本集團之經營業務主要在香港出售保健產品，因此並無陳列進一步之業務分類資料。

**地區分類**

在決定本集團之地區分類時，收益所歸屬之業務按顧客地區決定，而資產所歸屬之業務按資產所在地決定。本集團超過90%收益來自香港客戶，及超過90%資產位於香港，因此並無陳列進一步之地區分類資料。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 8. OTHER INCOME AND GAINS

## 8. 其他收入及收益

		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Interest income on bank deposits	銀行存款之利息收入	332,018	281,115
Gain arising from the Deed of Settlement (Note)	還款契據產生之收益(附註)	-	2,229,743
Gain on disposal of subsidiaries (Note 24)	出售附屬公司收益(附註24)	1,727,575	-
Foreign exchange gain, net	外匯收益淨額	209	1,730
Sub-lease rental income	分租租金收入	-	204,375
Sundry income	雜項收入	1,444,441	342,315
		<b>3,504,243</b>	<b>3,059,278</b>

Note:

On 25 November 2005, the Company announced that it had entered into a deed of settlement dated 24 November 2005 (the "Deed of Settlement") with Mr. Ng Siu Fung (the "Creditor"), pursuant to which the Creditor irrevocably agreed that the Remaining Indebtedness (as defined below) of HK\$12,229,742.70 shall be settled by the issuance of a redeemable convertible bond (the "convertible bond") by the Company to the Creditor in the aggregate principal amount of HK\$10,000,000 with a term of 5 years. A gain of HK\$2,229,743 arising therefrom was taken to the consolidated income statement for the year ended 31 March 2006.

By a loan agreement dated 17 January 2005 entered into between the Creditor and the Company, the Creditor agreed to advance up to the extent of HK\$15,000,000 to the Company and the Company promised to repay the Creditor principal plus interest accrued at the rate of 5.25% per annum on or before 30 June 2006. The Creditor advanced an aggregated sum of approximately HK\$13,095,017.72 to the Company as working capital since entering into of the said loan agreement, and as at the date of the Deed of Settlement, the balance of the indebtedness outstanding, inclusive of principal, interests, fees, costs or otherwise (the "Remaining Indebtedness"), amounted to HK\$12,229,742.70.

In consideration of the Creditor agreeing to settle the Remaining Indebtedness pursuant to the Deed of Settlement, the Company entered into a bond subscription agreement with the Creditor on 24 November 2005, pursuant to which the Company agreed to issue and the Creditor agreed to subscribe for the convertible bond. The convertible bond was issued to the Creditor on 27 January 2006. The movements and major terms of the convertible bond are set out in **Note 23** to the consolidated financial statements.

附註：

於二零零五年十一月二十五日，本公司宣佈於二零零五年十一月二十四日與吳小峯先生(「債權人」)訂立還款契據(「還款契據」)，據此，債權人不可撤回地同意，本公司向債權人發行本金總額為10,000,000港元之五年期可贖回可換股債券(「可換股債券」)以償還12,229,742.70港元之債項(「剩餘債項」)。因此項還款契據產生的2,229,743港元收益撥入截至二零零六年三月三十一日止年度至綜合收益表。

根據債權人與本公司於二零零五年一月十七日訂立之貸款協議，債權人同意墊付最高15,000,000港元予本公司，而本公司承諾於二零零六年六月三十日或之前向債權人償還本金加按年利率5.25厘計算之累計利息。自訂立上述貸款協議以來，債權人曾墊付合共約13,095,017.72港元予本公司作為營運資金，而截至還款契據日期，未償還債項結餘，包括本金、利息、費用、成本或其他，(「剩餘債項」)為12,229,742.70港元。

就債權人同意根據還款契據收回剩餘債項，本公司於二零零五年十一月二十四日與債權人訂立認購債券協議，根據認購債券協議，本公司同意發行而債權人同意認購可換股債券。可換股債券已於二零零六年一月二十七日發行予債權人。可換股債券的變動及主要條款載於附註23。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 9. FINANCE COSTS

## 9. 財務費用

		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Imputed interest expense on the convertible bond	可換股債券之推算利息開支	<b>276,859</b>	90,153
Interest on unsecured loan wholly repayable within five years	須於五年內悉數償還之 無抵押貸款利息	-	353,525
Other interest paid	其他已付利息	-	24,779
		<b>276,859</b>	468,457

## 10. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No provision for Hong Kong profits tax has been made in the financial statements as the Company and its subsidiaries had no assessable profits arising in Hong Kong for the year (2006: Nil).

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate of 17.5% (2006: 17.5%) as follows:

## 10. 所得稅開支

香港利得稅按年內估計應課稅溢利的17.5%計算(二零零六年: 17.5%)。於其他司法權區產生之稅項按有關司法權區當時適用的稅率計算。

由於本集團及其附屬公司於本年度內在香港並無產生應課稅溢利，故並無於財務報表內就香港利得稅作出撥備(二零零六年: 無)。

就本集團所得稅前虧損之稅務與運用香港利得稅率17.5%(二零零六年: 17.5%)計算之理論金額之差異如下:

		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Loss before income tax	所得稅前虧損	<b>(6,628,342)</b>	(1,332,011)
Tax calculated at Hong Kong profits tax rate	按照香港利得稅率計算之稅項	<b>(1,159,960)</b>	(233,102)
Income not taxable for tax purpose	毋須課稅之收入	<b>(3,237,958)</b>	(468,260)
Expenses not deductible for tax purpose	不可扣稅之開支	<b>245,755</b>	77,335
Tax effect of temporary differences not recognized	未確認暫時差額之稅務影響	<b>(12,905)</b>	(69,696)
Tax losses for which no deferred tax asset was recognized	並無遞延稅項資產獲確認之 稅務虧損	<b>546,658</b>	346,477
Others	其他	<b>3,618,410</b>	347,246
Income tax expense	所得稅開支	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 10. INCOME TAX EXPENSE (continued)

No deferred tax liabilities are recognized in the financial statements as the Group and the Company did not have material temporary difference arising between the tax bases of assets and liabilities and their carrying amounts as at 31 March 2007 (2006: Nil). The Group's deferred tax assets not recognized in the financial statements are as follows:

		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Tax losses	稅項虧損	3,618,588	3,076,716
Accelerated depreciation allowance	加速折舊撥備	39,463	10,892
		<b>3,658,051</b>	<b>3,087,608</b>

Deferred tax assets are recognized for tax losses carried forward to the extent that realization of the related tax benefit through future taxable profit is probable. No deferred tax assets are recognized in the Group's financial statements as it is uncertain as to whether these tax benefits will be utilized in the foreseeable future. The tax losses arising from subsidiaries operating in Hong Kong are subject to approval by the Inland Revenue Department of Hong Kong.

## 10. 所得稅開支(續)

於二零零七年三月三十一日，由於本集團及本公司資產及負債之稅基與賬面值並無重大暫時差異，故於財務報表內並無確認遞延稅項負債(二零零六年：無)。並無於財務報表內確認之本集團遞延稅項資產如下：

遞延稅項資產乃因應相關稅務利益可通過未來應課稅溢利變現而就結轉之稅務虧損作確認。由於未能肯定該等稅務利益是否會於可見將來獲動用，因此並無於本集團財務報表確認遞延稅項資產。在香港營運之附屬公司產生之稅務虧損須待香港稅務局審批後方可作實。

## 11. LOSS BEFORE INCOME TAX

		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Loss before income tax has been arrived at after charging:	所得稅前虧損已扣除下列各項：		
Auditors' remuneration	核數師酬金	300,000	275,000
Depreciation of property, plant and equipment	物業、廠房及設備折舊	50,834	25,095
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	—	258,078
Inventories written off	存貨撇銷	—	381,156
Operating lease rentals in respect of rented premises	有關租賃物業之經營租賃租金	147,000	445,800
Cost of inventories expensed	存貨成本支銷	13,850,010	7,763,974
Employee benefits expense (including directors' remuneration):	僱員福利開支(包括董事酬金)：		
– Salaries and allowances	– 薪金及津貼	1,995,109	1,772,424
– Equity-settled share-based payments	– 以權益方式結算及以股份為基礎之付款	5,823,600	—
– Contributions to defined contributions plans	– 向界定供款計劃供款	39,219	29,096
		<b>7,857,928</b>	<b>1,801,520</b>

## 11. 所得稅前虧損



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 12. DIRECTORS' EMOLUMENTS

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

## 12. 董事酬金

已付或應付本公司各董事之酬金如下：

		Salaries and other benefits	Share-based payments	Contributions to retirement benefits schemes	Total
For the year ended 31 March 2007	Fees	薪金及 其他利益	以股份為 基礎之付款	退休福利 計劃供款	總額
截至二零零七年三月三十一日止年度	袍金	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
<b>Executive directors</b>	<b>執行董事</b>				
Mr. Wong Chun Keung	黃進強先生	-	-	-	-
Mr. Wong Mo Wah Gordon	王武禪先生	-	189,000	7,500	1,082,700
Mr. Fung Cheuk Nang Clement	馮卓能先生	-	886,200	-	886,200
Ms. Tong Pui Chi Lucia	唐佩芝小姐	-	886,200	9,000	1,205,836
Mr. Ng Tin Shui (Appointed on 13 July 2006)	吳天墜先生 (於二零零六年 七月十三日獲委任)	-	-	-	-
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>				
Mr. Chu Kar Wing	朱嘉榮先生	96,000	-	-	96,000
Dr. Loke Hoi Lam	陸海林博士	96,000	-	-	96,000
Mr. Ku Ling Yu John	顧陵儒先生	96,000	-	-	96,000
<b>Total</b>	<b>總額</b>	<b>288,000</b>	<b>499,636</b>	<b>16,500</b>	<b>3,462,736</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 12. DIRECTORS' EMOLUMENTS (continued)

## 12. 董事酬金 (續)

For the year ended 31 March 2006	Fees	Salaries and other benefits	Share-based payments	Contributions to retirement benefits schemes	Total
截至二零零六年三月三十一日止年度	袍金	薪金及其他利益	以股份為基礎之付款	退休福利計劃供款	總額
	HK\$	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元	港元
<b>Executive directors 執行董事</b>					
Mr. Wong Chun Keung (Appointed on 20 July 2005)		黃進強先生(於二零零五年七月二十日獲委任)	-	-	-
Mr. Fung Cheuk Nang Clement (Appointed on 20 July 2005)		馮卓能先生(於二零零五年七月二十日獲委任)	-	-	-
Ms. Tong Pui Chi Lucia (Appointed on 20 July 2005)		唐佩芝小姐(於二零零五年七月二十日獲委任)	-	-	-
Mr. Wong Mo Wah Gordon (Appointed on 29 December 2005)		王武禛先生(於二零零五年十二月二十九日獲委任)	-	7,000	248,027
Mr. Wong Cheah Foo (Resigned on 20 July 2005)		黃齊富先生(於二零零五年七月二十日辭任)	-	-	-
Ms. Leung Oi Wah (Resigned on 20 July 2005)		梁愛華女士(於二零零五年七月二十日辭任)	-	-	-
Mr. Kam Yiu Ming Wilfred (Resigned on 31 August 2005)		甘耀明先生(於二零零五年八月三十一日辭任)	-	4,000	156,000
Mr. Gao Junqing (Resigned on 20 July 2005)		高俊清先生(於二零零五年七月二十日辭任)	-	-	-
Mr. Lin Daquan (Resigned on 20 July 2005)		林大全教授(於二零零五年七月二十日辭任)	-	-	-
<b>Independent non-executive directors 獨立非執行董事</b>					
Mr. Chu Kar Wing	96,000	朱嘉榮先生	-	-	96,000
Dr. Loke Hoi Lam	96,000	陸海林博士	-	-	96,000
Mr. Ku Ling Yu John (Appointed on 20 July 2005)	67,097	顧陵儒先生(於二零零五年七月二十日獲委任)	-	-	67,097
Mr. Junya Kabeya (Resigned on 20 July 2005)	-	壁谷順也先生(於二零零五年七月二十日辭任)	-	-	-
<b>Total</b>	<b>總額</b>				
	259,097	393,027	-	11,000	663,124

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

**12. DIRECTORS' EMOLUMENTS (continued)**

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2006: Nil).

During the year ended 31 March 2007, Mr. Wong Chun Keung waived emoluments of HK\$576,000 (2006: HK\$402,581); Mr. Fung Cheuk Nang Clement waived emoluments of HK\$456,000 (2006: HK\$318,710), Ms. Tong Pui Chi Lucia waived emoluments of HK\$162,000 (2006: HK\$318,710); Mr. Wong Mo Wah Gordon waived emoluments of HK\$215,000 (2006: Nil); and Mr. Ng Tin Shui waived emoluments of HK\$327,290 (2006: Nil).

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

**13. EMPLOYEES' EMOLUMENTS**

Of the five individuals with the highest emoluments in the Group, two (2006: two) were directors of the Company whose emoluments are included in the disclosures in **Note 12** above. The emoluments of the remaining three (2006: three) individuals were as follows:

		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Salaries and other benefits	薪金及其他利益	<b>736,016</b>	465,977
Discretionary bonuses	酌情花紅	<b>59,030</b>	-
Contributions to retirement benefits schemes	退休福利計劃供款	<b>30,026</b>	18,096
Share-based payments	以股份為基礎之付款	<b>3,165,000</b>	-
		<b>3,990,072</b>	484,073

Their emoluments were all within HK\$1,000,000.

During the year, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2006: Nil).

**12. 董事酬金 (續)**

於年內，本集團並無向董事支付任何酬金，作為彼等加盟本集團或於加盟時之誘金或作為離職賠償(二零零六年：無)。

截至二零零七年三月三十一日止年度，黃進強先生豁免酬金576,000港元(二零零六年：402,581港元)。馮卓能先生豁免酬金456,000港元(二零零六年：318,710港元)，唐佩芝小姐豁免酬金162,000港元(二零零六年：318,710港元)；王武禪先生豁免酬金215,000港元(二零零六年：無)及吳天墅先生豁免酬金327,290港元(二零零六年：無)。

董事認為，彼等為本集團之唯一主要管理層人員，有關彼等賠償之詳情載於上文。

**13. 僱員酬金**

本集團之五名最高薪人士包括兩名(二零零六年：兩名)本公司董事，其酬金已於上文附註12披露。本集團之其餘三名(二零零六年：三名)最高薪僱員之酬金如下：

所有人士之酬金均少於1,000,000港元。

年內，本集團並無向五名最高薪人士支付任何酬金，作為彼等加盟本集團或於加盟時之誘金或作為離職賠償。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

**14. LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY**

The consolidated loss attributable to the equity holders of the Company includes a loss of HK\$20,662,584 (2006: HK\$493,492) which has been dealt with in the financial statements of the Company.

**15. LOSS PER SHARE**

The calculation of basic loss per share attributable to the equity holders of the Company is based on the consolidated loss attributable to the equity holders of the Company of HK\$6,628,342 (2006: HK\$1,332,011) and the weighted average number of 644,231,554 (2006: 442,729,453) ordinary shares in issue during the year.

Diluted loss per share for the years ended 31 March 2006 and 2007 have not been disclosed, as the share options and the convertible bond outstanding during these years had an anti-dilutive effect on the basic loss per share for these years.

**14. 本公司權益持有人應佔虧損**

本公司權益持有人應佔綜合虧損包括虧損 20,662,584 港元 (二零零六年：493,492 港元)，已於本公司之財務報表中處理。

**15. 每股虧損**

本公司權益持有人應佔之每股基本虧損乃根據年內之本公司權益持有人應佔綜合虧損 6,628,342 港元 (二零零六年：1,332,011 港元) 及已發行普通股之加權平均數 644,231,554 股 (二零零六年：442,729,453 股) 普通股計算。

截至二零零六年及二零零七年三月三十一日止年度期間未行使的購股權及可換股債券對每股基本虧損具反攤薄效果，因此並無呈列該等年度之每股攤薄虧損。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 16. PROPERTY, PLANT AND EQUIPMENT

## 16. 物業、廠房及設備

Group		Leasehold improvements	Computer equipment and systems	Furniture, fixtures and equipment	Motor vehicles	Total
本集團		租賃裝修	電腦設備及系統	傢俬、裝置及設備	汽車	總數
		HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元
<b>Cost</b>	<b>成本</b>					
At 1 April 2005	於二零零五年四月一日	735,861	887,234	163,552	100,331	1,886,978
Additions	添置	-	48,750	40,688	-	89,438
Disposals	出售	(735,861)	(893,634)	(163,552)	(100,331)	(1,893,378)
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日及二零零六年四月一日	-	42,350	40,688	-	83,038
Additions	添置	-	25,586	133,111	-	158,697
At 31 March 2007	於二零零七年三月三十一日	-	67,936	173,799	-	241,735
<b>Accumulated depreciation and impairment</b>	<b>累計折舊及減值</b>					
At 1 April 2005	於二零零五年四月一日	567,060	832,435	120,537	100,331	1,620,363
Provided for the year	年度折舊撥備	10,000	11,099	3,996	-	25,095
Eliminated on disposals	出售減除	(577,060)	(834,368)	(123,541)	(100,331)	(1,635,300)
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日及二零零六年四月一日	-	9,166	992	-	10,158
Provided for the year	年度折舊撥備	-	17,414	33,420	-	50,834
At 31 March 2007	於二零零七年三月三十一日	-	26,580	34,412	-	60,992
<b>Carrying amounts</b>	<b>賬面值</b>					
At 31 March 2007	於二零零七年三月三十一日	-	41,356	139,387	-	180,743
At 31 March 2006	於二零零六年三月三十一日	-	33,184	39,696	-	72,880



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 17. INVESTMENTS IN SUBSIDIARIES

## 17. 於附屬公司之投資

		Company 本公司	
		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Unlisted shares, at cost	非上市股份，按成本	40,005,108	40,005,108
Less: Provision for impairment losses	減：減值虧損撥備	(40,005,108)	(40,005,108)
		-	-

The amounts due from subsidiaries as shown on the Company's balance sheet are unsecured, interest free and repayable on demand. The directors consider that the carrying amounts approximate their fair values.

本公司之資產負債表所示之應收附屬公司款項為無抵押、免息及須按要求償還。董事認為有關賬面值約相等於其公平值。

Particulars of the Company's subsidiaries as at 31 March 2007 are set out in **Note 30** to the financial statements.

有關本公司附屬公司於二零零七年三月三十一日之詳情載於財務報表附註30。

## 18. TRADE AND OTHER RECEIVABLES

The general credit terms offered by the Group to its customers are payments by the end of the month following the month in which the sales took place.

## 18. 應收賬款及其他應收款項

本集團向其客戶提供之一般信貸期為於進行該等出售交易月份後之月份結束時。

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Trade receivables, with ageing analysis:	應收賬款，按賬齡分析：				
0 – 30 days	0 – 30天	5,260,633	391,200	-	-
31 – 60 days	31 – 60天	1,239,540	250,200	-	-
Over 60 days	60天以上	55,116	175,338	-	-
Total trade receivables	應收賬款總額	6,555,289	816,738	-	-
Deposits and prepayments	按金及預付款項	174,025	198,964	126,226	126,187
		6,729,314	1,015,702	126,226	126,187

The directors consider that the carrying amounts of trade and other receivables approximate their fair values.

董事認為應收賬款之賬面值約相等於其公平值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 19. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and bank balances that are interest bearing at prevailing market rate and have original maturity of three months or less. The directors consider that the carrying amounts of bank balances and cash approximate their fair values.

## 19. 銀行結存及現金

銀行結存及現金包括本集團持有現金及附有當時適用市場利率及原訂期限為三個月或更短之銀行結餘。董事認為銀行結餘及現金之賬面值接近其公平值。

## 20. TRADE AND OTHER PAYABLES

## 20. 應付賬款及其他應付款項

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Trade payables, with ageing analysis:	應付賬款，按賬齡分析：				
0 – 30 days	0 - 30天	2,594,243	–	–	–
31 – 60 days	31 - 60天	–	–	–	–
Over 60 days	60天以上	46,279	–	–	–
Total trade payables	應付賬款總額	2,640,522	–	–	–
Other creditors and accruals	其他應付款項及應計費用	2,442,392	6,552,315	286,885	289,485
		5,082,914	6,552,315	286,885	289,485

The directors consider that the carrying amounts of trade and other payables approximate their fair values.

董事認為應付賬款及其他應付款項之賬面值約相等於其公平值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 21. SHARE CAPITAL OF THE COMPANY

## 21. 本公司股本

		Number of shares 股份數目	Total value 總值 HK\$ 港元
<b>Authorized:</b>	<b>法定：</b>		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
At 1 April 2005	於二零零五年四月一日	20,000,000,000	200,000,000
Share consolidation <b>(Note (a))</b>	股份合併(附註(a))	(15,000,000,000)	-
Ordinary shares of HK\$0.04 each <b>At 31 March 2006 and 2007</b>	每股面值0.04港元之普通股 於二零零六年及二零零七年 三月三十一日	<b>5,000,000,000</b>	<b>200,000,000</b>
		Number of shares 股份數目	Total value 總值 HK\$ 港元
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
At 1 April 2005	於二零零五年四月一日	469,000,000	4,690,000
Share consolidation <b>(Note (a))</b>	股份合併(附註(a))	(351,750,000)	-
Ordinary shares of HK\$0.04 each	每股面值0.04港元之普通股		
Upon completion of share consolidation	於股份合併完成後	117,250,000	4,690,000
Issue of new shares under the share subscription agreement <b>(Note (b))</b>	根據股份認購協議發行 新股份(附註(b))	450,000,000	18,000,000
At 31 March 2006	於二零零六年三月三十一日	567,250,000	22,690,000
Issue of new shares upon conversion of convertible bond <b>(Note (c))</b>	於轉換可換股債券時發行 新股份(附註(c))	138,888,890	5,555,556
Issue of new shares upon exercise of share options <b>(Note (d))</b>	行使購股權時發行新股份 (附註(d))	46,000,000	1,840,000
<b>At 31 March 2007</b>	<b>於二零零七年三月三十一日</b>	<b>752,138,890</b>	<b>30,085,556</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 21. SHARE CAPITAL OF THE COMPANY (continued)

## (a) Share consolidation

Pursuant to an ordinary resolution passed by the Company's shareholders at the extraordinary general meeting on 6 July 2005, the Company consolidated every four shares of HK\$0.01 each in the capital of the Company into one new share of HK\$0.04 each (the "Share Consolidation"). Immediately before the Share Consolidation, the authorized share capital of the Company was HK\$200,000,000, comprising 20,000,000,000 shares of HK\$0.01 each, of which 469,000,000 shares of HK\$0.01 each were issued and fully paid. Immediately following the Share Consolidation, the authorized share capital of the Company remained at HK\$200,000,000, comprising 5,000,000,000 shares of HK\$0.04 each, of which 117,250,000 shares of HK\$0.04 each were in issue.

## (b) Share subscription

The Company entered into a conditional subscription agreement dated 27 May 2005 (the "Share Subscription Agreement") with Excel Point Holdings Limited (the "Subscriber") and Mr. Wong Chun Keung (as the Subscriber's guarantor), pursuant to which the Company agreed to allot and issue, upon completion of the Share Consolidation, 450,000,000 shares of HK\$0.04 each in the capital of the Company (the "Subscription Shares") to the Subscriber or its nominees at a subscription price of HK\$0.04 per Subscription Share (the "Share Subscription").

The Subscriber also entered into a placing agreement dated 27 May 2005 with a placing agent, pursuant to which the placing agent, as agent of the Subscriber, agreed to place, on a fully underwritten basis, 95,020,000 Subscription Shares at HK\$0.04 each to independent investors upon completion of the Share Subscription. Pursuant to an ordinary resolution passed by the Company's shareholders at the extraordinary general meeting on 6 July 2005, the 450,000,000 Subscription Shares were issued on 11 July 2005. The Subscription Shares issued rank pari passu in all respects with all other shares then in issue.

The net proceeds from the Share Subscription, amounted to approximately HK\$17.3 million, were intended to be used as general working capital or for making future investments should there be appropriate investment opportunity identified by the Group.

## 21. 本公司股本(續)

## (a) 股份合併

根據本公司股東於二零零五年七月六日股東特別大會通過之普通決議案，本公司將本公司股本中每四股面值0.01港元之股份合併為每股面值0.04港元之新股份(「股份合併」)。在此之前，本公司之法定股本為200,000,000港元，由20,000,000,000股每股面值0.01港元之股份組成，其中469,000,000股每股面值0.01港元之股份為已發行及繳足。緊隨股份合併後，本公司之法定股本仍為200,000,000港元，由5,000,000,000股每股面值0.04港元之股份組成，其中117,250,000股每股面值0.04港元之股份為已發行。

## (b) 股份認購

於二零零五年五月二十七日，本公司與Excel Point Holdings Limited(「認購人」)及黃進強先生(「認購人之擔保人」)訂立有條件認購協議(「認購協議」)，據此，本公司將於股份合併完成時按每股認購股份(「認購股份」)0.04港元之發行價向認購人或其代名人配發及發行450,000,000股新股份(「股份認購」)。

認購人也於二零零五年五月二十七日與配售代理訂立配售協議，據此，配售代理將以認購人代理之身份於股份認購完成時以全數包銷基準向獨立第三方配售95,020,000股認購股份(佔股份合併及認購事項後本公司已發行股本約16.75%)，每股作價0.04港元。根據本公司股東於二零零五年七月六日之股東特別大會上通過之普通決議案，該450,000,000股認購股份已於二零零五年七月十一日發行。認購股份於發行後彼此間將在各方面享有同等地位，亦與現有已發行新股份享有同等地位。

股份認購的淨額17,300,000港元會用作一般營運資金，或於本集團確認適合投資機會時用作未來投資。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 21. SHARE CAPITAL OF THE COMPANY (continued)

## (c) Conversion of convertible bond

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

## (d) Exercise of share options

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

## 21. 本公司股本(續)

## (c) 轉換可換股債券

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

## (d) 行使購股權

於截至二零零七年三月三十一日止年度，購股權獲購股權持有人行使以認購合共46,000,000股本公司股份，方式為支付認購款項7,038,000港元，其中1,840,000港元已計入股本賬，而餘下5,198,000港元則已計入股份溢價賬。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 22. RESERVES

## Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 29 of the consolidated financial statements.

## Company

## 22. 儲備

## 本集團

本集團本年度及已往之儲備金額及其變動已載列於綜合財務報表第29頁之綜合權益變動表。

## 本公司

		Share premium 股份溢價 HK\$ 港元	Convertible bond equity reserve 可換股債券 權益儲備 HK\$ 港元	Share option reserve 購股權儲備 HK\$ 港元	Accumulated losses 累計虧損 HK\$ 港元	Total 總計 HK\$ 港元
At 1 April 2005	於二零零五年四月一日	19,008,723	-	-	(36,544,488)	(17,535,765)
Loss for the year	年度虧損	-	-	-	(493,492)	(493,492)
Total recognized income and expenses for the year	年度確認收入及 開支總額	-	-	-	(493,492)	(493,492)
Share issue expenses	股份發行費用	(739,100)	-	-	-	(739,100)
Issue of convertible bond	發行可換股債券	-	3,035,794	-	-	3,035,794
At 31 March 2006 and 1 April 2006	於二零零六年 三月三十一日及 二零零六年四月一日	18,269,623	3,035,794	-	(37,037,980)	(15,732,563)
Loss for the year	年度虧損	-	-	-	(20,662,584)	(20,662,584)
Total recognized income and expenses for the year	年度確認收入及 開支總額	-	-	-	(20,662,584)	(20,662,584)
Recognition of equity-settled share-based payments	確認以權益方式 結算及以股份 為基礎之付款	-	-	5,823,600	-	5,823,600
Issue of ordinary shares upon exercise of share options (Note 21(d))	行使購股權時 發行普通股 (附註21(d))	11,021,600	-	(5,823,600)	-	5,198,000
Issue of ordinary shares upon conversion of convertible bond (Note 21(c))	於可換股債券獲轉換 時發行普通股 (附註21(c))	4,811,456	(3,035,794)	-	-	1,775,662
At 31 March 2007	於二零零七年 三月三十一日	34,102,679	-	-	(57,700,564)	(23,597,885)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

**22. RESERVES (continued)**

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

In the opinion of the directors, as at 31 March 2007, the Company did not have any reserves available for distribution (2006: Nil).

**23. CONVERTIBLE BOND**

As disclosed in **Note 8** to the consolidated financial statements, the Company issued the convertible bond with an aggregate principal amount of HK\$10,000,000 to the Creditor on 27 January 2006. The major terms of the convertible bond are as follows:

**Maturity date:**

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

**22. 儲備 (續)**

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

董事認為，於二零零七年三月三十一日，本公司並無可供分派之任何儲備(二零零六年：無)。

**23. 可換股債券**

誠如綜合財務報表附註8所披露，本公司於二零零六年一月二十七日向債權人發行本金總額合共10,000,000港元之債券。債券之主要條款如下：

**到期日：**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

**23. CONVERTIBLE BOND (continued)****Redemption:**

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

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

**Interest:**

The convertible bond shall not bear any interest.

**Conversion rights:**

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

**Conversion shares:**

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

**Transferability:**

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

**23. 可換股債券 (續)****贖回：**

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

董事已評估此提早贖回權之公平值，並認為該公平值並不重大。

**利息：**

可換股債券並無任何利息。

**換股權：**

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

**換股股份：**

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

**轉讓：**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 23. CONVERTIBLE BOND (continued)

**Voting right:**

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

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

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

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

The movements of the liability component of the convertible bond for the years ended 31 March 2006 and 2007 are set out below:

		HK\$ 港元
Principal amount of the convertible bond	債券之本金額	10,000,000
Equity component	權益部分	(3,035,794)
Liability component on initial recognition	初步確立之負債部份	6,964,206
Imputed interest charged	推算利息支出	90,153
Liability component at 31 March 2006	於二零零六年三月三十一日之負債部份	7,054,359
Imputed interest charged	推算利息支出	276,859
		7,331,218
Conversion into the Company's shares	轉換為本公司股份	(7,331,218)
<b>Liability component at 31 March 2007</b>	<b>於二零零七年三月三十一日之負債部份</b>	<b>-</b>

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

## 23. 可換股債券(續)

**投票權：**

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

**可換股債券上市及買賣：**

本公司將不會申請批准可換股債券於聯交所或任何其他證券交易所上市及買賣。

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

可換股債券負債部分截至二零零六年及二零零七年三月三十一日止之變動如下：

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 24. DISPOSAL OF SUBSIDIARIES

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

		2007 二零零七年 HK\$ 港元
Deposits and prepayments	按金及預付款項	911
Other creditors and accruals	其他應付款項及應計費用	(1,406,728)
		(1,405,817)
Release of translation reserve	釋出之換算儲備	(321,756)
Gain on disposal of subsidiaries	出售附屬公司收益	1,727,575
		2
Total consideration, satisfied by cash	以現金繳付之總代價	2
		2
Net cash inflow arising on disposal	出售產生之現金流入淨額	2

## 24. 出售附屬公司

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

## 25. OPERATING LEASE COMMITMENTS

As at 31 March 2007, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元
Within 1 year	一年內到期	129,600	12,320
In the second to fifth years inclusive	第二年至第五年到期 (包括首尾兩年)	23,040	-
		152,640	12,320

## 25. 經營租約承擔

於二零零七年三月三十一日，本集團根據有關租賃物業之不可撤銷經營租約於以下期內到期之未來最少租金承擔如下：

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

**26. SHARE OPTION SCHEME**

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

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

The total number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 46,900,000 shares, which represent 10% of the shares in issue as at 7 March 2002, being the date of listing of the Company's shares on GEM, unless approval from the Company's shareholders has been obtained. The total number of shares issued and to be issued upon exercise of the options granted and to be granted to each individual in any twelve-month period up to and including the date of grant shall not exceed 1% of the shares in issue at the date of grant unless approval from Company's shareholders has been obtained.

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

**26. 購股權計劃**

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

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

根據購股權計劃可授出之購股權涉及之股份總數合計不得超過46,900,000股股份，相等於二零零二年三月七日(本公司股份在創業板上市日期)之已發行股份10%，惟已取得本公司股東批准者除外。於截至授出日期(包括該日)止任何十二個月期間內向每名人士授出及將授出之購股權於行使時已發行及將發行之股份總數不得超過於授出日期之已發行股份1%，惟已取得本公司股東批准者除外。

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 26. SHARE OPTION SCHEME (continued)

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

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

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

## 26. 購股權計劃 (續)

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

下表披露截至二零零七年三月三十一日止年度購股權計劃下本公司之購股權變動：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

**26. SHARE OPTION SCHEME (continued)**

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

The fair value of the share options granted during the year was HK\$0.1266 and the Group recognized a share option expense of HK\$5,823,600 during the year ended 31 March 2007.

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

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

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

The 46,000,000 share options exercised during the year resulted in the issue of 46,000,000 ordinary shares of the Company and new share capital of HK\$1,840,000 and share premium of HK\$11,021,600 (before issue expenses).

**27. RETIREMENT BENEFIT SCHEME**

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees. During the year ended 31 March 2007, the total amount contributed by the Group to the scheme and charged to the consolidated income statement amounted to HK\$39,219 (2006: HK\$29,096). As at 31 March 2007, there were no forfeited contributions available for the Group to offset contributions payable in future years (2006: Nil).

**26. 購股權計劃 (續)**

緊隨授出購股權之前之股份收市價為0.15港元。行使購股權日股份之加權價為0.18港元。

年內所授出購股權之公平值為0.1266港元，本集團截至二零零七年三月三十一日止年度確認之購股權開支為5,823,600港元。

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

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

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

年內行使的46,000,000購股權令本公司發行46,000,000股普通股及新發行的股本1,840,000港元及股份溢價11,021,600港元(扣除發行開支前)。

**27. 退休福利計劃**

本集團為所有香港合資格僱員參加強制性公積金計劃。該計劃之資產乃與本集團之資產分開，並由受託人控制。本集團及僱員各按有關薪金之5%作出供款。截至二零零七年三月三十一日止年度，本集團參加強制性公積金計劃並於綜合損益表中扣除之供款總額為39,219港元(二零零六年：29,096港元)。於二零零七年三月三十一日，本集團並無可抵銷未來年度供款之應付沒收供款(二零零六年：無)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 28. LITIGATIONS

The Group was involved in the following litigations:

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

## 28. 訴訟

本集團涉及以下訴訟：

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

**29. POST BALANCE SHEET EVENTS**

On 21 May 2007, the directors proposed to make a bonus warrant issue to the shareholders of the Company on the basis of one warrant for every five shares held on the record date (the "Bonus Warrant Issue"). Each warrant will entitle the holder thereof to subscribe in cash for one share of the Company at an initial subscription price of HK\$0.60, subject to adjustment, at any time during the period which is expected to commence on the date of the issue of the warrants, i.e., 29 June 2007 and end on 30 June 2010 (both dates inclusive). The Company intends to apply any subscription moneys received as and when subscription rights attaching to the warrants are exercised towards the general working capital of the Group or for such other purposes as the directors deem necessary, taking into consideration the requirements of the Company prevailing at the relevant time. The Bonus Warrant Issue is conditional upon, among others, the approval by the shareholders at the extraordinary general meeting to be held on 27 June 2007.

**29. 結算日後事項**

於二零零七年五月二十一日，董事會建議向本公司之全體股東以紅利方式發行認股權證，比例為於記錄日期每持有五股股份可獲發一份認股權證（「發行紅利認股權證」）。每一份認股權證持有人有權於預計自發行認股權證日起計，即二零零七年六月二十九日起至二零一零年六月三十日止結束（包括首尾兩日）之任何時間，按初步認購價0.60港元（可再作調整）認購本公司一股股份。本公司計劃將認股權獲行使時收取之任何認購款項，用作本集團之一般營運資金，或董事於考慮本公司於相關時間當時之需要後視為必要之其他用途。發行紅利認股權證附帶條件，其中包括須經過股東於二零零七年六月二十七日舉行之股東特別大會批准。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 30. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 March 2007 are as follows:

## 30. 附屬公司詳情

於二零零七年三月三十一日，本公司各附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Legal form 法定類別	Issued and fully paid up share capital 已發行及全面繳足股本	Proportion of nominal value of issued share capital held by the Company 本公司持有已發行股本面值百分比		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
New Chinese Medicine (BVI) Limited	British Virgin Islands 英屬處女群島	Limited liability company 有限責任公司	Ordinary share capital 普通股 US\$200 200美元	100	–	Investment holding 投資控股
New Chinese Medicine Limited 新醫藥有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary share capital 普通股 HK\$10,000 10,000港元	–	100	Investment holding and providing secretarial services 投資控股及提供秘書服務
New Chinese Medicine (HK) Limited 新中藥(香港)有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary share capital 普通股 HK\$10,000 10,000港元	–	100	Inactive 暫無營業
Wondergold Limited 暉富有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary share capital 普通股 HK\$10,000 10,000港元	–	100	Inactive 暫無營業
Harvest Rich Limited 勤億有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary share capital 普通股 HK\$10,000 10,000港元	–	51	Inactive 暫無營業
NCM Group (BVI) Limited	British Virgin Islands 英屬處女群島	Limited liability company 有限責任公司	Ordinary share capital 普通股 US\$1 1美元	100	–	Investment holding 投資控股

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

## 30. PARTICULARS OF SUBSIDIARIES

## 30. 附屬公司詳情

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 經營地點	Legal form 法定類別	Issued and fully paid up share capital 已發行及全面繳足股本	Proportion of nominal value of issued share capital held by the Company 本公司持有已發行股本面值百分比		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
NCM Healthcare Limited 新醫藥保健有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary share 普通股 HK\$2 2港元	-	100	Trading of healthcare products 保健產品貿易
NCM Healthcare (HK) Limited 新醫藥保健(香港)有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary share 普通股 HK\$2 2港元	-	100	Trading of healthcare products 保健產品貿易
Asia Honest (H.K.) Limited 誠宇(香港)有限公司	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary share 普通股 HK\$1 1港元	-	100	Providing management services 提供管理服務
Quick Faith Limited	British Virgin Islands 英屬處女群島	Limited liability company 有限責任公司	Ordinary share 普通股 US\$1 1美元	-	100	Inactive 暫無營業

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

概無附屬公司擁有任何於本年度完結時或本年度內任何時間存在之債務證券。

# FINANCIAL SUMMARY 財務概要

For the year ended 31 March, 2007 截至二零零七年三月三十一日止年度

		Year ended 31 March 截至三月三十一日止年度				2007
		2003	2004	2005	2006	2007
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元
<b>Results</b>	<b>業績</b>					
Revenue	收益	14,021,237	636,406	8,011,404	9,016,957	<b>14,692,426</b>
Loss before income tax	所得稅前虧損	(27,834,737)	(23,882,091)	(3,425,660)	(1,332,011)	<b>(6,628,342)</b>
Income tax expense	所得稅開支	(3,848)	(5,166)	-	-	-
Loss before minority interest	少數股東權益前虧損	(27,838,585)	(23,887,257)	(3,425,660)	(1,332,011)	<b>(6,628,342)</b>
Minority interest	少數股東權益	191,850	-	4,900	-	-
Loss for the year attributable to equity holders	年內股本持有人應佔虧損	(27,646,735)	(23,887,257)	(3,420,760)	(1,332,011)	<b>(6,628,342)</b>

		At 31 March 於三月三十一日				2007
		2003	2004	2005	2006	2007
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Total assets	總資產	20,409,345	2,523,679	1,767,985	15,596,161	<b>20,315,121</b>
Total liabilities and minority interest	總負債及少數股東權益	(10,295,478)	(16,058,552)	(18,868,978)	(13,606,674)	<b>(5,082,914)</b>
Net assets/(liabilities)	資產/(負債)淨值	10,113,867	(13,534,873)	(17,100,993)	1,989,487	<b>15,232,207</b>



新 醫 藥 控 股 有 限 公 司  
**NEW CHINESE MEDICINE HOLDINGS LIMITED**

Room 802, Tower 1, Harbour Centre

1 Hok Cheung Street, Hunghom, Kowloon, Hong Kong

香港九龍紅磡鶴翔街1號維港中心1座802室

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