

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

1. GENERAL

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company. The Company is a public limited company with its shares listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "General Information" to the annual report.

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

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the business of manufacture and sale of liquid crystal display ("LCD") products and electronic consumer products including MP3 players, calculators, electric toothbrush and electronic components.

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

In the current year, the Group has applied, for the first time, a number of new standard, amendment and interpretations ("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 the new HKFRSs had no material effect on how the results and the financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors of the Company are in the process of assessing the potential impact and so far concluded 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.

1. 一般事項

本公司在開曼群島根據開曼群島公司法註冊成立為一間受豁免公司。本公司為一間公眾有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點之地址於年報「一般資料」一節披露。

綜合財務報表以港元呈報，而港元亦為本公司之功能貨幣。

本公司乃投資控股公司，其附屬公司之主要業務為製造及銷售液晶顯示器（「LCD」）產品及電子消費產品，包括 MP3 播放機、計算機、電動牙刷及電子零件。

2. 應用新訂及經修訂香港財務報告準則

本年度內，本集團首次採納多項由香港會計師公會（「香港會計師公會」）頒佈之新訂準則、修訂及詮釋（「新訂香港財務報告準則」），此等準則均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生效。採納新訂香港財務報告準則對編製及呈報本會計期間及／或過往會計期間業績和財務狀況之方式並無重大影響。

本集團並無提早採用以下已頒佈但尚未生效之新訂準則、修訂或詮釋。本公司董事正在評估其潛在影響，直至目前本公司董事認為採納該等新準則、修訂或詮釋將不會對本集團之業績及財政狀況構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating Segments ²
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ³
HK(IFRIC) – Int 8	Scope of HKFRS 2 ⁴
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives ⁵
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment ⁶
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Shares Transactions ⁷
HK(IFRIC) – Int 12	Service Concession Arrangements ⁸

- ¹ Effective for annual periods beginning on or after 1 January 2007
² Effective for annual periods beginning on or after 1 January 2009
³ Effective for annual periods beginning on or after 1 March 2006
⁴ Effective for annual periods beginning on or after 1 May 2006
⁵ Effective for annual periods beginning on or after 1 June 2006
⁶ Effective for annual periods beginning on or after 1 November 2006
⁷ Effective for annual periods beginning on or after 1 March 2007
⁸ Effective for annual periods beginning on or after 1 January 2008

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis.

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 SEHK and by the Hong Kong Companies Ordinance.

Basis of consolidation

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

2. 應用新訂及經修訂香港財務報告準則 (續)

香港會計準則第1號(修訂)	資本披露 ¹
香港財務報告準則第7號	金融工具:披露 ¹
香港財務報告準則第8號	經營分類 ²
香港(國際財務報告詮釋委員會)詮釋第7號	根據香港會計準則第29號惡性通脹經濟之財務報告應用重列法 ³
香港(國際財務報告詮釋委員會)詮釋第8號	香港財務報告準則第2號之範圍 ⁴
香港(國際財務報告詮釋委員會)詮釋第9號	內在衍生工具之重新評估 ⁵
香港(國際財務報告詮釋委員會)詮釋第10號	中期財務報告及減值 ⁶
香港(國際財務報告詮釋委員會)詮釋第11號	香港財務報告準則第2號—集團及庫存股份交易 ⁷
香港(國際財務報告詮釋委員會)詮釋第12號	服務特許權安排 ⁸

- ¹ 由二零零七年一月一日或之後開始之年度期間生效
² 由二零零九年一月一日或之後開始之年度期間生效
³ 由二零零六年三月一日或之後開始之年度期間生效
⁴ 由二零零六年五月一日或之後開始之年度期間生效
⁵ 由二零零六年六月一日或之後開始之年度期間生效
⁶ 由二零零六年十一月一日或之後開始之年度期間生效
⁷ 由二零零七年三月一日或之後開始之年度期間生效
⁸ 由二零零八年一月一日或之後開始之年度期間生效

3. 主要會計政策

綜合財務報表乃根據歷史成本慣例編製。

綜合財務報表已按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表已載入香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露資料。

綜合賬目之基準

綜合財務報表包括本公司及本公司控制之實體(其附屬公司)之財務報表。當本公司有能力監督一個實體的財務及經營政策以便從其業務中取得利益，則具有控制權。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

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 inter-company transactions and balances within the Group have been eliminated on consolidation.

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.

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

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.

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

3. 主要會計政策 (續)

綜合賬目之基準 (續)

年內收購或出售之附屬公司之業績由其實際收購日期起或截至實際出售日期止(如適用)包括在綜合收益表內。

附屬公司之財務報表已作出適當調整，致使其會計政策與本集團其他成員公司一致。

所有集團內公司間之交易及結餘在綜合賬目時均予以對銷。

收益確認

收益乃以已收取或應收代價之公平值計量，並反映正常業務貨品提供(經扣除折扣及有關銷售稅項之淨額)之應收款項。

貨品之銷售收入乃在貨品已經付運及擁有權已轉移之情況下確認。

財務資產利息收入按時間基準，參考未清還之本金，根據適用的實際利率計提。所適用之實際利率為財務資產預期年限內估計未來所得現金與相關資產賬面淨值之實際折算率。

經營租約之租金收入乃按相關租約年期以直線法於綜合收益表內確認。於磋商及安排一項經營租約引起之初期直接成本乃加於租約資產之賬面值上，並按租約年期以直線法確認作開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition. For capitalised goodwill arising on acquisitions, the Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

Capitalised 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 recognised 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 capitalised 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，而協議日期於二零零五年一月一日之前，乃指收購成本超出本集團於收購日期在有關附屬公司之可識別資產及負債之公平值中之權益之部份。就已資本化之商譽而言，本集團自二零零五年一月一日起不再繼續攤銷，而有關商譽每年及凡商譽有關之賺取現金單位有可能出現減值之跡象時進行減值測試。

因收購附屬公司而資本化之商譽於綜合資產負債表分別獨立呈列。

就減值測試而言，收購所產生之商譽乃被分配到各有關賺取現金單位，或賺取現金單位之組別，預期彼等從收購之協同效應中受益。已獲配商譽之賺取現金單位每年及凡單位有可能出現減值之跡象時進行減值測試。就於某個財政年度之收購所產生之商譽而言，已獲配商譽之現金賺取單位於該財政年度完結前進行減值測試。當賺取現金單位之可收回金額少於該單位之賬面值，則減值虧損被分配，以削減首先分配到該單位，及其後以單位各資產之賬面值為基準按比例分配到該單位之其他資產之任何商譽之賬面值。商譽之任何減值虧損乃直接於收益表內確認。商譽之減值虧損於其後期間不予撥回。

其後出售附屬公司，被資本化之商譽之應佔金額於出售時計入釐定損益之金額。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Interests in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Property, plant and equipment

Property, plant and equipment, other than properties under development, are stated at cost less accumulated depreciation and any identified impairment losses.

Buildings in the course of development for production are carried at cost, less any identified impairment losses. Depreciation of these assets, on the same basis as other property within property, plant and equipment, commences when the assets are ready for their intended uses.

Buildings are depreciated over the shorter of their useful lives or the terms of respective leases.

Depreciation is provided to write off the cost of property, plant and equipment, other than buildings and properties under development, over their estimated useful lives, and after taking into account of their estimated residual value using the reducing balance method.

3. 主要會計政策 (續)

聯營公司之權益

聯營公司指投資者對其擁有重大影響力的實體，且不屬於附屬公司或於合營公司的權益。

聯營公司之業績、資產及負債乃以會計權益法於該等綜合財務報表綜合入賬，惟倘投資被分類為持有作銷售時則除外。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表中列賬，並就本集團分佔該聯營公司之淨資產作出調整，以及減去任何已識別之減值虧損。當本集團分佔某聯營公司之虧損相等於或超出其於該聯營公司之權益，則本集團不再繼續確認其分佔之進一步虧損。額外分佔之虧損乃被撥備，而負債僅以本集團已產生法定或推定責任或代表該聯營公司作出付款者為限被確認。

當集團公司與本集團聯營公司進行交易，任何盈虧將按本集團應佔相關聯營公司權益的水平予以對銷。

物業、廠房及設備

物業、廠房及設備（發展中物業除外）按成本值減折舊及攤銷，與及任何已識別之減值虧損入賬。

用作生產之發展中樓宇以成本值經減去任何已識別之減值虧損後入賬。當此等資產可作原定用途時，將與物業、廠房及設備內之其他物業以相同基準折舊。

樓宇採用可使用年期或有關租期兩者之較短者計算折舊。

物業、廠房及設備（發展中樓宇及物業除外）之折舊採用餘額遞減法考慮其估計殘餘值後，按該等資產之估計可使用年期銷成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment (continued)

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

Prepaid lease payments

The prepaid lease payments represent upfront payment for land use rights and leasehold land are initially recognised at cost and released to income statement over the lease term on a straight-line basis.

Intangible assets

Intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

Research and development expenditure

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

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

3. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。資產取消確認產生之任何收益或虧損(按該項目之出售所得款項淨額及賬面值間之差額計算)於該項目取消確認之年度計入收益表。

預付租賃款項

預付租賃款項指就土地使用權及租賃土地預先支付之款項，並初步按成本確認及於有關租期以直線法撥回收入報表。

無形資產

可使用年期有限之無形資產按成本減去累計攤銷及任何累計減值虧損後入賬。可使用年期有限之無形資產之攤銷以直線法按其估計可使用年期撥備。

終止確認無形資產時所產生之收益或虧損，乃該資產之出售所得收入淨額與賬面值之差額，並在該資產終止確認時於收益表內確認。

研究及發展支出

研究活動之支出於發生之年度內在收益表內確認為支出。

發展支出所帶來內部產生之無形資產在已界定清楚之項目之發展成本預計可透過將來商業活動而得回時方予以確認。該資產按其可使用年期以直線法攤銷，並按成本減其後累計攤銷及任何累計減值虧損列賬。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Intangible assets (continued)

Research and development expenditure

(continued)

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Trademarks

Costs incurred in the registration of trademarks are capitalised and amortised on a straight-line basis over their estimated useful lives.

Impairment (other than goodwill)

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

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

Inventories

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

3. 主要會計政策 (續)

無形資產 (續)

研究及發展支出 (續)

凡未有任何內部產生之無形資產可予以確認時，發展支出會於發生之期間內確認為支出。

於初步確認後，內部產生之無形資產乃按成本減累計攤銷及累計減值虧損列賬，與獨立收購之無形資產之基準相同。

商標

商標註冊所需成本會撥作資本，並按其估計可用年期以直線法攤銷。

減值 (商譽除外)

於各結算日，本集團審閱其有形資產之賬面值，以釐定該等資產是否存在減值虧損之跡象。倘某項資產之可收回金額估計少於其賬面值，則該資產之賬面值減少至其可收回金額。減值虧損即時確認為一項支出，除非有關資產乃根據另一個準則按已重估金額列賬，於此情況下，減值虧損根據該準則作重估減值處理。

倘減值虧損其後逆轉，則資產之賬面值增加至其經修訂之估計可收回金額，以致已增加之賬面值不超出假設已釐定於過往年度並無對該資產確認減值虧損之賬面值。減值虧損之逆轉即時確認為收益，除非有關資產根據另一個準則按已重估金額列賬，於此情況下，減值虧損之逆轉根據該準則作重估增加處理。

存貨

存貨以成本值及可變現淨值兩者之較低值入賬。成本值以先入先出法計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments

Financial assets and financial liabilities are recognised 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 recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into either loans and receivables or available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

3. 主要會計政策 (續)

金融工具

金融資產及金融負債乃當某集團實體成為工具合同條文之訂約方時在資產負債表上確認。金融資產及金融負債按公平值初步確認。收購或發行金融資產及資產負債直接應佔之交易成本(透過損益以公平值列賬之金融資產及金融負債除外)乃於初步確認時加入金融資產或金融負債之公平值或自金融資產或金融負債之公平值內扣除(如合適)。收購透過損益以公平值列賬之金融資產或金融負債直接應佔之交易成本即時於損益賬內確認。

金融資產

本集團金融資產主要分類為貸款及應收款項或可供出售之金融資產。所有以一般方式買賣之金融資產均按買賣日期基準確認及終止確認。一般方式買賣指須於市場規管或慣例所設定時限內交付之金融資產買賣。就各金融資產類別採納之會計政策載列如下。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments *(continued)*

Financial assets *(continued)*

Loans and trade 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, amount due from an associate and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收賬項

貸款及應收款項指並非於活躍市場報價而具有固定或可釐定款項之非衍生財務資產。於各結算日在初步確認後，貸款及應收款項（包括應收賬款及其他應收款項、應收聯營公司款項與銀行結存）乃利用實際利率法按攤銷成本扣除任何已確定減值虧損列賬。減值虧損於有客觀證據顯示資產出現減值時在損益確認，並按該項資產賬面值及以原有實際利率折現所得估計未來現金流量現值間之差額計算。當該項資產之可收回金額增加可客觀地與該項減值獲確認後出現之事件關連，則減值虧損可於其後期間撥回，惟於減值日期該項資產所撥回賬面值不得超出倘該項減值未獲確認本應出現之攤銷成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale investments

Available-for-sale investments 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, 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, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Financial liabilities and equity

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

The Group's financial liabilities, including trade and other payables and bank borrowings, are subsequently measured at amortised cost, using the effective interest method.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

可供出售之投資

可供銷售投資屬被指派或未獲分類為透過損益按公平值列賬之財務資產、貸款及應收款項或持作到期投資之非衍生工具。於各結算日在初步確認後，就可供出售之股本投資而言，倘並無活躍市場之市價報價，而其公平價值未能可靠計算，則可供出售之股本投資於首次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，則減值虧損於損益表確認。減值虧損數額按資產賬面值與按類似金融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。

金融負債及股本

集團實體發行之金融負債及股本投資工具乃根據合同安排之性質與金融負債及股本投資工具之定義分類。

股本投資工具乃證明集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。本公司發行之股本工具乃按已收所得款項（扣除直接發行成本）記賬。

本集團之金融負債，包括應付賬款及其他應付款項及銀行借貸，其後以實際利率法按攤銷成本計算。

借貸成本

所有借貸成本均被視作及計入財務成本，並於產生期間計入綜合收益表內。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to depreciable assets are presented as deferred income and are released to income over the useful lives of the assets. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and are reported separately as other income.

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.

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

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 recognised as a reduction of rental expense over the lease term on a straight-line basis.

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.

3. 主要會計政策 (續)

政府補助

政府補助在與相關費用配對所需之期間確認為收入。有關應折舊資產之補助呈列為遞延收入，及於資產可使用年期內撥作收入。有關開支項目之補助於該等開支列入綜合收益表之相同期間確認，並獨立呈列為其他經營收入。

租賃

凡租約之條款基本上將資產擁有權之全部風險及回報轉由承租人承擔者，即歸類為融資租約。其他租約全部列作經營租約。

集團作為租賃人

經營租約之租金收入按有關租約期以直線法於綜合收益表確認。於磋商及安排經營租約時產生之初步直接成本計入租賃資產之賬面值，並按租約期以直線法確認為開支。

集團作為承租人

經營租約之應付租金按有關租約期以直線法於損益賬扣除。作為促使訂立經營租約之已收及應收利益亦按租約期以直線法分攤。

稅項

所得稅支出指現時應付稅項與遞延稅項之總和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括已撥往其他年度之應課稅收入或可扣減支出項目，亦不包括可作免稅或不可扣稅之項目，故與綜合收益表所列純利不同。本集團之即期稅項負債乃使用於結算日已生效或大致生效之稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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 is realised. Deferred tax is charged or credited in the consolidated income statement, 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 (續)

遞延稅項為就綜合財務報表資產與負債賬面值及計算應課稅溢利所用相應稅基兩者間之差額而應付或可收回之稅項，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅暫時差額確認，而遞延稅項資產則按可能出現可利用暫時差額扣稅之應課稅溢利時提撥。倘於一項交易中，因商譽（或負商譽）或因業務合併以外原因開始確認其他資產及負債而引致之暫時差額既不影響應課稅溢利，亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃按因附屬公司及聯營公司之投資所產生之應課稅暫時差額而確認，惟倘本集團可令暫時差額撥回及暫時差額有可能不會於可見將來撥回之情況則除外。

遞延稅項資產之賬面值於每個結算日作出審閱，並於沒可能有足夠應課稅溢利恢復全部或部份資產價值時作出調減。

遞延稅項乃按預期於負債清償或資產變現之期間之適用稅率計算。遞延稅項於綜合收益表中扣除或計入綜合收益表，惟倘遞延稅項直接在股本權益中扣除或計入股本權益之情況（在此情況下遞延稅項亦會於股本權益中處理）則除外。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies

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

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

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

Retirement benefit costs

Payments to the defined contribution retirement benefit schemes are charged as an expense as they fall due.

3. 主要會計政策 (續)

外幣

編製各個別集團企業之財務報表時，以該企業功能貨幣以外之貨幣(外幣)所進行交易乃以其功能貨幣(即該企業營運之主要經濟環境之貨幣)按交易日期之主要匯率入帳。就兩家主要附屬公司而言，功能貨幣視為歐羅。於各結算日，以外幣列值之貨幣項目乃按結算日之主要匯率重新換算。以外幣歷史成本計量之非貨幣項目則不予重新換算。

貨幣項目結算及貨幣項目換算所產生之匯兌差額乃於產生之期間確認為溢利或虧損。

就呈報綜合財務報表而言，本集團之海外經營業務資產及負債乃按結算日之主要匯率換算為本公司之呈報貨幣(即港元)，而該等業務之收入及開支則按本期間之平均匯率換算，惟倘期內匯率顯著波動則除外，於該情況下，則採用交易日期之主要匯率。所產生之匯兌差額(如有)乃確認為權益之獨立部份(匯兌儲備)。該項匯兌差額乃於出售海外經營業務之期內確認為溢利或虧損。

退休福利成本

就定額供款退休福利計劃作出之款項於到期日列為支出扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted on or after 1 January 2005 is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve). In relation to share options granted before 1 January 2005, the Group chooses not to apply HKFRS 2 with respect to share options granted on or before 7 November 2002 and vested before 1 January 2005.

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 recognised in income statement with a corresponding adjustment to share option reserve.

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, management makes various estimates and judgments (other than those involving estimates) based on past experience, expectations of the future and other information. The key source of estimation uncertainty and the critical judgment that can significantly affect the amounts recognised in the consolidated financial statements within the next financial year are disclosed below:

Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of the value in use of the cash-generating units. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

3. 主要會計政策 (續)

股本結算以股份為基礎之付款交易

所獲服務按於二零零五年一月一日或以後授出購股權的公平值釐定之公平值，在歸屬期內隨股本之相應增加以直線法列作支出（購股權儲備）。至於在二零零五年一月一日前授出之購股權，本集團選擇不採用有關於二零零二年十一月七日或之前授出及於二零零五年一月一日前歸屬之購股權之香港財務報告準則第2號。

於各結算日，本集團修正其對預期最終歸屬之購股權數目的估計。修正對估計之影響（如有）乃在收益表確認，並對購股權儲備作出相應調整。

購股權獲行使時，先前於購股權儲備中確認之數額將轉撥至股份溢價。當購股權被沒收或於屆滿日仍未獲行使，先前於購股權儲備中確認之數額將轉撥至保留溢利。

4. 估計不明朗因素之主要來源

在應用本集團會計政策之過程中，管理層根據過往經驗、對未來之預測及其他資訊作出多項估計及判斷（除涉及估計者外）。可能對下一財政年度內綜合財務報表所確認數額有重大影響之估計不明朗因素及重大判斷之主要來源現披露如下：

無形資產減值

決定無形資產有否減值須估計現金產生單位之使用價值。計算使用價值時，本集團須估計預期來自現金產生單位之未來現金流量及計算現值之合適折現率。倘實際未來現金流量較預期為少，或會產生重大減值虧損。

5. FINANCIAL INSTRUMENTS

a. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Market risk

Currency risk

The Group have foreign currency sales and purchases and certain borrowings of the Group are denominated in foreign currencies, and the majority of the bank balances are denominated in foreign currencies (comprising United States dollars and Japanese Yen) which expose the Group to foreign currency risk.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Interest rate risk

The Group's cash flow interest rate risk relates to floating-rate bank borrowings for details of these borrowings (see note 26). The Group's fair value interest rate risk relates primarily to fixed-rate short-term bank fixed deposits. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises. The fair value of the Group's bank balances is approximate to the carrying amount as the fixed deposits are short-term.

5. 金融工具

a. 金融風險管理目標及政策

本集團之主要金融工具包括股本投資、銀行借貸、應收一家聯營公司款項、應收賬款及其他應收款項、銀行結存及現金以及應收賬款及其他應收款項。有關金融工具詳情已於各有關附註披露。該等金融工具之相關風險及風險減低政策載於下文。管理層會管理及監察有關風險，確保適時有效地實施合適措施。

市場風險

貨幣風險

本集團擁有以外幣結算之銷售額及購貨額，而本集團若干借貸以外幣計值，加上大部份銀行結存均以美元及日圓等外幣計值，令本集團承受外幣風險。

本集團現時並無外幣對沖政策。然而，管理層會監察外幣風險，並將考慮於有需要時就主要外幣風險進行對沖。

利率風險

本集團之現金流利率風險與浮息銀行借貸（有關此等借貸詳情，見附註第26項）有關。本集團之公平價利率主要與定息短期銀行定期存款有關。然而，管理層會監察利率風險，並將考慮於有需要時就主要利率風險進行對沖。由於定期存款屬短期，故本集團銀行結存之公平值與其賬面值相約。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (continued)

a. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, amount due from an associate and available-for-sale investments. The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at 31 December 2006 in relation to each class of recognised financial assets is the carrying amount shown in the consolidated balance sheet.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in the PRC. The Group has no other significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

5. 金融工具 (續)

a. 金融風險管理目標及政策 (續)

信貸風險

本集團之主要金融資產為銀行結存及現金、應收賬款及其他應收款項、應收短期貸款、應收一家聯營公司款項以及可供出售之投資。倘對方未能履行其責任，就各類已確認金融資產而言，本集團須承擔之最高信貸風險於二零零六年十二月三十一日為綜合資產負債表所示之賬面值。

流動資金之信貸風險有限，因對方為獲國際信貸評級機構賦予高等信貸評級之銀行。

本集團之風貸風險主要源自其應收賬款及其他應收款項。資產負債表內呈列之金額已扣除應收款項呆賬撥備。

為減低信貸風險，本集團管理層已委派隊伍負責釐定信貸上限、信貸批核及其他監察程序，確保進行跟進行動以收回逾期債項。此外，本集團會審閱各結算日各項個別貿易債項之可收回金額，確保能就無法收回金額作出足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅調低。

本集團之信貸風險按地域劃分，主要集中在中國。由本集團對手及客戶分散，故並無其他重大集中信貸風險。

5. FINANCIAL INSTRUMENTS (continued)

b. FAIR VALUE

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions. The directors consider that the carrying amounts of financial assets and financial liabilities in the consolidated financial statements approximate their fair values.

6. REVENUE

Revenue represents the net proceeds received and receivable on the sale of goods during the year, and is analysed as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Sales of LCD products	銷售液晶體顯示器產品	4,403,989	4,389,588
Sales of electronic consumer products	銷售電子消費產品	119,837	184,491
		4,523,826	4,574,079

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

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

Principal activities are as follows:

LCD products	–	manufacture and distribution of LCD products
Electronic consumer products	–	manufacture and distribution of electronic consumer products

5. 金融工具 (續)

b. 公平值

金融資產及金融負債之公平值是按現有市場交易價格的折現現金流分析根據普遍採用定價模式為基準釐定。董事認為金融資產及金融負債於綜合財務報表中之賬面值與其公平值相若。

6. 收益

收益指本年度銷售貨品之收訖及應收之款項淨額，其分析如下：

7. 業務及地區分類

業務分類

就管理目的而言，本集團目前經營兩大業務—液晶體顯示器產品與電子消費產品，本集團以此等分類作為呈報其主要分類資料之基準。

主要業務如下：

液晶體顯示器產品	–	製造及分銷液晶體顯示器產品
電子消費產品	–	製造及分銷電子消費產品

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS *(continued)*

Business segments *(continued)*

Segment information about these businesses is presented below:

For the year ended 31 December 2006

7. 業務及地區分類 (續)

業務分類 (續)

此等業務之分類資料呈列如下：

截至二零零六年十二月三十一日止年度

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子消費 產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益			
External sales	外銷	4,403,989	119,837	4,523,826
RESULT	業績			
Segment result	分類業績	634,489	2,138	636,627
Unallocated corporate income	未分配之公司收入			62,089
Unallocated corporate expenses	未分配之公司費用			(11,433)
Share of loss of an associate	應佔一家聯營 公司虧損	-	(334)	(334)
Finance costs	財務費用			(35,766)
Profit before taxation	除稅前溢利			651,183
Income tax expense	所得稅支出			(119,137)
Profit for the year	本年度溢利			532,046

7. BUSINESS AND GEOGRAPHICAL SEGMENTS *(continued)*

Business segments *(continued)*

As at 31 December 2006

BALANCE SHEET

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子消費 產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產			
Segment assets	分類資產	2,760,259	291,523	3,051,782
Interest in an associate	一家聯營公司之權益	-	838	838
Available-for-sales investment	可供出售投資			10,500
Deferred tax assets	遞延稅項資產			836
Amount due from an associate	應收一家聯營公司款項	-	352	352
Tax recoverable	可收回稅項			11,592
Unallocated corporate assets	未分配之公司資產			1,018,641
Consolidated total assets	綜合資產總額			4,094,541
LIABILITIES	負債			
Segment liabilities	分類負債	825,656	38,132	863,788
Tax liabilities	稅項負債			51,308
Deferred tax liabilities	遞延稅項負債			38,905
Unallocated corporate liabilities	未分配之公司負債			774,538
Consolidated total liabilities	綜合負債總額			1,728,539

OTHER INFORMATION

其他資料

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子消費 產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital additions	增加資本	771,564	60,116	-	831,680
Depreciation and amortisation	折舊及攤銷	151,777	34,843	-	186,620
Loss on disposal/write-off of property, plant and equipment	出售/撤銷物業、 廠房及設備 之虧損	28	443	-	471
Share based payments	以股份為基礎之付款	-	-	10,000	10,000

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

For the year ended 31 December 2005

7. 業務及地區分類 (續)

業務分類 (續)

截至二零零五年十二月三十一日止年度

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子消費 產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益			
External sales	外銷	4,389,588	184,491	4,574,079
RESULT	業績			
Segment result	分類業績	836,975	23,725	860,700
Unallocated corporate income	未分配之公司收入			16,139
Unallocated corporate expenses	未分配之公司費用			(1,092)
Impairment loss on available-for-sale investments	可供出售投資之 減值虧損	(7,800)	-	(7,800)
Impairment loss on property, plant and equipment	物業、廠房及設備之 減值虧損	-	(6,377)	(6,377)
Share of loss of an associate	應佔一家聯營公司虧損	-	(382)	(382)
Finance costs	財務費用			(19,683)
Profit before taxation	除稅前溢利			841,505
Income tax expense	所得稅支出			(139,457)
Profit for the year	本年度溢利			702,048

7. BUSINESS AND GEOGRAPHICAL SEGMENTS *(continued)*

Business segments *(continued)*

As at 31 December 2005

BALANCE SHEET

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子消費 產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產			
Segment assets	分類資產	2,308,919	266,910	2,575,829
Interest in an associate	一家聯營公司之權益	-	1,086	1,086
Deferred tax assets	遞延稅項資產			415
Amount due from an associate	應收一家聯營公司款項	-	447	447
Tax recoverable	可收回稅項			1,967
Unallocated corporate assets	未分配之公司資產			848,436
Consolidated total assets	綜合資產總額			3,428,180
LIABILITIES	負債			
Segment liabilities	分類負債	883,006	38,527	921,533
Tax liabilities	稅項負債			98,728
Deferred tax liabilities	遞延稅項負債			38,150
Unallocated corporate liabilities	未分配之公司負債			431,724
Consolidated total liabilities	綜合負債總額			1,490,135

OTHER INFORMATION

其他資料

		LCD products 液晶體 顯示器產品 HK\$'000 千港元	Electronic consumer products 電子消費 產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital additions	增加資本	435,444	60,320	495,764
Depreciation and amortisation	折舊及攤銷	134,775	26,384	161,159
Loss on disposal/write-off of property, plant and equipment	出售／撇銷物業、 廠房及設備之虧損	-	4,197	4,197

7. 業務及地區分類 (續)

業務分類 (續)

於二零零五年十二月三十一日

資產負債表

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS *(continued)*

Geographical segments

The Group's manufacturing operation is located in the PRC. The sales and marketing functions are located at all reportable segments as listed below.

The revenue of the Group, analysed by location of customers, is as follows:

7. 業務及地區分類 (續)

地區分類

本集團之製造業務位於中國，銷售及市場推廣業務則位於下文所呈列之所有地區。

本集團按客戶所在地區分類分析之收益如下：

		Revenue by geographical segments 按地區分類劃分之收益	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
PRC	中國	3,620,501	3,433,919
South Korea	南韓	226,908	587,569
Japan	日本	125,054	175,194
Hong Kong	香港	212,317	147,980
Europe	歐洲	206,404	119,132
Others	其他	132,642	110,285
		4,523,826	4,574,079

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

以下是按資產所在地區分析之分類資產賬面值以及添置之物業、廠房及設備以及無形資產：

		Carrying amount of segment assets 分類資產賬面值		Additions to property, plant and equipment (including deposits) and intangible assets 物業、廠房及設備 (包括按金) 以及無形資產之添置	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
PRC	中國	2,098,071	2,031,590	825,275	494,752
Hong Kong	香港	1,928,719	1,347,565	6,368	915
Europe	歐洲	7,336	20,086	17	15
Others	其他	36,297	25,024	20	82
		4,070,423	3,424,365	831,680	495,764

8. OTHER INCOME

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest income	利息收入	20,546	14,536
Tax refund on reinvestment (note)	重新投資之稅務退款 (附註)	38,849	-
Rental income	租金收入	2,694	1,603
Gain on disposal of prepaid lease payments	出售預付租賃款項收益	2,191	-
Exchange gains	匯兌收益	4,863	-
Forfeited deposits from customers	從客戶沒收之按金	4,647	-
Government grants	政府津貼	629	1,856
Compensation income	補償收入	-	1,509
Subcontracting income	外判收入	-	1,636
Scrap sales	出售廢料	-	1,446
Others	其他	4,706	4,852
		79,125	27,438

Note: Pursuant to the relevant laws and regulations in the PRC, one of the Company's PRC subsidiaries, 信利半導體有限公司, is entitled for the tax refund on the reinvestment on its share of profit. In current year, the income tax previously paid on the amount of reinvestment by this subsidiary has fully refunded back to the immediate holding company of this PRC subsidiary.

附註：根據中國之有關法律及法規，本公司之中國附屬公司信利半導體有限公司有權於就其應佔溢利獲得重新投資之稅務退款。本年度內，以往就此附屬公司重新投資支付之所得稅已全數退回此中國附屬公司之直接控股公司。

8. 其他收入

9. FINANCE COSTS

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on:	利息：		
Bank borrowings wholly repayable within five years	須於五年內全部償還之 銀行借貸	35,766	19,466
Finance leases	融資租約	-	217
		35,766	19,683

9. 財務費用

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

10. INCOME TAX EXPENSE

10. 所得稅支出

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current tax:	本期稅項:		
Hong Kong	香港	35,949	50,697
PRC	中國	82,361	73,661
Other jurisdictions	其他司法權區	360	254
		118,670	124,612
Under (over) provision in prior years:	以往年度撥備不足 (超額撥備):		
Hong Kong	香港	133	(4,850)
PRC	中國	-	1,330
		133	(3,520)
Deferred tax (note 27):	遞延稅項 (附註第27項):		
Current year	本年度	334	18,365
Income tax expense for the year	本年度所得稅支出	119,137	139,457

Hong Kong Profits Tax is calculated at 17.5% (2005: 17.5%) of the estimated assessable profit for the year. Income tax arising in PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Pursuant to the relevant laws and regulations in the PRC, one of the Company's PRC subsidiaries, 信利半導體有限公司, is entitled to exemption from PRC enterprise income tax for the first two years commencing from its first profit-making year of operation and thereafter, this PRC subsidiary will be entitled to a 50% relief from PRC enterprise income tax of 24% for the following three years starting from 2003.

香港利得稅乃根據年內之估計應課稅溢利按17.5% (二零零五年: 17.5%) 之稅率計算。於中國及其他司法權區所產生之所得稅乃根據有關司法權區適用之稅率計算。

根據中國相關法律及規例, 本公司其中一家中國附屬公司信利半導體有限公司有權於首個獲利之營運年度起計首兩年獲豁免中國企業所得稅, 而該中國附屬公司有權由二零零三年起三年享有中國企業所得稅 (稅率為24%) 之50%寬減。

10. INCOME TAX EXPENSE (continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

10. 所得稅支出 (續)

本年度之稅項支出與綜合收益表之除稅前溢利之對賬如下：

		2006 二零零六年			2005 二零零五年		
		PRC HK\$'000 中國 千港元	HK HK\$'000 香港 千港元	Total HK\$'000 總額 千港元	PRC HK\$'000 中國 千港元	HK HK\$'000 香港 千港元	Total HK\$'000 總額 千港元
Profit before taxation	除稅前溢利	513,417	137,766	651,183	602,813	238,692	841,505
Applicable income tax rate	適用所得稅率	27%	17.5%		27%	17.5%	
Tax at the applicable income tax rate	根據適用所得稅率計算之稅項	138,623	24,109	162,732	162,760	41,771	204,531
Tax effect of share of results of an associate	應佔一家聯營公司業績之稅務影響	-	58	58	-	67	67
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	-	12,937	12,937	-	4,099	4,099
Tax effect of income not taxable for tax purpose	不可課稅收入之稅務影響	-	(3,401)	(3,401)	-	(2,321)	(2,321)
Under(over)provision in respect of prior year	以往年度撥備不足(超額撥備)	-	133	133	1,330	(4,850)	(3,520)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	560	1,353	1,913	4,090	679	4,769
Tax effect of other deductible temporary differences not recognised	未確認其他可扣稅暫時差額之稅務影響	-	-	-	1,371	-	1,371
Tax effect of utilisation of tax losses previously not recognised	動用以往未確認之稅務虧損之稅務影響	-	(75)	(75)	(1,187)	(8)	(1,195)
Tax effect of utilisation of deductible temporary differences previously not recognised	動用以往未確認之可扣減暫時差額之稅務影響	-	(283)	(283)	-	-	-
Effect of tax concession granted to a PRC subsidiary	中國附屬公司獲授稅務優惠之影響	(55,306)	-	(55,306)	(87,897)	-	(87,897)
Effect of cessation of concessionary rate of Hong Kong Profits Tax on opening deferred tax liability (note)	終止以優惠稅率計算香港利得稅對期初遞延稅項負債之影響(附註)	-	-	-	-	19,474	19,474
Others	其他	(260)	689	429	153	(74)	79
Tax expense for the year	本年度稅項支出	83,617	35,520	119,137	80,620	58,837	139,457

Note: In previous years, for Hong Kong Profits Tax purposes, one of the Company's subsidiaries had been claiming that 50% of its assessable profit attributable to its manufacturing operation in the PRC as offshore in nature and non-taxable. In prior year, this subsidiary had changed its mode of operation so that its assessable profit is chargeable to Hong Kong Profits Tax at 17.5%.

附註：於過往年度，就申報香港利得稅而言，本公司其中一家附屬公司已報稱其約50%應課稅溢利乃來自於中國之製造業務，故屬離岸性質及無需課稅。去年，該附屬公司已改變其運作模式，以致其應課稅溢利以香港利得稅稅率17.5%課稅。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

11. PROFIT FOR THE YEAR

11. 本年度溢利

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit for the year has been arrived at after charging:	本年度溢利於扣除下列各項後達致:		
Depreciation and amortisation on:	以下各項之折舊及攤銷:		
Property, plant and equipment	物業、廠房及設備	173,135	148,904
Prepaid lease payments	預付租賃款項	2,598	2,456
Development expenditure included in cost of sales	發展支出(計入銷售成本)	10,625	9,455
Trademarks included in administrative expenses	商標(計入行政費用)	262	344
		186,620	161,159
Cost of inventories	存貨成本	3,612,475	3,474,064
Staff costs, inclusive of directors' remuneration:	員工成本 (包括董事酬金):		
Salaries and other benefits	薪金及其他福利	230,387	187,576
Retirement benefits scheme contributions	退休福利計劃供款	11,547	8,515
		241,934	196,091
Auditors' remuneration	核數師酬金		
Current year	本年度	1,842	1,693
Underprovision in prior year	以往年度撥備不足	-	50
Allowance for doubtful debts	呆賬撥備	3,232	9,675
Loss on disposal/write-off of property, plant and equipment	出售/撇銷物業、廠房及設備之虧損	471	4,197
Operating lease rental in respect of:	經營租約租金來自:		
Rented premises	租賃物業	4,122	3,301
Other equipment	其他設備	484	538
Research costs (included in cost of sales)	研究成本 (計入銷售成本)	11,465	13,655

Of the consolidated profit for the year of HK\$532,046,000 (2005: HK\$702,048,000), a profit of HK\$225,307,000 (2005: HK\$224,937,000) has been dealt with in the financial statements of the Company.

於532,046,000港元(二零零五年: 702,048,000港元)之本年度綜合溢利當中, 225,307,000港元(二零零五年: 224,937,000港元)之溢利已在本公司之財務報表中處理。

12. DIRECTORS' REMUNERATION

12. 董事酬金

	Lam Wai Wah, Steven (Chairman and Managing Director)	Wong Pong Chun, James (Executive Director)	Cheung Tat Sang, (Production Marketing Director)	Li Jian Hua (Production Director)	Chung Kam Kwong 鍾錦光	Ip Cho Ting, Spencer 葉祖亭	Heung Kai Sing 香啟誠	Total 總額
	林偉華 (主席 及董事 總經理)	黃邦俊 (執行董事)	張達生 (市場推廣 董事)	李建華 (生產部 董事 總經理)	鍾錦光	葉祖亭	香啟誠	總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2006	二零零六年							
Directors' fees:	董事袍金:							
Executive	-	-	-	-	-	-	-	-
Independent non-executive	-	-	-	-	88	30	30	148
Other emoluments paid to the executive directors:	支付予執行董事之 其他酬金:							
Salaries and other benefits	2,113	1,250	1,640	1,800	-	-	-	6,803
Performance related incentive payments (note 1)	-	-	875	1,500	-	-	-	2,375
Contributions to retirement benefit scheme	24	24	24	12	-	-	-	84
	2,137	1,274	2,539	3,312	88	30	30	9,410
2005	二零零五年							
Directors' fees:	董事袍金:							
Executive	-	-	-	-	-	-	-	-
Independent non-executive	-	-	-	-	88	30	30	148
Other emoluments paid to the executive directors:	支付予執行董事之 其他酬金:							
Salaries and other benefits	2,048	1,385	1,596	1,440	-	-	-	6,469
Performance related incentive payments (note 1)	-	-	1,290	1,200	-	-	-	2,490
Contributions to retirement benefit scheme	24	24	24	12	-	-	-	84
	2,072	1,409	2,910	2,652	88	30	30	9,191

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

12. DIRECTORS' REMUNERATION (continued)

Notes:

- (1) The performance related incentive payments is determined as a percentage of the turnover and operating profit of the Group for the two years ended 31 December 2006.
- (2) In addition to the above, during the year, Mr. Wong Pong Chun, James and Mr. Cheung Tat Sang, James were granted certain share options of the Company and the deemed benefits arising from the grant of those share options are HK\$3,333,000 and HK\$3,333,000 respectively. The deemed benefits represent the fair value of the share options granted, calculated on the basis set out in note 32.

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2005: three) were directors of the Company whose emoluments are set out in note 12 above. The emoluments of the remaining two (2005: two) individuals were as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,660	2,406
Performance related incentive payments	與業績掛鈎之獎金	-	3,030
Contributions to retirement benefit scheme	退休福利計劃供款	36	24
		3,696	5,460

Their emoluments were within the following bands:

		2006 二零零六年 Number of employees 僱員數目	2005 二零零五年 Number of employees 僱員數目
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	1
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	-	1

12. 董事酬金 (續)

附註:

- (1) 與業績掛鈎之獎金乃按本集團截至二零零六年十二月三十一日止兩個年度之營業額及營運溢利之若干百分比釐定。
- (2) 除上述者外，年內，黃邦俊先生及張達生先生獲授本公司若干購股權以及因獲授該等購股權而產生被視作擁有之利益分別為3,333,000港元及3,333,000港元。被視作擁有之利益指已獲授購股權之公平值，按附註第32項所載基準計算。

13. 僱員酬金

本集團五名最高薪酬人士包括三名(二零零五年:三名)本公司之董事，其酬金詳情已載於上文附註第12項。其餘兩名(二零零五年:兩名)僱員之酬金如下:

有關僱員酬金之金額介乎:

14. DIVIDENDS

14. 股息

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Dividend recognised as distribution during the year:			
Interim dividend paid of 23 HK cents (2005: 23 HK cents) per share	於本年度確認為分派之股息： 已派發中期股息每股23港仙 (二零零五年: 23港仙)	107,640	105,378
Final dividend in respect of 2005 paid of 25 HK cents (2005: in respect of 2004 of 23 HK cents) per share	已派發二零零五年之末期股息每股25港仙 (二零零五年: 二零零四年之末期股息23港仙)	114,626	104,576
		222,266	209,954

A final dividend of 25 HK cents (2005: 25 HK cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

末期股息每股25港仙(二零零五年: 25港仙)已由董事建議,並須經由股東於應屆股東週年大會上批准。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Earnings for the purposes of basic and diluted earnings per share	用作計算每股基本及攤薄盈利之盈利	532,046	702,048

15. 每股盈利

每股基本盈利及每股攤薄盈利乃按下列數據計算：

盈利

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Earnings for the purposes of basic and diluted earnings per share	用作計算每股基本及攤薄盈利之盈利	532,046	702,048

Number of shares

股份數目

		2006 二零零六年	2005 二零零五年
Weighted average number of ordinary shares for the purposes of basic earnings per share	用作計算每股基本盈利之加權平均普通股數目	463,925,689	455,489,623
Effect of dilutive potential ordinary shares: Share options issued by the Company	潛在普通股攤薄影響： 本公司所發行之購股權	6,912,977	12,969,191
Weighted average number of ordinary shares for the purposes of diluted earnings per share	用作計算每股攤薄盈利之加權平均普通股數目	470,838,666	468,458,814

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Buildings	Furniture, fixtures and equipment	Plant and machinery	Motor vehicles	Properties under development	Total
		樓宇 HK\$'000 千港元	傢俬、裝置及設備 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	汽車 HK\$'000 千港元	發展中物業 HK\$'000 千港元	總額 HK\$'000 千港元
COST		成本值					
At 1 January 2005	於二零零五年一月一日	293,218	131,238	1,054,206	18,300	6,215	1,503,177
Currency realignment	貨幣調整	681	2,605	17,625	148	15	21,074
Transfer to other property, plant and equipment	轉移至其他物業、廠房及設備	37,092	-	308	-	(37,400)	-
Additions	添置	303	20,582	379,142	883	33,857	434,767
Disposals/write-off	出售/撇銷	-	-	(14,644)	-	-	(14,644)
At 31 December 2005	於二零零五年十二月三十一日	331,294	154,425	1,436,637	19,331	2,687	1,944,374
Currency realignment	貨幣調整	3,562	5,319	42,762	330	11	51,984
Transfer to other property, plant and equipment	轉移至其他物業、廠房及設備	25,102	-	-	-	(25,102)	-
Additions	添置	12,691	58,726	155,752	1,030	231,995	460,194
Disposals	出售	-	(738)	-	-	-	(738)
At 31 December 2006	於二零零六年十二月三十一日	372,649	217,732	1,635,151	20,691	209,591	2,455,814
DEPRECIATION AND IMPAIRMENT		折舊及減值					
At 1 January 2005	於二零零五年一月一日	62,335	79,175	547,102	10,913	-	699,525
Currency realignment	貨幣調整	219	1,143	7,083	118	-	8,563
Provided for the year	本年度撥備	8,266	12,356	125,753	2,529	-	148,904
Impairment loss recognised in the income statement	於收益表中確認之減值虧損	-	-	6,377	-	-	6,377
Eliminated on disposals/write-off	出售/撇銷對銷	-	-	(10,447)	-	-	(10,447)
At 31 December 2005	於二零零五年十二月三十一日	70,820	92,674	675,868	13,560	-	852,922
Currency realignment	貨幣調整	516	3,145	22,379	264	-	26,304
Provided for the year	本年度撥備	9,161	21,466	140,448	2,060	-	173,135
Eliminated on disposals	出售對銷	-	(267)	-	-	-	(267)
At 31 December 2006	於二零零六年十二月三十一日	80,497	117,018	838,695	15,884	-	1,052,094
CARRYING VALUES		賬面值					
At 31 December 2006	於二零零六年十二月三十一日	292,152	100,714	796,456	4,807	209,591	1,403,720
At 31 December 2005	於二零零五年十二月三十一日	260,474	61,751	760,769	5,771	2,687	1,091,452

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT

(continued)

The cost of buildings is depreciated over forty years or the terms of the respective leases, whichever is the shorter, using the straight-line method.

The above items of property, plant and equipment are depreciated on a reducing balance method at the following rates per annum:

Furniture, fixtures and equipment	15% to 50%
Plant and machinery	15% to 40%
Motor vehicles	25% to 45%

16. 物業、廠房及設備 (續)

樓宇之成本以直線法以四十年年期或有關租賃年期(以較短者)折舊。

以上物業、廠房及設備之項目以餘額遞減法,按以下年率計算折舊:

傢俬、裝置及設備	15%至50%
廠房及機器	15%至40%
汽車	25%至45%

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The carrying value of the Group's property interests shown above comprises:	上述本集團物業權益之賬面值包括:		
Leasehold properties in Hong Kong held under medium term leases	根據中期租約在香港持有之租賃物業	2,995	3,135
Leasehold properties in the PRC held under medium term leases	根據中期租約在中國持有之租賃物業	289,157	257,339
		292,152	260,474

The directors conducted a review of the Group's manufacturing assets and determined that a number of plant and machinery were impaired, due to physical damage and technical obsolescence. Accordingly, impairment losses of HK\$6,377,000 have been recognised in respect of plant and machinery in prior years, which were used in the Group's electronic consumer products segment.

董事對本集團之製造資產進行了審視,決定一定數目之廠房及機器由於本體上的損害及技術上的過時而須減值。相應地,屬於本集團電子消費產品分類所使用的廠房及機器確認減值虧損6,377,000港元。

17. PREPAID LEASE PAYMENTS

17. 預付租賃款項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The Group's prepaid lease payments comprise:	本集團預付租賃款項包括：		
Leasehold land in Hong Kong held under medium-term lease	根據中期租約在香港持有之租賃土地	4,469	4,582
Leasehold land in the PRC held under medium-term lease	根據中期租約在中國持有之租賃土地	97,218	96,141
		101,687	100,723
Analysed for reporting purposes as:	就滙報目的分析如下：		
Non-current asset	非流動資產	99,089	98,267
Current asset	流動資產	2,598	2,456
		101,687	100,723

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

18. INTANGIBLE ASSETS

18. 無形資產

		Development expenditure	Trademarks	Total
		發展支出 HK\$'000 千港元	商標 HK\$'000 千港元	總額 HK\$'000 千港元
COST				
At 1 January 2005	於二零零五年一月一日	38,922	2,899	41,821
Additions	增加	-	405	405
At 31 December 2005	於二零零五年十二月三十一日	38,922	3,304	42,226
Additions	增加	4,680	160	4,840
At 31 December 2006	於二零零六年十二月三十一日	43,602	3,464	47,066
AMORTISATION				
At 1 January 2005	於二零零五年一月一日	10,559	2,466	13,025
Provided for the year	本年度撥備	9,455	344	9,799
At 31 December 2005	於二零零五年十二月三十一日	20,014	2,810	22,824
Provided for the year	本年度撥備	10,625	262	10,887
At 31 December 2006	於二零零六年十二月三十一日	30,639	3,072	33,711
CARRYING VALUES				
At 31 December 2006	於二零零六年十二月三十一日	12,963	392	13,355
At 31 December 2005	於二零零五年十二月三十一日	18,908	494	19,402

Development expenditure and trademarks are amortised on a straight-line basis over 4 years.

發展支出及商標乃以直線法攤銷，攤銷期為四年。

Included in carrying value of development expenditure is an amount of HK\$7,800,000 (2005: HK\$15,600,000) representing licence fee acquired from a third party in 2003 for the Group's OLED business. The remaining amount is internally generated. Trademarks were acquired from third parties.

於發展支出之賬面值中包括一筆7,800,000港元(二零零五年:15,600,000港元)款額，代表從第三方於二零零三年取得本集團OLED業務之牌照費。餘額為內部產生。商標乃由第三方取得。

19. INTEREST IN AN ASSOCIATE

19. 一家聯營公司之權益

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost of investment in unlisted associate	投資非上市聯營公司成本	500	500
Share of post-acquisition profits, net of dividend received	應佔收購後溢利，扣除已收股息	338	586
		838	1,086

Particulars of the associate of the Group at 31 December 2006 are as follows:

本集團於二零零六年十二月三十一日之聯營公司之詳情如下：

Name of associate 聯營公司名稱	Form of business structure 業務架構形式	Country of incorporation/ operation 註冊成立/ 營業國家	Class of shares held 所持股份類別	Percentage of issued share capital held by the Group 本集團持有之已發行股本百分比	Principal activities 主要業務
Fast Clean (Korea) Ltd.	Incorporated 註冊為法團	South Korea 南韓	Ordinary 普通股	50%	Trading in electric consumer products 電子消費產品貿易

The summarised financial information in respect of the Group's associate is set out below:

本集團聯營公司有關財務資料概述如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Total assets	總資產	2,695	3,829
Total liabilities	總負債	(1,019)	(1,658)
Net assets	淨資產	1,676	2,171
Group's share of net assets of an associate	本集團應佔一家聯營公司淨資產	838	1,086

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

19. INTEREST IN AN ASSOCIATE (continued)

		Year ended 31.12.2006 截至 二零零六年 十二月 三十一日 止年度 HK\$'000 千港元	Year ended 31.12.2005 截至 二零零五年 十二月 三十一日 止年度 HK\$'000 千港元
Revenue	收益	5,510	3,935
Loss for the year	本年度虧損	(668)	(765)
Group's share of loss of an associate for the year	本集團年內應佔一家聯營公司虧損	(334)	(382)

19. 一家聯營公司之權益 (續)

20. AVAILABLE-FOR-SALE INVESTMENTS

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted equity shares, at cost	非上市股本股份 (按成本值)	10,500	7,800
Less: impairment	扣減: 減值	-	(7,800)
		10,500	-

20. 可供出售投資

The investments represent the unlisted equity shares issued by private entities in Japan. The investments were stated at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair value cannot be measured reliably.

該投資代表一家於日本的私人公司發行的非上市股本的投資。由於其估計合理公平值之幅度顯著，董事認為其公平值不能可靠計量，故其於各結算日按成本值扣減減值列出。

21. INVENTORIES

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Raw materials	原材料	202,533	243,785
Work in progress	在製品	139,521	118,834
Finished goods	製成品	177,024	187,375
		519,078	549,994

During the year, there was a write-down of inventories of HK\$1,876,000 (2005: HK\$3,599,000) to their net realisable value.

本年度內，於其淨可變現價值中有一筆存貨撇銷款額1,876,000港元（二零零五年：3,599,000港元）。

22. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing an average credit terms ranging from 30 to 90 days to its trade customers.

The following is an aged analysis of accounts receivable at the balance sheet date:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 60 days	60天以內	442,116	566,087
61 to 90 days	61至90天	43,761	63,958
More than 90 days	90天以上	53,636	24,611
		539,513	654,656

At 31 December 2006, allowance has been made for estimated irrecoverable amount of HK\$12,907,000 (2005: HK\$9,675,000).

於二零零六年十二月三十一日，就估計不可收回款額的撥備為12,907,000港元（二零零五年：9,675,000港元）。

23. AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate is unsecured, interest free and repayable on demand.

21. 存貨

22. 應收賬項及其他應收款項

本集團之政策為給予其貿易客戶平均30至90天的信貸期。

於結算日之應收賬項賬齡分析如下：

23. 應收一家聯營公司款項

應收一家聯營公司款項為無抵押、免息並須按要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

24. BANK BALANCES AND CASH

The Group's bank balances and cash that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		Japanese Yen 日圓 HK\$'000 千港元	US\$ 美元 HK\$'000 千港元	Renminbi 人民幣 HK\$'000 千港元	Euro 歐元 HK\$'000 千港元
As at 31 December 2006	於二零零六年 十二月三十一日	728,402	242,999	2,197	4,829
As at 31 December 2005	於二零零五年 十二月三十一日	118,772	637,318	3,181	9,125

Bank balances carry interest at market rates which ranged from 0.13% to 4.74% (2005: 0.01% to 2.75%) per annum.

24. 銀行結存及現金

本集團以有關集團實體功能貨幣以外之貨幣列值之銀行結存及現金載列如下：

銀行結存按介乎0.13%至4.74%（二零零五年：0.01%至2.75%）之市場年利率計息。

25. TRADE AND OTHER PAYABLES

The following is an aged analysis of accounts payable at the balance sheet date:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 60 days	60天以內	472,881	685,095
61 to 90 days	61至90天	93,982	38,014
More than 90 days	90天以上	87,854	31,596
		654,717	754,705

25. 應付賬項及其他應付款項

於結算日之應付賬項賬齡分析如下：

26. BANK BORROWINGS

26. 銀行借貸

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank loans	銀行借貸	524,602	430,089
Trust receipt loans	信託收據貸款	249,938	1,407
		774,540	431,496
Secured	有抵押	-	25,000
Unsecured	無抵押	774,540	406,496
		774,540	431,496
The Group's bank borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:	本集團以有關集團實體功能貨幣以外之貨幣列值之銀行借貸載列如下:		
Denominated in US\$	以美元計值	106,518	7,181
Denominated in Japanese Yen	以日圓計值	6,300	-
The maturity profile of the bank borrowings is as follows:	銀行借貸之到期日資料如下:		
On demand or within one year	於催繳時或於一年內	566,696	181,937
More than one year, but not exceeding two years	一年後但於兩年內	123,966	167,899
More than two years, but not exceeding five years	兩年後但於五年內	83,878	81,660
		774,540	431,496
Less: Amount due within one year shown under current liabilities	減: 列於流動負債中之一年內到期款項	(566,696)	(181,937)
Amount due after one year	一年後到期款項	207,844	249,559

All the Group's borrowings are variable-rate borrowings which carry interest at HIBOR or LIBOR plus certain basis points. Interest is repricing every three months and the range of interest rates is at 4.70% to 6.88% (2005: 1.73% to 7.61%).

本集團所有借貸均為浮息借貸，其按香港銀行同業拆息或倫敦銀行同業拆息加若干基本點子計息。利息每三個月重定，息率幅度為4.70%至6.88%（二零零五年：1.73%至7.61%）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

27. DEFERRED TAX

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior reporting periods:

		Accelerated tax depreciation	Intangible assets	Tax losses	Others	Total
		加速稅項折舊	無形資產	稅項虧損	其他	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2005	於二零零五年一月一日	19,568	505	(8)	(695)	19,370
Effect on cessation of concessionary rate of Hong Kong Profits Tax on opening deferred tax liability charge to income	終止以優惠稅率計算香港利得稅對期初遞延稅項負債之影響於收入中支銷	19,040	434	-	-	19,474
(Credit) charge to income for the year	於年度收入中(抵免)支銷	(458)	(939)	8	280	(1,109)
At 1 January 2006	於二零零六年一月一日	38,150	-	-	(415)	37,735
(Credit) charge to income for the year	於年度收入中(抵免)支銷	755	-	-	(421)	334
At 31 December 2006	於二零零六年十二月三十一日	38,905	-	-	(836)	38,069

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

就資產負債表之呈列而言，已抵銷若干遞延稅項資產及負債。就財務呈報而言之遞延稅項結餘分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	38,905	38,150
Deferred tax assets	遞延稅項資產	(836)	(415)
		38,069	37,735

27. DEFERRED TAX *(continued)*

At the balance sheet date, the Group has unused tax losses of HK\$55,470,000 (2005: HK\$46,093,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$12,684,000 (2005: HK\$10,536,000) that will expire from 2007 to 2010, other losses may be carried forward indefinitely.

At the balance sheet date, the Group had other deductible temporary differences of HK\$6,218,000 (2005: HK\$7,835,000) available for offset against future profit. A deferred tax asset has not been recognised due to the unpredictability of future profit streams.

27. 遞延稅項 (續)

於結算日，本集團之未動用稅務虧損 55,470,000 港元 (二零零五年：46,093,000 港元) 可用作抵銷未來溢利。由於未能估計將來之溢利，因此並無就該等虧損確認遞延稅項資產。未確認之稅務虧損包括將於二零零七年至二零一零年屆滿之虧損 12,684,000 港元 (二零零五年：10,536,000 港元)，而其他虧損可無限期結轉。

於結算日，本集團之其他可扣減暫時差額 6,218,000 港元 (二零零五年：7,835,000 港元) 可用作抵銷未來溢利。由於未能估計將來之溢利，故並無確認遞延稅項資產。

28. SHARE CAPITAL

28. 股本

		Number of shares 股數		Share capital 股本	
		2006 二零零六年	2005 二零零五年	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Ordinary shares of HK\$0.1 each	每股面值0.1港元之 普通股				
Authorised:	法定：				
At 1 January and 31 December	於一月一日及 十二月三十一日	650,000,000	650,000,000	65,000	65,000
Issued and fully paid:	已發行及繳足：				
At 1 January	於一月一日	458,164,527	451,689,527	45,816	45,168
Exercise of share options	行使購股權	10,132,000	6,475,000	1,014	648
At 31 December	於十二月三十一日	468,296,527	458,164,527	46,830	45,816

Details of the exercise of share options are set out in note 32.

行使購股權之詳情載於附註第32項。

29. PLEDGE OF ASSETS

As at 31 December 2005, the Group had pledged certain of its machinery with an aggregate carrying value of HK\$47,056,000 to secure bank borrowings granted to the Group in prior year.

29. 資產抵押

於二零零五年十二月三十一日，本集團將賬面總值為47,056,000港元之若干機器，提供予銀行作為於上年度取得本集團之銀行借貸之抵押。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

30. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	2,613	4,435
Within two years	兩年內	1,117	274
		3,730	4,709

Operating lease payments represent rentals payable by the Group for certain of its office premises and other equipment. Leases are negotiated for an average term of two years with fixed rentals.

30. 經營租約承擔

於結算日，本集團在不可撤銷經營租約之未來最低租約付款承擔之到期日如下：

經營租約指本集團就其若干辦公室物業及其他設備而應付之租金。平均協定期為兩年，並為固定租金。

31. CAPITAL COMMITMENTS

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the financial statements in respect of acquisition of plant and equipment	就購置廠房及設備已訂約未在財務報表中撥備之資本支出	1,106,216	51,415
Capital expenditure authorised but not contracted for in respect of acquisition of plant and equipment	就購置廠房及設備已獲授權但未訂約之資本支出	600,000	2,000,000

31. 資本承擔

32. SHARE OPTION SCHEMES

Pursuant to resolutions passed at an extraordinary general meeting of the Company on 22 December 2003, the Company has terminated a share option scheme which was adopted on 22 May 2001 (the "Old Scheme") and adopted a new share option scheme (the "New Scheme").

(i) Old Scheme

The purpose of the Old Scheme is to motivate employees of the Group and to allow them to participate in the growth of the Company. The maximum number of shares in respect of which options may be granted under the Old Scheme is not permitted to exceed 10% of the share capital of the Company in issue from time to time. The maximum number of shares in respect of which options may be granted to any individual is not permitted to exceed 25% of the aggregate number of shares for the time being issued and issuable under the Old Scheme. Any participants who accepts an offer of the grant of an option in accordance with the terms of the Old Scheme shall pay to the Company HK\$1.00 by way of consideration for the grant thereof within a period of 30 days from the date on which an option is offered to the participant.

At 31 December 2006, the number of shares in respect of which options had been granted previously and remained outstanding under the Old Scheme was 3,963,000 (2005: 14,095,000), representing 0.8% (2005: 3.1%) of the shares of the Company in issue at that date. The options are exercisable at any time until 22 May 2011.

32. 購股權計劃

根據本公司於二零零三年十二月二十二日舉行之股東特別週年大會通過之決議案，本公司已終止於二零零一年五月二十二日採納之購股權計劃（「舊計劃」），並採納一項新購股權計劃（「新計劃」）。

(i) 舊計劃

舊計劃旨在鼓勵本集團之僱員，並讓彼等參與本公司之增長。根據舊計劃可予授出之購股權所涉及之股份數目，最高不得超過本公司不時已發行股本10%。可授予任何個別人士之購股權所涉及之股份數目，最高不得超過當時根據舊計劃已發行及可發行之股份總數25%。任何根據舊計劃條款接納所獲授購股權之參與者須於購股權授予參與者當日起計30日內以代價形式向本公司支付1.00港元。

於二零零六年十二月三十一日，舊計劃項下之已授出但尚未行使購股權所涉及之股份數目為3,963,000股（二零零五年：14,095,000股），佔本公司於該日之已發行股份0.8%（二零零五年：3.1%）。購股權可隨時予以行使，直至二零一一年五月二十二日止。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

32. SHARE OPTION SCHEMES (continued)

(i) Old Scheme (continued)

The following tables disclose details of the Company's share options held by the employees (including directors) and movements in such holdings during the year:

2006

Date of grant	Exercisable period	Exercise price	Number of options				
			Outstanding at 1.1.2005	Exercised during the year	Outstanding at 31.12.2005	Exercised during the year	
授出日期	行使期間	行使價 HK\$ 港元	於二零零五年一月一日 尚未行使	年內行使	於二零零五年十二月三十一日 尚未行使	於二零零六年十二月三十一日 尚未行使	
Directors:							
董事:							
16 July 2001 二零零一年七月十六日	17.7.2001 to 21.5.2011 二零零一年七月十七日至 二零一一年五月二十一日	2.196	14,370,000	(2,980,000)	11,390,000	(8,690,000)	2,700,000
Employees:							
僱員:							
16 July 2001 二零零一年七月十六日	17.7.2001 to 21.5.2011 二零零一年七月十七日至 二零一一年五月二十一日	2.196	6,200,000	(3,495,000)	2,705,000	(1,442,000)	1,263,000
			20,570,000	(6,475,000)	14,095,000	(10,132,000)	3,963,000

The average fair value of the Company's share before the date of issue for the exercise of share options during the year is HK\$10.27 (2005: HK\$10.38).

32. 購股權計劃 (續)

(i) 舊計劃 (續)

下表披露僱員 (包括董事) 所持本公司購股權之詳情及於年內之購股權變動情況:

二零零六年

Number of options 購股權數目

年內·就行使購股權而發行之本公司股份於發行日期之平均公平價值為10.27港元 (二零零五年: 10.38港元)。

32. SHARE OPTION SCHEMES *(continued)*

(ii) New Scheme

The Company's New Scheme was adopted for the primary purpose of providing incentives to eligible persons or rewarding for their contribution or potential contribution to the Group and will expire on 21 December 2013. Under the New Scheme, the Board of Directors of the Company may grant options to eligible persons, including (i) any director or proposed director, full-time employee or proposed employee of any member of the Group or controlling shareholder or any company controlled by a controlling shareholder; (ii) any holder of any securities issued by any member of the Group or any controlling shareholder or any company controlled by a controlling shareholder; and (iii) any business or joint venture partner, contractor, agent or representative of any supplier of goods or services to or any customer or distributor of goods or services of any member of the Group or any controlling shareholder or a company controlled by a controlling shareholder.

The total number of shares in respect of which options may be granted under the New Scheme and the Old Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital and with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

32. 購股權計劃 (續)

(ii) 新計劃

本公司之新計劃主要為鼓勵合資格僱員或獎勵彼等對本集團之貢獻或潛在貢獻而採納，並將於二零一三年十二月三十一日屆滿。根據新計劃本公司董事會可授出購股權予合資格人士，包括(i)本集團任何成員公司任何董事或建議董事、全職僱員或建議僱員、控股股東或控股股東控制之任何公司；(ii)本集團任何成員公司發行之任何證券之任何持有人、任何控股股東或控股股東控制之任何公司；及(iii)任何業務或合營夥伴、承包商、代理商、任何貨品或服務供應商代表、任何客戶、本集團任何成員公司之貨品或服務分銷商、任何控股股東或控股股東控制之任何公司。

於未獲本公司股東事先批准之情況下，根據新計劃及舊計劃可能授出之購股權涉及之股份總數，不得超過本公司任何時間之已發行股份10%。於未獲本公司股東事先批准之情況下，於任何一年內向任何個別人士可能授出之購股權涉及之股份數目，不得超過本公司任何時間已發行股份之1%。向主要股東或獨立非執行董事授出超過本公司股本0.1%及價值超過5,000,000港元之購股權必須事先經本公司股東批准。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

32. SHARE OPTION SCHEMES (continued)

(iii) New Scheme (continued)

Options granted must be accepted within 21 days from the date of option offer, upon payment of HK\$1.00 per option. Options may be exercised at any time from the date of grant of the share option to the 10th anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing price of the Company's shares on the date of grant, and the average closing price of the shares for the five business days immediately preceding the date of grant.

At 31 December 2006, the number of shares in respect of which options had been granted previously and remained outstanding under the New Scheme was 57,500,000 (2005: 44,000,000), representing 12.3% (2005: 9.6%) of the shares of the Company in issue at that date. The options are exercisable at any time until 21 December 2013.

32. 購股權計劃 (續)

(iii) 新計劃 (續)

授出之購股權必須於購股權發售建議起計21日內以支付每份購股權1.00港元之方式接納。購股權可於授出購股權日期起計至授出日期十週年期間內隨時行使。行使價由本公司董事釐定，且將不少於本公司股份於授出日期之收市價及股份於緊接授出日期前五個營業日之平均收市價（以較高者為準）。

於二零零六年十二月三十一日，根據新計劃已授出及尚未行使購股權所涉及之股份數目為57,500,000股（二零零五年：44,000,000股），佔於該日本公司已發行股份之12.3%（二零零五年：9.6%）。購股權可於二零一三年十二月二十一日前之任何時間內行使。

32. SHARE OPTION SCHEMES (continued)**(ii) New Scheme** (continued)

The following table discloses details of the Company's share options held by the employees (including directors):

32. 購股權計劃 (續)**(ii) 新計劃** (續)

下表披露僱員(包括董事)所持本公司購股權之詳情:

Date of grant	Exercisable period	Exercise price	Number of options 購股權數目		
			Outstanding at 1.1.2005 and 31.12.2005 於二零零五年 一月一日及 二零零五年 十二月三十一日 尚未行使	Grant during the year	Outstanding at 31.12.2006 於二零零六年 十二月三十一日 尚未行使
授出日期	行使期間	行使價 HK\$ 港元		年內授出	
Directors: 董事:					
26 February 2004 二零零四年 二月二十六日	27.2.2004 to 21.12.2013 二零零四年二月二十七日至 二零一三年十二月三十一日	11.6	17,600,000	-	17,600,000
15 June 2006 二零零六年 六月十五日	16.6.2006 to 21.12.2013 二零零六年六月十六日至 二零一三年十二月三十一日	9.58	-	9,000,000	9,000,000
			17,600,000	9,000,000	26,600,000
Employees: 僱員:					
26 February 2004 二零零四年 二月二十六日	27.2.2004 to 21.12.2013 二零零四年二月二十七日至 二零一三年十二月三十一日	11.6	26,400,000	-	26,400,000
15 June 2006 二零零六年 六月十五日	16.6.2006 to 21.12.2013 二零零六年六月十六日至 二零一三年十二月三十一日	9.58	-	4,500,000	4,500,000
			26,400,000	4,500,000	30,900,000
			44,000,000	13,500,000	57,500,000

The aggregate fair value of the option granted on 15 June, 2006 amounting to HK\$10,000,000 were calculated using The Black-Scholes pricing model. The inputs into the model were as follows:

於二零零六年六月十五日授出之購股權總公平值共計10,000,000港元。此乃利用柏力克舒爾斯定價模式計算。該模式所用之資料如下:

		2006 二零零六年
Exercise price	行使價	HK\$9.58 9.58港元
Expected volatility	預期波幅	27.35%
Expected life	預期年期	1 year 一年
Risk-free rate	無風險率	4.407%
Expected dividend yield	預期派息率	5.27%

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

32. SHARE OPTION SCHEMES (continued)

(iii) New Scheme (continued)

Expected volatility was determined by using the historical volatility of the Company's share price over 1 year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

The Group recognised the total expenses of HK\$10,000,000 (2005: Nil) for the year ended 31 December 2006 in relation to share options granted by the Company.

33. RETIREMENT BENEFITS SCHEMES

All the staff in Hong Kong of the Group are required to join the Mandatory Provident Fund Scheme. The Group is required to contribute 5%, while the employees are required to contribute 5% of their salaries to the scheme to the extent of HK\$1,000 for each employee.

According to the relevant laws and regulations in the PRC, the PRC subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

34. GOVERNMENT GRANTS

During the year, the Group received an unconditional government subsidy of Nil (2005: HK\$1,887,000) towards the scientific research development. The amount has been treated as deferred income. The amount is transferred to income over the useful lives of the relevant assets and relevant expenditure incurred. This policy has resulted in a credit to income in the current year of HK\$629,000 (2005: HK\$1,856,000). As at 31 December 2006, an amount of HK\$14,022,000 (2005: HK\$14,087,000) remained to be amortised and included in other payables.

32. 購股權計劃 (續)

(iii) 新計劃 (續)

預期波幅乃利用本公司超過一年之過往股價波幅釐定。該模式所用之預期年期已根據管理層就不可轉讓性、行使限制及行為考慮等因素影響所作之最佳估計而調整。

本集團已確認截至二零零六年十二月三十一日止年度就本公司授出有關購股權之總開支10,000,000港元(二零零五年:無)。

33. 退休福利計劃

本集團之全體香港僱員均須參加強制性公積金計劃。本集團須作出5%供款，而僱員亦須向該計劃作出其薪酬5%之供款，每名僱員之供款最多為1,000港元。

根據中國有關法律及規例，中國附屬公司須向國家管理退休福利計劃作出相等於其僱員薪酬若干百分比之供款。本集團就退休福利計劃所負之責任僅為向該計劃作出所須供款。

34. 政府補助

本集團於年內並無獲得用作科研發展之無條件政府補助(二零零五年:1,887,000港元)。該數額已以遞延收入列賬。該數額於相關資產及所產生之相關費用之使用期內轉為收益。此政策導致於本年度收入進賬額為629,000港元(二零零五年:1,856,000港元)。於二零零六年十二月三十一日，尚未攤銷之數額14,022,000港元(二零零五年:14,087,000港元)已計入其他應付款項。

35. RELATED PARTY TRANSACTIONS

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short-term benefits	短期福利	11,708	11,575
Post-employment benefits	離職後福利	132	132
Share based payments	以股份支付款項	10,000	-
		21,840	11,707

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

35. 有關方面之交易

本年度董事及主要管理層成員之薪酬如下：

本年度董事及主要行政人員之薪酬乃由薪酬委員會參考個別人士之表現及市場趨勢後釐定。

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

At 31 December 2006:

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊成立或登記/營業地點	Nominal value of issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股股本 面值/註冊資本	Proportionate equity interest of the Group 本集團所持有股權比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Truly Instrument Limited 信利儀器有限公司 (previously known as Fast Clean Limited) (前稱潔齒亮有限公司)	Hong Kong 香港	HK\$100 100港元	-	100%	Trading in electric toothbrush 電動牙刷貿易
Fast Clean (U.S.A.) Inc.	United States of America 美國	US\$5,000 5,000美元	-	100%	Trading of health products 健康產品貿易
Truly Electronics Manufacturing Limited 信利電子有限公司	Hong Kong 香港	HK\$1,000,010 1,000,010港元	100%	-	Trading in electronic calculators 電子計算機貿易

36. 本公司主要附屬公司資料

於二零零六年十二月三十一日：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

At 31 December 2006: (continued)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊成立或登記/營業地點	Nominal value of issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股股本面值/註冊資本	Proportionate equity interest of the Group 本集團所持有股權比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Lite Tech Limited 光技術有限公司	Hong Kong 香港	HK\$100,000 100,000港元	-	100%	Trading in back light 背光板貿易
Truly Electrical Products Company Limited 信利電器有限公司	Hong Kong 香港	HK\$200 200港元	-	100%	Trading in motor 摩打貿易
Truly Industrial Limited 信利工業有限公司	Hong Kong 香港	HK\$872,894 872,894港元	-	100%	Trading in electronic components 電子元件貿易
Truly Semiconductors (Europe) GmbH	Germany 德國	DM50,000 50,000馬克	-	100%	Trading in LCD products 液晶體顯示器產品貿易
Truly Semiconductors Limited 信利半導體有限公司	Hong Kong 香港	HK\$1,000 1,000港元	-	100%	Trading in LCD products 液晶體顯示器產品貿易
Truly (USA) Inc.	United States of America 美國	US\$20,000 20,000美元	100%	-	Marketing of electronic calculators 推銷電子計算機
信利電子有限公司 *	PRC 中國	US\$38,964,115 38,964,115美元	-	100%	Manufacture of electronic calculators 製造電子計算機
信利半導體有限公司 *	PRC 中國	US\$165,131,844 165,131,844美元	-	100%	Manufacture of LCD products 製造液晶體顯示器產品

36. 本公司主要附屬公司資料 (續)

於二零零六年十二月三十一日: (續)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(continued)*
At 31 December 2006: *(continued)*

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊成立或登記/營業地點	Nominal value of issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股股本面值/註冊資本	Proportionate equity interest of the Group 本集團所持有股權比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
信利儀器(汕尾)有限公司 (前稱潔齒亮(汕尾)有限公司)*	PRC 中國	US\$1,000,000 1,000,000美元	-	100%	Manufacture of electric toothbrush 製造電動牙刷
信利電機(汕尾)有限公司*	PRC 中國	US\$1,000,000 1,000,000美元	-	100%	Manufacture of motor 製造摩打
光科技術(汕尾)有限公司*	PRC 中國	US\$872,411 872,411美元	-	100%	Manufacture of back light 製造背光板

* wholly foreign owned enterprise

The above table lists the subsidiaries of the Group which, in the opinion of directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at 31 December 2006 or at any time during the year.

36. 本公司主要附屬公司資料 (續)

於二零零六年十二月三十一日: (續)

* 外商獨資企業

以上之表單列出本集團之附屬公司, 按董事之意見, 該等附屬公司為主要影響本集團業績或資產之公司。倘提供其他附屬公司之詳情, 董事認為會做成過長的資料。

於二零零六年十二月三十一日或年內任何時間, 各附屬公司均無任何未贖回債務證券。