

TRULY®

信利國際有限公司

Truly International Holdings Limited

Stock code 股份代號：732

2007
Annual Report 年報





便携式电子消费产品显示屏
Portable consumer electronic products displays

• 手机显示屏
Handset displays •



工业及医疗设备显示屏
Industrial and medical equipment displays



• 汽车显示屏
Automotive displays •





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General Information

一般資料

EXECUTIVE DIRECTORS

Lam Wai Wah, Steven (*Chairman*)
Wong Pong Chun, James
Cheung Tat Sang, James
Li Jian Hua

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ip Cho Ting, Spencer
Heung Kai Sing
Chung Kam Kwong

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Ng Sui Wa, Thomas

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

SHARE REGISTRARS, WARRANT REGISTRARS AND TRANSFER OFFICE

In Hong Kong

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

In the Cayman Islands

Maples and Calder
P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

BANKERS

Standard Chartered Bank (HK) Limited
Citibank, N.A.
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Bank of America, N.A.

REGISTERED OFFICE

P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

PRINCIPAL OFFICE

2/F Chung Shun Knitting Centre
1-3 Wing Yip Street
Kwai Chung, N.T.
Hong Kong

WEBSITE

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

執行董事

林偉華 (主席)
黃邦俊
張達生
李建華

獨立非執行董事

葉祖亨
香啟誠
鍾錦光

公司秘書及合資格會計師

吳瑞華

核數師

德勤•關黃陳方會計師行
執業會計師
香港
金鐘道88號
太古廣場一座35樓

股份及認股權證過戶登記處

香港

卓佳秘書商務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

開曼群島

Maples and Calder
P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

往來銀行

渣打銀行(香港)有限公司
花旗銀行
香港上海滙豐銀行有限公司
恒生銀行
三菱東京—UFJ銀行
美國銀行

註冊辦事處

P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

主要辦事處

香港
新界葵涌
永業街1至3號
忠信針織中心2樓

網址

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

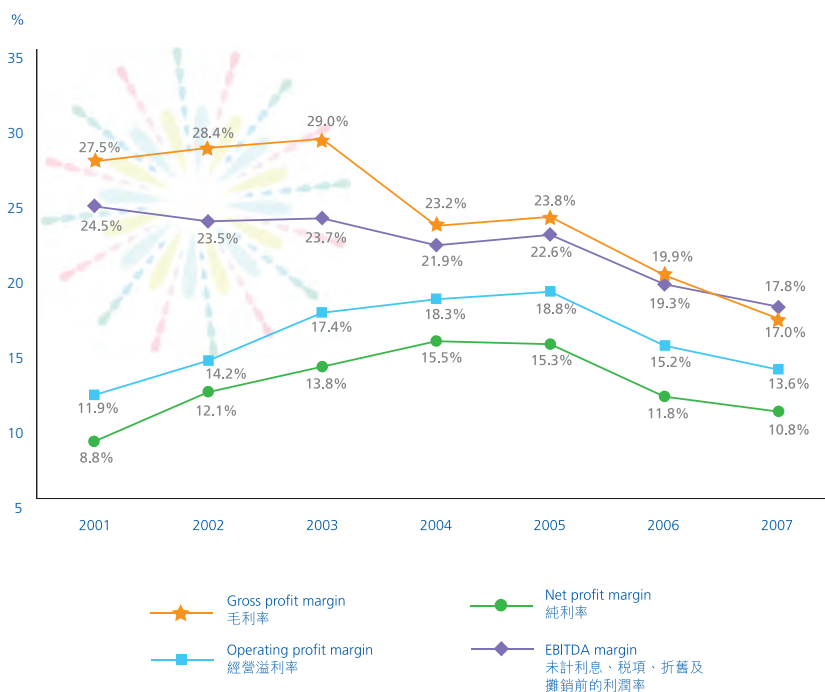
Financial Highlights

財務摘要

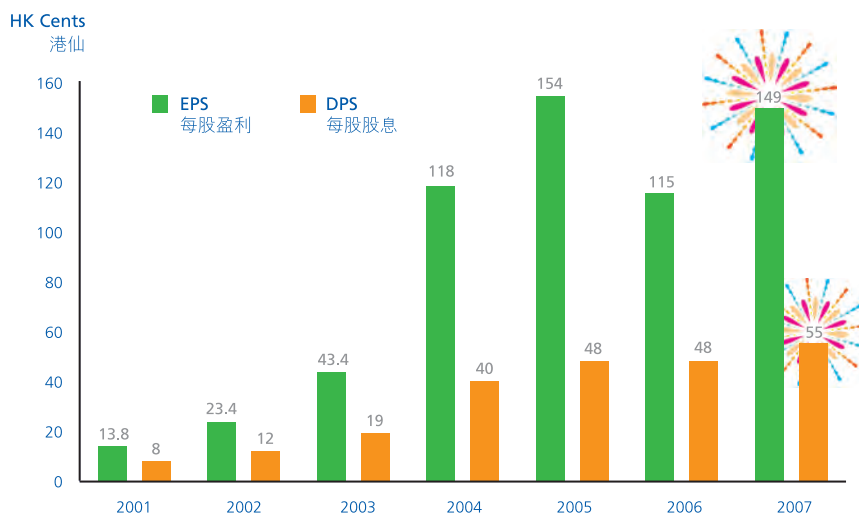
		For the year ended 31 December 截至十二月三十一日止年度		
		2007 二零零七年 Audited 經審核 HK\$'000 千港元	2006 二零零六年 Audited 經審核 HK\$'000 千港元	Change 變動 %
Turnover	營業額	6,493,394	4,523,826	+44
Gross profit	毛利	1,105,781	899,886	+23
Net profit for the year	本年度純利	702,029	532,046	+32
EPS	每股盈利			
— Basic	— 基本	HK\$1.49 港元	HK\$1.15 港元	+30
— Diluted	— 攤薄	HK\$1.46 港元	HK\$1.13 港元	+29
DPS	每股股息			
— Interim	— 中期	HK\$0.25 港元	HK\$0.23 港元	+9
— Final	— 末期	HK\$0.30 港元	HK\$0.25 港元	+20
Total:	總計：	HK\$0.55 港元	HK\$0.48 港元	+15

Financial Highlights (Continued) 財務摘要 (續)

Analysis of EBITDA, gross, operating and net profit margins (%)
未計利息、稅項、折舊及攤銷前的利潤、毛利、經營溢利及純利率分析(%)



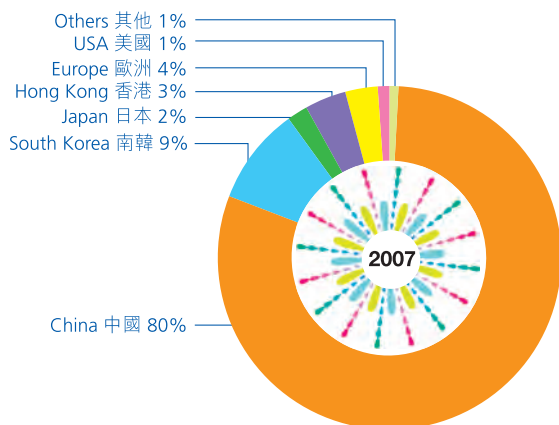
Basic earnings and dividends per share (HK cents)
每股基本盈利及股息 (港仙)



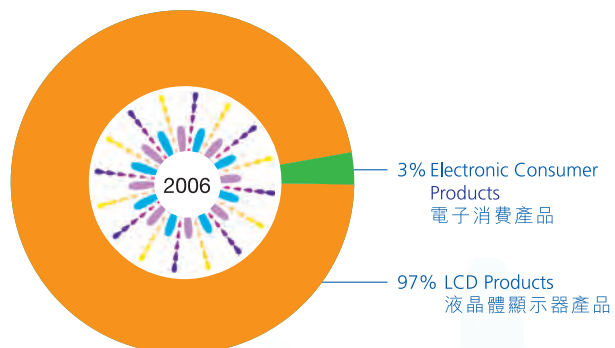
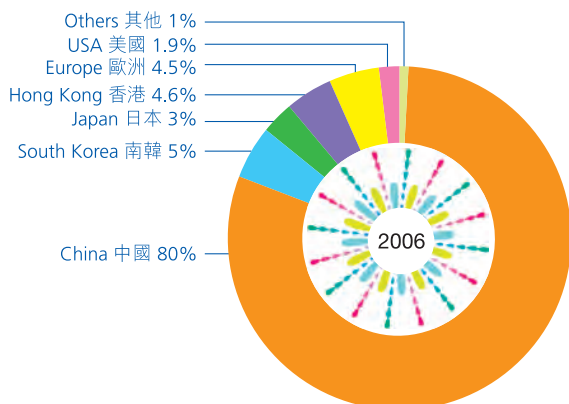
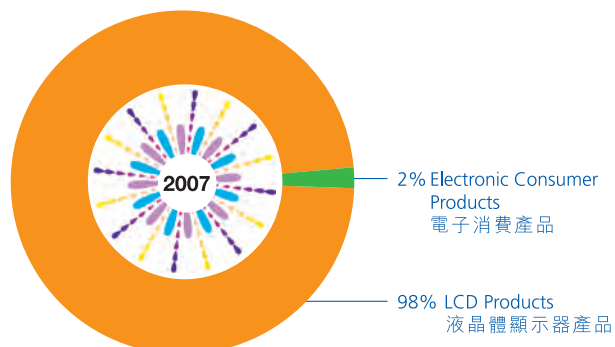
Financial Highlights (Continued)

財務摘要 (續)

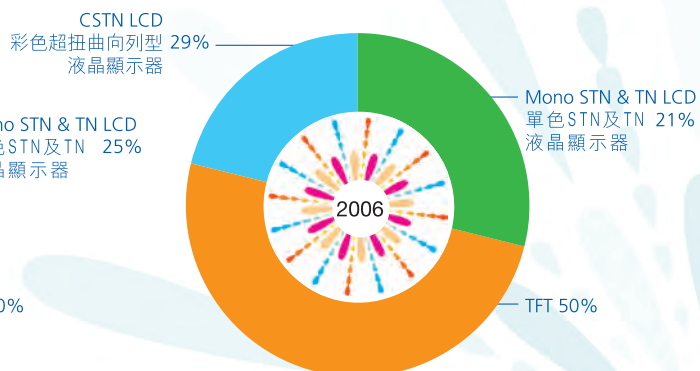
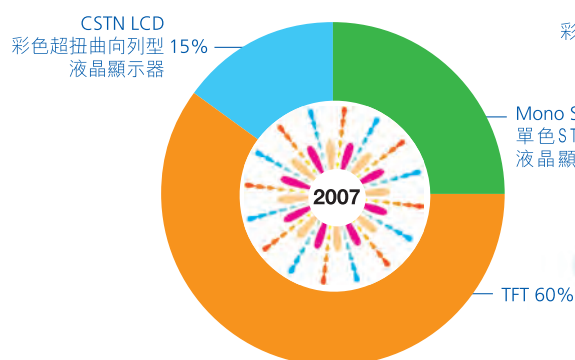
Turnover by geographical segments
按地區分類劃分之營業額



Turnover by business segments
按業務分類劃分之營業額



LCD sales breakdown
液晶顯示器銷售明細



The Chairman's Statement

主席報告書

I am pleased to announce the Group's audited annual results for the year ended 31 December 2007 with significant growth in both turnover and net profit. By the successful implementation of the Group's first TFT-LCD ("Thin Film Transistor-Liquid Crystal Display") panel production line in the third quarter of the year and the rapid increase in its productivity and production yield during the fourth quarter, we are now in a position to label ourselves as one of the best players in the small size display industry in the global perspective.

Consistent with the interim period, significant growth in sales was concentrated in the Group's LCD business which accounted for approximately 98% of the consolidated turnover. The three key components in the LCD sales during the year were TFT (60%), Colour Super-twisted Nematic ("CSTN") LCD (15%) and Mono-STN and TN LCD displays and modules (25%). Besides having a dominant market-share in the China handset display market especially by our distinctive TFT products as evidenced by our excellent turnover growth for the year in that region, we also made an exceptional performance in other regions like South Korea, Europe, etc. We also see huge new business opportunities in areas like Eastern Europe, North America and India in which we will put much more marketing efforts to explore in the coming years.

In January 2008, the Group announced the purchase of equipment to further increase the production capability and efficiency for both TFT and CSTN panels by investing approximately HK\$580 million and HK\$200 million respectively. By the time we possess these production facilities during the year, our cost of production will be further reduced to cater especially for those sales orders that require highly customised designs and small volume business which are normally of higher profit margins and regularly long-term demands.

Even though we see an upcoming market opportunity and anticipate to offer a more competitive product range to our customers, we do not under-estimate the negative impacts by the increases of the overall factory overheads in our unique China Manufacturing Base due to the continuous appreciation of Renminbi ("RMB"), increased wages and production overheads because of the general inflation in the PRC and our dedication to investments in R&D and human resources. A number of measures have been implemented since last year including the increase in production automation, cost cutting

本人欣然宣佈，於截至二零零七年十二月三十一日止年度之經審核全年業績中，本集團之營業額及純利均錄得顯著升幅。受惠於本集團成功於今年第三季度安裝第一條TFT-LCD(「薄膜電晶體-液晶顯示器」)面板生產線，以及第四季度該生產線的生產效率及產能快速增長，目前本集團已躋身全球小型顯示器行業之領先製造商行列。

與中期業績相近，本集團銷售額的大幅度增長主要來源於佔本集團綜合營業額約98%之LCD業務。本年度LCD銷售的三個關鍵組成部分為TFT(60%)、彩色超扭曲向列型液晶顯示器(「CSTN」)LCD(15%)以及單色STN及TN LCD顯示器及模塊(25%)。年內，本集團TFT產品繼續獨領風騷，在中國手機顯示屏市場保持主導地位，並取得卓越的營業額增長業績。此外，我們亦在韓國及歐洲等其他地區擁有突出表現。本集團亦發現東歐、北美洲及印度等地存在巨大商機，並計劃在未來幾年逐步加大在上述地區的市場推廣力度。

於二零零八年一月，本集團宣佈分別投資5.8億港元及2億港元用於購買設備，以進一步提高TFT及CSTN面板的產能及效率。年內，於裝備該等生產設備後，本集團的生產成本將進一步下降，從而更可適應設計要求嚴格以及小批量業務的銷售訂單，該等訂單通常可為本集團帶來更高的利潤率及具備長期需求。

儘管我們認為本集團的市場機會不斷增加，預期可向客戶提供更具競爭力的產品，但同時亦未忽視部分負面因素造成的影響，包括由於人民幣(「人民幣」)持續升值、國內一般通貨膨脹導致薪酬水準及生產成本上升，以及本集團加大在研發以及人力資源投資，令我們於中國的製造基地整體工廠運營成本上升。本集團已於去年開始採取一系列措施，其中包括提高生

The Chairman's Statement (Continued)

主席報告書 (續)

campaigns and the hedging of RMB and other financial exposures. These measures are expected to maintain for a longer period of time to achieve the best results.

Amid the current unfavourable global financial market situation, we believe our business is going to further develop in a healthy manner. Our long-term goal will still be maintained at making an organic growth in every vital part in the organisation on the solid platform we have been building up for nearly 30 years of the Group's history. People based philosophy and environmental protection concepts are always of the same importance and position among other performance indicators in our course of business. Together with the consistently better than average returns on the shareholders' equity, the management are confident of leading the Company to a prosperous future.

Last but not least, I would like to thank our shareholders, business partners, staff and workers for their continuous support to the growth of the Group.

Lam Wai Wah, Steven
Chairman

Hong Kong, 27 March 2008

產自動化程度、削減成本及對沖人民幣及其他財務風險。預期該等措施將繼續維持較長一段時間，以達致最佳效果。

儘管近期全球金融市場出現眾多不利因素，惟我們相信本集團的業務將持續健康發展。憑藉本集團在近三十年的發展歷程中建立起來的堅實平台，我們將盡力促進機構內每項重大業務均繼續保持有機增長，此亦為本集團之長期目標。以人為本及環保理念亦是本集團業務活動過程中的重要考量因素，與其他指標具有同等重要的地位。在持續為股東帶來高於平均水平的回報同時，管理層深信有能力帶領本公司走向更加輝煌的未來。

最後，本人謹此感謝我們的股東、業務夥伴、員工及工友對本集團發展的不斷支持。

主席
林偉華

香港，二零零八年三月二十七日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The robust growth in sales during the first half year of 2007 was extended to the next six months making a new record for the whole year period. The combinations of a strong marketing force both in China and the HK Offices, a fully-dedicated team of R&D and production manpower in the factories and the highly efficient purchasing, logistic and other support services of the Group had created a legend of nearly 44% business growth during this memorable year. Apart from the diversifications of our display products to applications like automotive, industrial and medical equipment, the Group's sales by geographical segments were also covering some emerging markets like India, Eastern European countries, etc.

During the year, the major investment of the Group in respect of its first in-house TFT-LCD panel production line of more than HK\$1.6 billion together with other peripheral facilities had significantly increased the overall cost of production resulting in a big drop in gross profit margin by approximately 2%. The continuous appreciation of RMB and the adverse effect on other production overheads due to the general inflation in the PRC were no doubt additional reasons for the further drop in profit margins. However, starting from the beginning of the year, the management had successfully implemented a number of cost cutting and system improvement measures to reduce or at least maintain the level of other operating expenses to a minimum even on the condition of a huge turnover growth to safeguard the bottom line performance.

業務回顧

二零零七年下半年銷售額繼續延續上半年的強勁增長勢頭，並刷新全年銷售額的紀錄。有賴於中國及香港兩地辦事處的強大市場推廣力量，結合各工廠辛勤奉獻的研發團隊及生產員工，以及本集團高效率的採購、物流及其他支援服務，本年度我們的業務實現增長近44%的非凡成績。除本集團顯示器產品向汽車、工業及醫藥設備等多元化發展外，本集團按地區分類的銷售額亦涵蓋印度及東歐國家等若干新興市場。

本年度，由於本集團對首個室內TFT-LCD面板生產線及其他週邊設備作出總值逾16億港元的大額投資，令整體生產成本大幅增加，從而導致毛利率大幅下跌約2%。人民幣的持續升值及由於中國的整體通貨膨脹對其他生產成本帶來的不利影響，無疑是毛利率下跌的另一個原因。然而，自年初開始，管理層已經成功實行一系列成本削減及系統改進措施，縱使在營業額取得大幅增長的條件下，亦能盡量減少經營開支或至少將其維持於最低水準，以保障本集團之盈利。



Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

With similar situation like last year, one of the Group's PRC subsidiaries is entitled to obtain tax refunds from the Chinese Tax Authority by the retention of a significant portion of its retained profits in China as additional investments which had again resulted in certain foreign exchange expenses booked in the profit and loss account. Because of the hedging arrangements made during the year and for the medium-term period, the negative impact of these foreign currency exposures had been and will be reduced to a very great extent.

與去年的情況相近，本集團其中一家中國附屬公司可享有中國稅務機關退稅之優惠，惟需於中國保留其大部分保留溢利作為額外投資，此舉再次導致損益賬內需計提若干外匯開支。由於年內及中期已經作出對沖安排，該等外匯風險之負面影響已經並將持續大幅降低。

SEGMENTAL INFORMATION

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

分類資料

業務分類

就管理而言，本集團目前經營兩大業務—液晶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：

- 液晶顯示器產品 — 製造及分銷液晶顯示器產品
- 電子消費產品 — 製造及分銷電子消費產品



- < 1 CSTN production line
CSTN 生產線
- < 2 CSTN production line
CSTN 生產線
- < 3 CSTN production line
CSTN 生產線

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Segment information about these businesses is presented below:

此等業務之分類資料呈列如下：

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		LCD products 液晶顯示器 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	6,362,402	130,992	6,493,394
REVENUE	業績			
Segment result	分類業績	814,674	14,444	829,118
Unallocated corporate income	未分配之公司收入			73,939
Unallocated corporate expenses	未分配之公司費用			(19,468)
Share of loss of an associate	應佔一家聯營公司虧損	—	(445)	(445)
Finance costs	財務費用			(57,821)
Profit before tax	除稅前溢利			825,323
Income tax expense	所得稅開支			(123,294)
Profit for the year	本年度溢利			702,029

4



Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

For the year ended 31 December 2006

截至二零零六年十二月三十一日止年度

		LCD products 液晶顯示器 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 tax	除稅前溢利			651,183
Income tax expense	所得稅開支			(119,137)
Profit for the year	本年度溢利			532,046



< 4 TFT factory building
TFT廠房大樓

< 5 TFT production line
TFT生產線

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

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:

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。

本集團按客戶地區分析之收益如下：

		Revenue by geographical segments 按地區分類劃分之收益	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
PRC	中國	5,162,994	3,620,501
South Korea	南韓	595,018	226,908
Japan	日本	115,532	125,054
Hong Kong	香港	178,636	212,317
Europe	歐洲	282,110	206,404
Others	其他	159,104	132,642
		6,493,394	4,523,826



Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Outlook

The newly installed TFT-LCD production line had undergone an exceptionally fast and short learning curve by expanding its production capacity by tenfold in less than 6-month time during the second half year period. Thanks to the strong technical and engineering supports to the development, implementation and mass production of the TFT-LCD line as a result of our long-term investment strategy in the related technology, we are expecting a big jump in production yield to more than 90% during the first half year of 2008. Together with the projected maximum productivity in the very near future, the outputs of the highly cost effective TFT-LCD panels will become our growth engine to penetrate into the specialty display market.

Keeping a high cost consciousness and making decisive marketing strategy are again the key elements of a success in the business world. The expansion to the second phase TFT-LCD production facilities by a more economic scale as previously announced and expected to commence mass production in the third quarter of 2008 will become another great move in the Group's history. By the time our manufacturing base is equipped with these powerful tools, our TFT-LCD in small size display products will be even more competitive and the overall profit margins will be significantly enhanced.

前景

新安裝的TFT-LCD生產線之學習階段異常迅速而短暫，在下半年不足六個月的時間內已將產能擴大了十倍。受惠於本集團對相關技術的長期投資策略，TFT-LCD生產線的開發、安裝及大規模生產均得到強大的技術及工程支援，我們預期二零零八年上半年其良品率將大幅上升至90%以上。隨著TFT-LCD於近期實現最大產能，相信具高成本效益的TFT-LCD面板將成為本集團進入特定顯示器市場的增長引擎。

在商業社會，保持高度的成本控制意識及制定決勝的市場推廣策略乃成功之關鍵因素。本集團已於早前宣佈將以更加經濟的規模進行第二期TFT-LCD生產設備的擴產，預期二零零八年第三季度將開始大規模生產，屆時將成為本集團發展的又一重要里程碑。在生產基地裝備該等強大設備後，本集團的小型顯示器LCD產品將更具競爭力，而其整體利潤率將大幅提高。



- < 6 TFT production line
TFT 生產線
- < 7 COG IC Bonding division
COG IC 裝貼部門
- < 8 LCM assembly line
LCM 組裝線

Management Discussion and Analysis (Continued) 管理層討論及分析 (續)

Despite the aforesaid advantages, the management has never forgotten the associated side effects of these huge investments including but not limited to the high depreciation and maintenance charges on the machinery. More stringent controls over the inventory level and the Group's overall credit policy are being executed to reduce the respective production cost and finance expenses. With a positive outlook on the small size LCD display market ahead in the medium term, we are confident of achieving greater success in the years to come.

儘管擁有上述優勢，管理層從未忽視與該等大額投資有關的負面影響（包括但不限於機器的高額折舊及維修費用）。我們已經對本集團的存貨水平及整體信貸政策實行更加嚴厲的控制，以分別降低生產成本及財務開支。我們對小型LCD顯示器市場的中期前景非常樂觀，並深信有能力領導本集團走向更加輝煌的未來。

INVESTMENT, ASSETS AND LIABILITIES

During the year, the Group acquired plant and machinery amounting to HK\$1,636 million and properties under development amounting to HK\$229 million for the purpose of expanding its manufacturing capacity in the China factory campus.

投資、資產及負債

於年度內，集團為擴充其於國內生產基地之產能，添置總值1,636,000,000港元之廠房及設備，以及總值229,000,000港元之發展中物業。

Total assets were increased by approximately 44% to HK\$5,902 million which comprised HK\$2,495 million of current assets, HK\$3,214 million of property, plant and equipment and HK\$193 million of other long-term assets. Total liabilities were about HK\$2,870 million, of which HK\$2,148 million were current liabilities and HK\$722 million were long term liabilities. The current ratio was maintained at a healthy level of 1.2.

總資產上升約44%至5,902,000,000港元，當中計有2,495,000,000港元流動資產、3,214,000,000港元物業、廠房及設備及193,000,000港元其他長期資產。總負債約為2,870,000,000港元，當中包括2,148,000,000港元流動負債及722,000,000港元長期負債。流動比率維持在1.2之健康水準。

9 > TFT production line
TFT 生產線

10 > Truly Group China Main Office Building
信利集團(中國)主要辦公大樓



Management Discussion and Analysis (Continued) 管理層討論及分析 (續)

LIQUIDITY AND FINANCIAL RESOURCES

Turnover for the year were increased by 44%. Net profit for the year and earnings per share were increased by 32% and 30% respectively.

As at 31 December 2007, the outstanding bank borrowings, net of cash and bank balances, were about HK\$833 million (2006: net cash position of HK\$244 million). These borrowings bear interest at prevailing market rate and their maturity profiles are shown in the notes to the financial statements.

The financial position of the Group is healthy and ready for future capital expansion while keeping a sufficiently high level of cash and bank balances (HK\$554 million at 31 December 2007) together with adequate unutilised banking facilities. The gearing ratio based on interest bearing debts, net of cash and bank balances was approximately 27%.

Capital expenditure of around HK\$600 million for the next three years in respect of acquisitions of property, plant and equipment was authorized but not contracted for. Their expected sources of funding will be principally from internal reserves.

流動資金及財政資源

年內，營業額增加44%。本年度純利及每股盈利分別增加32%及30%。

於二零零七年十二月三十一日，未償還銀行借貸（扣除現金及銀行結存）約為833,000,000港元（二零零六年淨現金為：244,000,000港元）。該等貸款之利率乃根據現行市場息率而釐定，其還款期載於財務報表附註。

本集團之財務狀況維持穩健，其同時持有高度充盈之現金及銀行結餘（於二零零七年十二月三十一日為554,000,000港元），及足夠之尚未運用銀行備用額，足以應付未來之資本擴展所需。資本負債比率按計息債務（經扣除現金及銀行結餘）計算約為27%。

未來三年，將有約6億港元之資本支出會用作購置物業、廠房及設備，此事已獲授權但尚未訂約，預期資金來源主要來自內部儲備。



Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

GENERAL

During the year, the Company issued a total of 4,448,000 ordinary shares of HK\$0.1 each under separate share option schemes exercised at HK\$2.196 (3,423,000 shares) and HK\$11.6 (1,025,000 shares) per share respectively, for an aggregate consideration of HK\$19,406,908. The new shares rank pari passu with the existing shares in all respects and the issued share capital of the Company was accordingly increased to HK\$47,274,453 at 31 December 2007.

The state of the Group's current order books is very good.

Except for investments in subsidiaries, an associate and the long term investment in a Japanese corporation, neither the Group nor the Company had held any other material investments during the year.

Additions to fixed assets mainly in properties under development and plant and machinery were approximately HK\$2,012 million. There were no material disposals of fixed assets during the year. As at 31 December 2007, the Group had no pledge or mortgage on its fixed assets.

More than 10,000 workers and staff are currently employed in our Shan Wei factory in China and around 90 personnel in the Group's Hong Kong office.

11 > TFT production line
TFT 生產線

12 > TFT production line
TFT 生產線

13 > CSTN production line
CSTN 生產線

一般事項

年內，本公司根據購股權計劃以每股2.196港元(3,423,000股)以及以每股11.6港元(1,025,000股)總共發行4,448,000股每股面值0.1港元之普通股，總代價為19,406,908港元。該等新股份與現有股份在各方面均享有同等權利，本公司於二零零七年十二月三十一日之已發行股本因此增加至47,274,453港元。

本集團現時之訂單數量非常理想。

除附屬公司及聯營公司投資，以及對一家日本公司之長期投資外，本集團及本公司均無於年內持有任何其他重大投資。

年內，固定資產添置(以在建物業、廠房及設備為主)約為2,012,000,000港元。年內概無重大出售固定資產。於二零零七年十二月三十一日，本集團並無將其固定資產質押或抵押。

現時超過10,000名工人及僱員受聘於本集團位於國內汕尾之工廠，以及約有90名員工受聘於本集團香港辦事處。



Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

The Group had no material contingent liabilities at the balance sheet date and exposure to fluctuations in exchange rates will be hedged, if any.

本集團於結算日概無任何重大或然負債，如須承擔匯率波動風險，則於有需要時對沖。

DIVIDENDS

The directors recommend the payment of a final dividend for the year ended 31 December 2007 of 30 HK cents per share expected to be payable on 28 May 2008 (2006: 25 HK cents) which, together with the interim dividend of 25 HK cents per share (2006: 23 HK cents) paid in October 2007, makes a total dividend for the year of 55 HK cents per share (2006: 48 HK cents).

股息

董事建議就截至二零零七年十二月三十一日止年度派付每股30港仙(二零零六年：25港仙)之末期股息(預期於二零零八年五月二十八日支付)，連同已於二零零七年十月派付之中期股息每股25港仙(二零零六年：23港仙)計算，本年度之股息總額為每股55港仙(二零零六年：48港仙)。

The total dividend payout ratio for the year was about 37%.

年內之總派息比率約為37%。

CUSTOMERS AND SUPPLIERS

In the year under review, sales to the five largest customers and purchases from the five largest suppliers accounted for less than 30% of the total sales and purchases of the Group respectively.

客戶及供應商

回顧年內，向五大客戶進行之銷售及自五大供應商之購貨額分別佔本集團總銷售額及購貨額不足30%。

As at 31 December 2007, none of the directors, their associates, or any shareholders which to the knowledge of the directors owned more than 5% of the Company's issued share capital had any beneficial interests in the Group's five largest customers and/or five largest suppliers mentioned in the preceding paragraph.

於二零零七年十二月三十一日，概無董事、彼等之聯繫人或據董事所知擁有本公司已發行股本超過5%之股東於前段所述本集團五大客戶及／或五大供應商中擁有任何實益權益。



Management Discussion and Analysis (Continued) 管理層討論及分析 (續)

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and senior management of the Group are set out as follows:

Mr. Lam Wai Wah, Steven, aged 55, is the Chairman and Managing Director of the Company. He is the founder of the Group and has over 31 years of experience in the electronics industry. He is primarily responsible for the formulation of the Group's overall strategic planning and business development.

Mr. Wong Pong Chun, James, aged 49, is an Executive Director of the Company and the Chief Operating Officer of the Group. He is responsible for the Group's operations in respect of internal controls and risk management, investors' relationship and external affairs. He joined the Group in 1987.

Mr. Cheung Tat Sang, James, aged 52, is an Executive Director of the Company. He is responsible for the sales of the Group's LCD products and other semiconductor components. Prior to joining the Group in 1989, he had been the sales managers of a number of electronics companies for over 10 years.

Mr. Li Jian Hua, aged 44, is the Head of the Group's LCD Production Division and an Executive Director of the Company. Mr. Li graduated from the Jilin University of Technology and Engineering Management in 1987 and joined the group in 1989. Prior to joining the Group, he worked in a multinational motor car manufacturer in Guangzhou City, the PRC for almost two years.

董事及高級管理人員

以下所載為本公司董事及本集團高級管理人員之履歷：

林偉華先生，現年五十五歲，本公司之主席兼董事總經理。彼為本集團之創辦人，從事電子業超過三十一年，主要負責制訂本集團之整體策略及業務發展。

黃邦俊先生，現年四十九歲，本公司之執行董事兼集團營運總監。彼負責本集團有關內部監控及風險管理方面之業務運作、投資者關係與對外事務。彼於一九八七年加入本集團。

張達生先生，現年五十二歲，本公司之執行董事。彼負責銷售本集團之液晶體顯示器產品及其他半導體元件。彼於一九八九年加入本集團之前，曾任多間電子公司之營業經理逾十年。

李建華先生，現年四十四歲，本集團之液晶體顯示器生產部主管兼本公司之執行董事。李先生於一九八七年畢業於吉林工業大學管理學院，後於一九八九年加入本集團。彼於加入本集團之前，曾於中國廣州市一間國際汽車生產商任職近兩年。

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Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Mr. Chung Kam Kwong, aged 50, is an independent Non-executive Director of the Company and the Chairman of the Group's Audit, Remuneration and Nomination Committees. He is a practising Certified Public Accountant in Hong Kong and is members of the Hong Kong Institute of Certified Public Accountants and the Australian Society of Certified Practising Accountants and a council member of the Macau Society of Certified Practising Accountants. Mr. Chung has extensive experience in accounting and financial management and has been the independent Non-executive Director, management consultant and Company Secretary of a number of listed companies in Hong Kong.

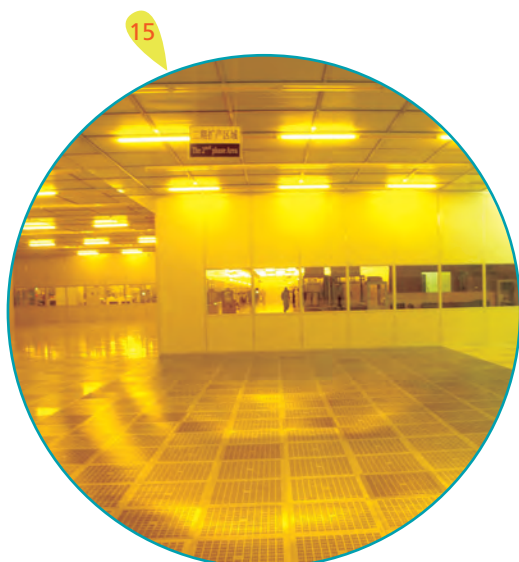
Mr. Ip Cho Ting, Spencer, aged 49, is an independent Non-executive Director and members of the Group's Audit, Remuneration and Nomination Committees. He is the holder of a Bachelor of Science degree from the University of Wisconsin, Green Bay, U.S.A. Mr. Ip is a member of the Institute of Financial Planner of Hong Kong and is the Senior Financial Advisor of a professional insurance company in Hong Kong.

Mr. Heung Kai Sing, aged 59, is an independent Non-executive Director and members of the Group's Audit, Remuneration and Nomination Committees. He has experience in textile industry.

鍾錦光先生，現年五十歲，本公司之獨立非執行董事，並為本集團審核委員會、薪酬委員會及提名委員會的主席。彼為香港執業會計師，並為香港會計師公會資深會員，澳洲註冊會計師，亦為澳門執業會計師公會的委員會成員。鍾先生於會計及財務管理上擁有深厚經驗，並為香港多間上市公司的獨立非執行董事、管理顧問及公司秘書。

葉祖亭先生，現年四十九歲，獨立非執行董事，並為本集團審核委員會、薪酬委員會及提名委員會之成員。彼持有美國 Green Bay 威斯康辛大學之理學士學位。葉先生為香港財務策劃師學會會員，亦為香港一間專業保險公司之高級財務顧問。

香啟誠先生，現年五十九歲，獨立非執行董事，並為本集團審核委員會、薪酬委員會及提名委員會之成員。彼於紡織業擁有豐富經驗。



< 14 LCD production line
LCD 生產線

< 15 TFT second phase reserved area
TFT 二期保留區域

Management Discussion and Analysis (Continued) 管理層討論及分析 (續)

Mr. Ng Sui Wa, Thomas, aged 45, is the Group's Chief Financial Officer and the Finance Director of Truly Semiconductors Limited. He graduated from the University of Hong Kong and is a fellow member of the Association of Chartered Certified Accountants. Mr. Ng joined the Group in 1996 and has over 20 years of experiences for working in an international accounting firm and in the commercial and industrial sectors.

吳瑞華先生，現年四十五歲，為本集團之財務總監，並為信利半導體有限公司之財務董事。彼畢業於香港大學，並為英國特許公認會計師公會之會員。吳先生於一九九六年加入本集團，擁有在一間國際會計師行及工商界逾二十年的工作經驗。

By Order of the Board
Lam Wai Wah, Steven
Chairman

承董事會命
主席
林偉華

Hong Kong, 27 March 2008

香港，二零零八年三月二十七日

16> LCD finished product QC division
LCD製成品質檢部



Directors' Report

董事會報告書

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

董事會謹此提呈截至二零零七年十二月三十一日止年度之年報及經審核財務報表。

PRINCIPAL ACTIVITIES

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

主要業務

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體顯示器產品及電子消費產品，包括計算機、電動牙刷及電子零件。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2007 are set out in the consolidated income statement on page 34.

業績及溢利分配

截至二零零七年十二月三十一日止年度的本集團業績載列於第34頁的綜合收益表內。

An interim dividend of 25 HK cents per share, amounting to HK\$117,985,000, was paid to the shareholders during the year.

本公司已於年內向股東支付中期股息每股25港仙，合共117,985,000港元。

The directors now recommend the payment of a final dividend of 30 HK cents per share to the shareholders of the Company whose names appear on the register of members on 9 May 2008, amounting to HK\$141,823,000, and the retention of the remaining profit of HK\$442,221,000 for the year.

董事建議向二零零八年五月九日名列本公司股東名冊的股東派發末期股息每股30港仙，總額約141,823,000港元，並且保留本年度餘下溢利442,221,000港元。

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired plant and machinery and properties under development amounting to HK\$1,636,000,000 and HK\$229,000,000 respectively for the purpose of expanding its manufacturing capacity in Shan Wei City, Guangdong Province in the People's Republic of China.

物業、廠房及設備

年內，本集團就擴充中華人民共和國廣東省汕尾市之生產力而添置總值分別為1,636,000,000港元及229,000,000港元之廠房與設備及發展中之物業。

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

本集團年內之物業、廠房及設備之詳情及其他變動情況載於綜合財務報表附註第14項。

Directors' Report (Continued)

董事會報告書 (續)

SHARE CAPITAL

Details of movements during the year in the issued share capital of the Company are set out in note 28 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2007 were as follows:

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Share premium 股份溢價	319,630	300,668
Special reserve 特別儲備	17,409	17,409
Retained earnings 保留溢利	21,257	21,294
	358,296	339,371

Under the applicable laws of the Cayman Islands, the share premium of the Company is available for distributions or paying dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution or paying dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

The special reserve of the Company represents the difference between the net book values of the underlying assets of the Company's subsidiaries acquired at the date on which the shares of these companies were acquired by the Company, and the nominal amount of the Company's shares issued for the acquisitions.

股本

本公司之已發行股本於年內之變動詳情載於綜合財務報表附註第28項。

本公司之可分派儲備

於二零零七年十二月三十一日，本公司可分派予股東之儲備如下：

根據開曼群島之適用法例，本公司之股份溢價可依據其組織章程大綱或細則之條文向股東作出分派或支付股息，惟於緊隨作出分派或支付股息後，本公司須可於日常業務過程中支付到期債項。

本公司之特別儲備乃指於本公司在收購其附屬公司之股份當日該等被收購公司之相關資產賬面淨值與本公司就收購而發行之股份面值兩者間之差額。

Directors' Report (Continued)

董事會報告書 (續)

DIRECTORS

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

Executive directors:

Lam Wai Wah, Steven
Wong Pong Chun, James
Cheung Tat Sang, James
Li Jian Hua

Independent non-executive directors:

Chung Kam Kwong
Heung Kai Sing
Ip Cho Ting, Spencer

In accordance with Articles 100 and 120 of the Company's Articles of Association, Lam Wai Wah, Steven, Ip Cho Ting, Spencer and Wong Pong Chun, James retire and, being eligible, offer themselves for re-election.

The independent non-executive directors are subject to retirement by rotation in accordance with the above articles.

No director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

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

年內及截至本報告書之日期止，本公司之董事名單如下：

執行董事：

林偉華
黃邦俊
張達生
李建華

獨立非執行董事：

鍾錦光
香啟誠
葉祖亭

依據本公司組織章程細則第100條及第120條之規定，林偉華、葉祖亭及黃邦俊行將告退，惟合資格並表示願意膺選連任。

獨立非執行董事須按上述細則輪值告退。

擬於即將舉行之股東週年大會膺選連任之董事概無與本公司或其附屬公司訂立任何本集團不得於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

董事之合約權益

本公司或其任何附屬公司，概無訂立任何本公司董事直接或間接擁有重大權益，並且於本年底或年內任何時間仍然生效之重大合約。

Directors' Report (Continued)

董事會報告書 (續)

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2007, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions

(a) Ordinary shares of HK\$0.1 each of the Company

董事之股份及相關股份權益

根據本公司遵照證券及期貨條例第352條所保存之登記冊所載，或根據《上市公司董事進行證券交易的標準守則》須知會本公司及香港聯合交易所有限公司，於二零零七年十二月三十一日，董事及其聯繫人擁有之本公司及其相聯法團之股份及相關股份權益如下：

好倉

(a) 本公司每股面值0.1港元之普通股

Name of director 董事姓名	Capacity 身分	Number of issued ordinary shares held 所持之已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司之已 發行股本百分比
Lam Wai Wah, Steven 林偉華	Beneficial owner 實益擁有人	207,072,000	43.80
	Held by spouse (note 1) 由配偶持有 (附註1)	12,860,000	2.72
		219,932,000	46.52
Wong Pong Chun, James 黃邦俊	Beneficial owner 實益擁有人	6,750,000	1.43
	Held by spouse (note 2) 由配偶持有 (附註2)	100,000	0.02
		6,850,000	1.45
Cheung Tat Sang, James 張達生	Beneficial owner 實益擁有人	1,554,000	0.33
Li Jian Hua 李建華	Beneficial owner 實益擁有人	1,146,000	0.24

Directors' Report (Continued)

董事會報告書 (續)

(b) Share options

(b) 購股權

Name of director 董事姓名	Capacity 身分	Number of options held 所持之購股權數目	Number of underlying shares 相關股份數目
Lam Wai Wah, Steven 林偉華	Beneficial owner 實益擁有人	—	—
Wong Pong Chun, James 黃邦俊	Beneficial owner 實益擁有人	8,900,000	8,900,000
Cheung Tat Sang, James 張達生	Beneficial owner 實益擁有人	9,300,000	9,300,000
Li Jian Hua 李建華	Beneficial owner 實益擁有人	4,150,000	4,150,000
	Held by spouse (note 3) 由配偶持有 (附註3)	4,400,000	4,400,000
		26,750,000	26,750,000

Notes:

- Lam Wai Wah, Steven is deemed to be interested in 12,860,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Chung King Yee, Cecilia.
- Wong Pong Chun, James is deemed to be interested in 100,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Lai Ching Mui, Stella.
- Li Jian Hua is deemed to be interested in 4,400,000 share options of the Company, being the interests held beneficially by his spouse, Guo Yu Yan.

附註：

- 林偉華被視為擁有12,860,000股由其配偶鍾琮綺實益擁有之本公司普通股權益。
- 黃邦俊被視為擁有100,000股由其配偶黎清梅實益擁有之本公司普通股權益。
- 李建華被視為擁有4,400,000份由其配偶郭玉燕實益擁有之本公司購股權權益。

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations as at 31 December 2007.

除上文所披露者外，於二零零七年十二月三十一日，各董事或其聯繫人概無擁有本公司或其任何相聯法團之任何股份及相關股份權益或淡倉。

Directors' Report (Continued)

董事會報告書 (續)

SHARE OPTIONS

Particulars of the Company's share option schemes are set out in note 33 to the financial statements.

The following table discloses movements in the Company's share options during the year:

購股權

有關本公司購股權計劃之詳情載於綜合財務報表附註第33項。

下表披露本公司之購股權於年內之變動：

	Option type 購股權類別	Number of options outstanding at beginning of year 於年初尚未行使 購股權數目	Exercised during year 年內行使	Number of options outstanding at end of year 於年終尚未行使 購股權數目
Category 1: Directors				
第一類：董事				
Lam Wai Wah, Steven 林偉華	2001	—	—	—
Wong Pong Chun, James 黃邦俊	2001	—	—	—
	2003	4,400,000	—	4,400,000
	2006	4,500,000	—	4,500,000
Cheung Tat Sang, James 張達生	2001	2,700,000	(2,300,000)	400,000
	2003	4,400,000	—	4,400,000
	2006	4,500,000	—	4,500,000
Li Jian Hua (Note) 李建華 (附註)	2003	8,800,000	(250,000)	8,550,000
		29,300,000	(2,550,000)	26,750,000

Note: Li Jian Hua is deemed to be interested in 4,400,000 2003 share options, being the interests held beneficially by his spouse, Guo Yu Yan.

附註：李建華被視為擁有4,400,000份由其配偶郭玉燕實益擁有之二零零三年購股權權益。

Directors' Report (Continued)

董事會報告書 (續)

Category 2: Substantial shareholders

Other than the share options held by Lam Wai Wah, Steven as disclosed above, no share option has been granted to other substantial shareholders.

第二類：主要股東

除上文所披露由林偉華持有之購股權外，本公司概無向其他主要股東授予購股權。

	Option type 購股權類別	Number of options outstanding at beginning of year 於年初尚未行使 購股權數目	Exercised during year 年內行使	Number of options outstanding at end of year 於年終尚未行使 購股權數目
Category 3: Employees	2001	1,263,000	(1,123,000)	140,000
第三類：僱員	2003	26,400,000	(775,000)	25,625,000
	2006	4,500,000	—	4,500,000
		32,163,000	(1,898,000)	30,265,000

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Other than the share option schemes disclosed above, at no time during the year 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 debentures of, the Company or any other body corporate.

購買股份或債券之安排

除上述披露之購股權計劃外，本公司或其任何附屬公司於年內並無參予任何安排，致使本公司之董事可透過收購本公司或任何其他法人團體之股份或債券而獲得利益。

Directors' Report (Continued)

董事會報告書 (續)

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that other than the interests disclosed above in respect of Lam Wai Wah, Steven, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of HK\$0.1 each of the Company

主要股東

除上文所披露有關林偉華擁有之權益外，根據本公司遵照證券及期貨條例第336條所保存之主要股東登記冊所披露，截至二零零七年十二月三十一日，下列股東已知會本公司其於本公司之已發行股本中擁有之有關權益。

好倉

本公司每股面值0.1港元之普通股

Name of shareholder 股東姓名	Capacity 身分	Number of issued ordinary shares held 所持之已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司之已 發行股本百分比 %
Chan Kin Sun (note) 陳建新 (附註)	Beneficial owner 實益擁有人	28,900,000	6.11
	Held by spouse 由配偶持有	9,856,000	2.08
		38,756,000	8.19
Chan Lai Lan 陳麗蘭	Beneficial owner 實益擁有人	25,896,000	5.48

Note: Chan Kin Sun and his spouse, Cheng Kwan Ying, Jennifer, are deemed to be interested in 38,756,000 shares of the Company.

附註：陳建新及其配偶鄭群英被視為擁有本公司38,756,000股股份權益。

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2007.

除上文所披露者外，截至二零零七年十二月三十一日，本公司並未獲悉任何其他本公司已發行股本之有關權益或淡倉。

Directors' Report (Continued)

董事會報告書 (續)

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted share option schemes as an incentive to directors and eligible employees, details of the schemes are set out in note 33 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year.

MODEL CODE

None of the Directors of the Company is aware of information that would reasonably indicate that the Company was not in the year under review in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited.

薪酬政策

本集團僱員之薪酬政策乃由薪酬委員會按僱員之貢獻、資歷及能力釐定。

本公司董事之酬金乃由薪酬委員會經考慮本公司之經營業績、個人表現及可資比較市場統計數據釐定。

本公司已採納購股權計劃，作為對董事及合資格僱員之獎勵。有關計劃詳情載於綜合財務報表附註第33項。

優先購買權

本公司之組織章程細則或開曼群島法例均無關於優先購買權之規定。本公司無須按此規定而按現有股東之持股比例發行新股。

購買、出售或贖回上市證券

本公司或其附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

標準守則

根據本公司董事所知悉，並無資料合理顯示本公司於回顧年度未有遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十所載之上市發行人董事進行證券交易的標準守則。

Directors' Report (Continued)

董事會報告書 (續)

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the code provisions of the Corporate Governance Code (the "Code") for the purposes of reviewing and providing supervision over the Group's financial reporting matters and internal controls. The annual results of the Group for the year ended 31 December 2007 has been reviewed by the Audit Committee which comprises all the three independent non-executive directors namely Mr. Chung Kam Kwong (being the Chairman), Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, and Mr. Wong Pong Chun, James, an executive director, as members. They meet at least four times a year.

The Group has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

REMUNERATION AND NOMINATION COMMITTEES

The Company has a Remuneration Committee and a Nomination Committee respectively which were established in accordance with the relevant requirements of the Code. The two Committees are chaired by Mr. Chung Kam Kwong, an independent non-executive director and comprise three other members, namely Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, being independent non-executive directors and Mr. Wong Pong Chun, James, an executive director of the Company.

審核委員會

本公司已遵照企業管治常規守則(「守則」)之守則條文而成立審核委員會，以便審閱及監察本集團財務申報事宜及內部控制。截至二零零七年十二月三十一日止年度之全年業績已經由審核委員會審閱，而審核委員會由全體三名獨立非執行董事鍾錦光先生(委員會主席)、葉祖亭先生及香啟誠先生(委員會成員)，以及執行董事黃邦俊先生(委員會成員)組成。彼等每年最少召開四次會議。

本集團已根據上市規則第3.13條接獲各獨立非執行董事分別發出有關其獨立性之年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

薪酬委員會及提名委員會

本公司已根據守則之相關規定分別成立薪酬委員會及提名委員會。兩個委員會均由獨立非執行董事鍾錦光先生出任主席，並包括三名其他成員葉祖亭先生及香啟誠先生(獨立非執行董事)以及黃邦俊先生(本公司執行董事)。

Directors' Report (Continued)

董事會報告書 (續)

CORPORATE GOVERNANCE

We have complied with all the applicable code provisions set out in the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules throughout the year ended 31 December 2007, except for a major deviation as below:

- Code Provision A.2.1 – The roles of the Chairman and the Chief Executive are not separated and are performed by the same individual, Mr. Lam Wai Wah, Steven. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of Company and believes that this structure will enable us to make and implement decisions promptly and efficiently.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2007.

DONATIONS

During the year, the Group made charitable and other donations amounting to HK\$5,478,000.

AUDITOR

A resolution will be submitted to the Annual General Meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Lam Wai Wah, Steven
CHAIRMAN

Hong Kong, 27 March 2008

企業管治

截至二零零七年十二月三十一日止年度，本集團一直遵守上市規則附錄十四內企業管治常規守則所載之所有適用守則條文，惟以下重大偏差除外：

- 守則條文第A.2.1條－主席及行政總裁之職位並未分開，由同一人（林偉華先生）出任。董事會將定期舉行會議，以考慮影響本公司運作之重大事宜。董事會認為此架構將不會使董事會與本公司管理層之間之權力及授權失衡，並相信此架構將使本集團能快速及有效制訂及推行決策。

公眾持股量充裕程度

本公司於截至二零零七年十二月三十一日止年度內一直維持足夠之公眾持股量。

捐款

於年內，本集團捐出為數5,478,000港元之慈善及其他捐款。

核數師

在本公司之股東週年大會上將提呈一項決議案，以重新委聘德勤•關黃陳方會計師行連任本公司核數師之職。

代表董事會

主席
林偉華

香港，二零零八年三月二十七日

Independent Auditor's Report 獨立核數師報告書

Deloitte. 德勤

**TO THE SHAREHOLDERS OF
TRULY INTERNATIONAL HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Truly International Holdings Limited (the "Company") and its subsidiaries (collectively referred as the "Group") set out on pages 34 to 112, which comprise the consolidated balance sheet as at 31 December 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 CONSOLIDATED 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 the consolidated 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.

致信利國際有限公司股東
(於開曼群島註冊成立之有限公司)

本核數師行已完成審核列載於第34至112頁信利國際有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。綜合財務報表包括於二零零七年十二月三十一日之綜合資產負債表，以及截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表連同主要會計政策摘要及其他附註解釋。

董事就綜合財務報表須承擔 之責任

貴公司之董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製及真實與公平地列報該等綜合財務報表。此責任包括設計、實施及維持與編製及真實而公平地列報綜合財務報表相關的內部監控，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇及應用適當之會計政策，及按情況作出合理之會計估計。

Independent Auditor's Report (Continued)

獨立核數師報告書 (續)

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated 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 consolidated financial statements.

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

OPINION

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

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
27 March 2008

核數師之責任

本行之責任是根據本行之審核，對該等綜合財務報表提出意見，並根據已協定之委聘條款僅向閣下作為一實體報告本行之意見，而不作其他用途。本行概不就本報告內容向任何其他人士承擔或負任何責任。本行乃根據香港會計師公會頒佈之香港審計準則進行審核工作。該等準則要求本行遵守道德規範，並策劃及執行審核，以合理確定該等綜合財務報表是否不存在任何重大錯誤陳述。

審核涉及執行情序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。所選用之程序由核數師作判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。當核數師作出該等風險評估時，會考慮與該公司編製及真實與公平地列報綜合財務報表相關之內部監控，以設計適合當時情況之審核程序，但並不就實體之內部控制效率發表意見。審核亦包括評價董事所採用之會計政策是否合適，及所作出之會計估計是否合理，以及評價綜合財務報表之整體呈列方式。

本行相信本行得到足夠及適當之審核憑證以作為提供該審核意見之基礎。

意見

本行認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴集團於二零零七年十二月三十一日之財務狀況及截至該日止年度貴集團之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

德勤•關黃陳方會計師行
執業會計師

香港
二零零八年三月二十七日

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

		NOTES 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Revenue	收益	4	6,493,394	4,523,826
Cost of sales	銷售成本		(5,387,613)	(3,623,940)
Gross profit	毛利		1,105,781	899,886
Other income	其他收入	6	85,669	79,125
Administrative expenses	行政費用		(168,753)	(178,062)
Distribution and selling costs	分銷及銷售成本		(139,108)	(113,666)
Share of loss of an associate	應佔一家聯營公司虧損		(445)	(334)
Finance costs	財務費用	7	(57,821)	(35,766)
Profit before tax	除稅前溢利		825,323	651,183
Income tax expense	所得稅支出	8	(123,294)	(119,137)
Profit for the year	本年度溢利	9	702,029	532,046
DIVIDENDS	股息	12	235,343	222,266
EARNINGS PER SHARE	每股盈利	13		
Basic	基本		HK\$1.49 港元	HK\$1.15 港元
Diluted	攤薄		HK\$1.46 港元	HK\$1.13 港元

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2007

於二零零七年十二月三十一日

			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		NOTES 附註		
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	物業、廠房及設備	14	3,214,313	1,403,720
Prepaid lease payments	預付租賃款項	15	119,908	99,089
Intangible assets	無形資產	16	22,121	13,355
Goodwill	商譽		413	413
Interest in an associate	一家聯營公司之權益	17	391	838
Available-for-sale investments	可供出售投資	18	10,500	10,500
Deferred tax assets	遞延稅項資產	27	800	836
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之已付定金		39,148	427,238
			3,407,594	1,955,989
CURRENT ASSETS		流動資產		
Inventories	存貨	19	808,007	519,078
Prepaid lease payments	預付租賃款項	15	3,245	2,598
Loans receivable	應收貸款	20	53,442	-
Trade and other receivables	應收賬項及其他應收款項	21	1,030,674	586,704
Amount due from an associate	應收一間聯營公司款項	22	-	352
Tax recoverable	可收回稅項		17,590	11,592
Derivative financial instruments	衍生金融工具	23	27,016	-
Bank balances and cash	銀行結存及現金	24	554,476	1,018,228
			2,494,450	2,138,552

Consolidated Balance Sheet (Continued)

綜合資產負債表 (續)

At 31 December 2007

於二零零七年十二月三十一日

			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		NOTES 附註		
CURRENT LIABILITIES 流動負債				
Trade and other payables	應付賬項及其他應付款項	25	1,359,790	863,786
Tax liabilities	稅項債務		76,459	51,308
Derivative financial instruments	衍生金融工具	23	12,074	-
Bank and other borrowings, unsecured	銀行及其他借貸， 無抵押	26	698,597	566,696
Bank overdrafts, unsecured	銀行透支，無抵押		653	-
			2,147,573	1,481,790
NET CURRENT ASSETS	流動資產淨值		346,877	656,762
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		3,754,471	2,612,751
NON-CURRENT LIABILITIES 非流動負債				
Bank and other borrowings, unsecured	銀行及其他借貸， 無抵押	26	688,059	207,844
Deferred tax liabilities	遞延稅項債務	27	34,081	38,905
			722,140	246,749
			3,032,331	2,366,002
CAPITAL AND RESERVES 股本及儲備				
Share capital	股本	28	47,274	46,830
Share premium and reserves	股份溢價及儲備		2,985,057	2,319,172
			3,032,331	2,366,002

The consolidated financial statements on pages 34 to 112 were approved and authorised for issue by the Board of Directors on 27 March 2008 and are signed on its behalf by:

載於第34頁至第112頁之綜合財務報表已於二零零八年三月二十七日獲董事會批准及授權刊發，并由以下人士代表簽署：

Lam Wai Wah, Steven

林偉華

DIRECTOR

董事

Wong Pong Chun, James

黃邦俊

DIRECTOR

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

		Share capital	Share premium	Share option reserve	Special reserve	Capital redemption reserve	Exchange reserve	Other reserves	Retained profits	Total
		股本	股份溢價	購股權儲備	特別儲備	資本贖回儲備	外匯儲備	其他儲備	保留溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note a)			(note b)		
					(附註a)			(附註b)		
At 1 January 2006	於二零零六年一月一日	45,816	279,431	-	990	82	26,109	125,543	1,460,074	1,938,045
Exchange differences arising on translation of foreign operations and total income directly recognised in equity	換算海外經營業務所產生之外匯差額及已於股本內直接確認之收入總額	-	-	-	-	-	85,926	-	-	85,926
Profit for the year	本年度溢利	-	-	-	-	-	-	-	532,046	532,046
Total recognised income for the year	本年度已確認收入總額	-	-	-	-	-	85,926	-	532,046	617,972
Shares issued at premium	按溢價發行股份	1,014	21,237	-	-	-	-	-	-	22,251
Recognition of equity-settled share based payments	確認按股權結算以股份為基礎支付之款項	-	-	10,000	-	-	-	-	-	10,000
Transfer	轉撥	-	-	-	-	-	-	94,187	(94,187)	-
Dividends paid	已付股息	-	-	-	-	-	-	-	(222,266)	(222,266)
At 31 December 2006	於二零零六年十二月三十一日	46,830	300,668	10,000	990	82	112,035	219,730	1,675,667	2,366,002
Exchange differences arising on translation of foreign operations and total income directly recognised in equity	換算海外經營業務所產生之外匯差額及已於股本內直接確認之收入總額	-	-	-	-	-	180,237	-	-	180,237
Profit for the year	本年度溢利	-	-	-	-	-	-	-	702,029	702,029
Total recognised income for the year	本年度已確認收入總額	-	-	-	-	-	180,237	-	702,029	882,266
Shares issued at premium	按溢價發行股份	444	18,962	-	-	-	-	-	-	19,406
Transfer	轉撥	-	-	-	-	-	-	91,318	(91,318)	-
Dividends paid	已付股息	-	-	-	-	-	-	-	(235,343)	(235,343)
At 31 December 2007	於二零零七年十二月三十一日	47,274	319,630	10,000	990	82	292,272	311,048	2,051,035	3,032,331

Consolidated Statement of Changes in Equity (Continued)

綜合權益變動表 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

Notes:

- (a) The special reserve represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisitions.
- (b) Other reserves comprises statutory surplus reserve and enterprise expansion reserve of the subsidiaries established in the People's Republic of China other than Hong Kong (the "PRC"). According to the Articles of Association of the PRC subsidiaries, a percentage of net profit as reported in the PRC statutory accounts should be transferred to statutory surplus reserve and enterprise expansion reserve determined at the discretion of the board of directors of these companies. The statutory surplus reserve can be used to set off accumulated loss whilst the enterprise expansion reserve can be used for expansion of production facilities or increase in registered capital.

附註：

- (a) 特別儲備指所收購附屬公司之股份賬面值與本公司就收購而發行之股份賬面值兩者間之差額。
- (b) 其他儲備包括在中華人民共和國(不包括香港)(「中國」)成立之附屬公司之法定盈餘儲備及企業發展儲備。根據中國附屬公司之組織章程細則，中國法定賬目內呈報之純利若干百分比須轉撥至法定盈餘儲備及企業發展儲備，該百分比乃由該等附屬公司的董事會酌情決定。法定盈餘儲備可用作抵銷累計虧損，而企業發展儲備則可用於擴展生產設施或增加註冊資本。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前溢利	825,323	651,183
Adjustments for:	調整：		
Interest income	利息收入	(12,644)	(20,546)
Share-based payment expenses	以股份為基礎之付款支出	-	10,000
Change in fair value on derivative financial instruments	衍生金融工具之公平值變動	(14,942)	-
Amortisation of development expenditure	發展支出攤銷	10,625	10,625
Amortisation of trademarks	商標攤銷	210	262
Allowance for bad debts	壞賬撥備	7,160	3,583
Depreciation and amortisation of property, plant and equipment	物業、廠房及設備折舊及攤銷	263,398	173,135
Release of prepaid lease payments	解除預付租賃款項	3,245	2,598
Loss on disposal/write-off of property, plant and equipment	出售／撇銷物業、廠房及設備之虧損	1,563	471
Gain on disposal of prepaid lease payments	出售預付租賃款項收益	-	(2,191)
Release of government grants	解除政府補助	(5,456)	(629)
Finance costs	財務費用	57,821	35,766
Share of loss of an associate	應佔一家聯營公司虧損	445	334
Operating cash flows before movements in working capital	未計營運資金變動前之經營現金流量	1,136,748	864,591
(Increase) decrease in inventories	存貨（增加）減少	(214,932)	53,465
(Increase) decrease in trade and other receivables	應收賬項及其他應收款項（增加）減少	(400,327)	193,758
Increase (decrease) in trade and other payables	應付賬項及其他應付款項增加（減少）	488,893	(57,196)
Effect of realignment of foreign exchange rate	調整匯率之影響	-	4,122
Cash generated from operations	經營業務所賺取之現金	1,010,382	1,058,740
Hong Kong Profits Tax paid	已繳香港利得稅	(48,190)	(72,338)
PRC Enterprise Income Tax paid	已繳中國企業所得稅	(64,016)	(103,377)
NET CASH FROM OPERATING ACTIVITIES	經營業務所產生之現金淨額	898,176	883,025

Consolidated Cash Flow Statement (Continued)

綜合現金流量表 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
INVESTING ACTIVITIES	投資業務		
Purchase of property, plant and equipment	購買物業、廠房及設備	(1,584,821)	(460,194)
Advancement of loans	貸款墊付	(53,442)	-
Addition of prepaid lease payments	預付租賃款項增加	(18,213)	(7,667)
Acquisition of intangible assets	收購無形資產	(19,601)	(4,840)
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之已付按金	(39,148)	(366,646)
Interest received	已收利息	12,644	20,546
Amount repaid from an associate	一家聯營公司償還款項	352	95
Purchase of available-for-sale investments	購買可供出售投資	-	(10,500)
Proceeds from disposals of prepaid lease payments	出售預付租賃款項所得款項	-	7,050
NET CASH USED IN INVESTING ACTIVITIES	投資業務所使用之現金淨額	(1,702,229)	(822,156)
FINANCING ACTIVITIES	融資活動		
Repayment of bank and other borrowings	償還銀行及其他借貸	(2,250,203)	(138,486)
Dividend paid	已付股息	(235,343)	(222,266)
Interest paid on bank and other borrowings	已付銀行及其他借貸利息	(57,821)	(35,766)
New bank and other borrowings raised	新造銀行及其他借貸	2,862,319	481,530
Proceeds from issue of shares	發行股份所得款項	19,406	22,251
NET CASH FROM FINANCING ACTIVITIES	融資活動產生之現金淨額	338,358	107,263
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目(減少)增加淨額	(465,695)	168,132
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值項目	1,018,228	848,436
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	1,290	1,660
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by	年終之現金及現金等值項目，指	553,823	1,018,228
Bank balances and cash	銀行結存及現金	554,476	1,018,228
Bank overdrafts	銀行透支	(653)	-
		553,823	1,018,228

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2007
截至二零零七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 "Stock Exchange"). 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 functional currency of the Company is United State dollar. The consolidated financial statements are presented in Hong Kong dollars which is different from the functional currency of the Company, as the directors of the Company consider that Hong Kong dollars is the most appropriate presentation currency in view of its place of listing.

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 calculators and other 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, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7 HK(IFRIC) – Int 7	Financial Instruments: Disclosures Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment

1. 一般事項

本公司於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。

本公司之功能貨幣為美元。本公司董事經考慮其上市地點，認為港幣為最適合之呈列貨幣，故綜合財務報表以港幣呈列（有別於本公司之功能貨幣）。

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體顯示器（「液晶體顯示器」）產品及電子消費產品，包括 計算器及其他電子零部件。

2. 應用新訂及經修訂香港財務報告準則

本年度內，本集團首次採納以下由香港會計師公會（「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」），此等準則均於二零零七年一月一日開始之本集團財政年度生效。

香港會計準則第1號 (修訂)	資本披露
香港財務報告準則第7號 香港(國際財務報告 詮釋委員會) 詮釋第7號	金融工具：披露 根據香港會計準則第29號 「惡性通脹經濟之財務 報告」採用重列法
香港(國際財務報告詮釋 委員會)詮釋第8號	香港財務報告準則 第2號之範圍
香港(國際財務報告詮釋 委員會)詮釋第9號	內在衍生工具 之重新評估
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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

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

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions ³
HK(IFRIC)-Int 12	Service Concession Arrangements ⁴
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁵
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ⁴

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 July 2009

³ Effective for annual periods beginning on or after 1 March 2007

⁴ Effective for annual periods beginning on or after 1 January 2008

⁵ Effective for annual periods beginning on or after 1 July 2008

2. 應用新訂及經修訂香港財務報告準則 (續)

採納新訂香港財務報告準則對編製本會計期間或過往會計期間業績和財務狀況之編製方式並無重大影響。因此，毋須作出過往期間調整。

本集團已追溯採用香港會計準則第1號(修訂)及香港財務報告準則第7號披露規定。若干過往根據香港會計準則第32號披露之資料已被刪除，相關對照資料已於本年度首次根據香港會計準則第1號(修訂)及香港財務報告準則第7號之規定呈列。

本集團並無提早採用以下已頒佈但尚未生效之新訂及經修訂準則或詮釋。

香港會計準則第1號(經修訂)	財務報表之呈報 ¹
香港會計準則第23號(經修訂)	借貸成本 ¹
香港會計準則第27號(經修訂)	綜合及獨立財務報表 ²
香港財務報告準則第2號(修訂)	歸屬條件及註銷 ¹
香港財務報告準則第3號(經修訂)	業務合併 ²
香港財務報告準則第8號	經營分部 ¹
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 ³
香港(國際財務報告詮釋委員會)－詮釋第12號	特許權服務安排 ⁴
香港(國際財務報告詮釋委員會)－詮釋第13號	客戶忠誠計劃 ⁵
香港(國際財務報告詮釋委員會)－詮釋第14號	香港會計準則第19號－固定福利資產之限制、最低資金需求及兩者之互動關係 ⁴

¹ 於二零零九年一月一日或之後開始之年度期間生效。

² 於二零零九年七月一日或之後開始之年度期間生效。

³ 於二零零七年三月一日或之後開始之年度期間生效。

⁴ 於二零零八年一月一日或之後開始之年度期間生效。

⁵ 於二零零八年七月一日或之後開始之年度期間生效。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

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

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

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 value, 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 Stock Exchange and by the Hong Kong Companies Ordinance. The principal accounting policies adopted are as follows:

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.

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.

2. 應用新訂及經修訂香港財務報告準則 (續)

本公司董事預期，採用該等準則或詮釋不會對本集團業績及財務狀況構成重大影響。

3. 主要會計政策

誠如下文所載之會計政策所闡釋，綜合財務報表乃根據歷史成本法編製，惟若干金融工具除外，彼等乃按公平值計量。

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聯交所證券上市規則及香港公司條例規定之適用披露資料。所採用之主要會計政策如下：

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。當本公司可管理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。

年內收購或出售之附屬公司之業績乃由收購生效日起或截至出售生效日止（如適用）於綜合收益表列賬。

附屬公司之財務報表已作出適當調整，以使其會計政策與本集團其他成員公司所採用者一致。

所有集團內公司間之交易及結餘乃於綜合賬目時予以對銷。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill

Goodwill arising on an acquisition of net assets and operations of another entity 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 acquiree at the date of acquisition.

For previously 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 (see the accounting policy below).

Capitalised goodwill arising on an acquisition of net assets and operations of another entity 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 the relevant cash-generating unit, 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

收購之資產淨值及業務所產生之商譽，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之權益之部分。

就過往收購所產生之已資本化商譽而言，本集團自二零零五年一月一日起不再繼續攤銷，而有關商譽每年及當有跡象顯示與商譽有關之現金賺取單位有可能出現減值時進行減值測試(見下列會計政策)。

因收購另一實體之資產淨值及業務所產生之資本化商譽乃於綜合資產負債表獨立呈列。

就減值測試而言，收購所產生之商譽乃被分配到預期將從收購之協同效應中受益之各有關現金賺取單位，或現金賺取單位之組別。已獲分配商譽之現金賺取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，已獲分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。當現金賺取單位之可收回金額少於該單位之賬面值時，則減值虧損首先被分配到該單位，以削減分配到該單位之任何商譽之賬面值，之後以該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。商譽之任何減值虧損乃直接於綜合收益表內確認。商譽之減值虧損於其後期間不予撥回。

若其後出售有關現金賺取單位，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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Interest in an associate

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 associate 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 (which includes any long term interests that, in substance, form part of the Group's net investment in the associates), 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.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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.

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入賬。根據權益法，於聯營公司之投資乃按成本(經就本集團應佔該聯營公司淨資產之收購後變動調整)減任何已識別減值虧損於綜合資產負債表中列賬。當本集團應佔聯營公司虧損相等於或超出其於該聯營公司之權益(包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司的投資淨額的一部份)，則本集團不再繼續確認其應佔進一步虧損。僅在本集團承擔法定或推定責任或代表該聯營公司付款之情況下，方就額外應佔虧損撥備並確認負債。

本集團應佔可識別資產、負債及或然負債之公平值淨值高於收購成本之差額，在重新進行審核後，即時於損益中確認。

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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

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 sold in the normal course of business, net of discounts and sales related taxes.

Revenue from sale 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.

Property, plant and equipment

Property, plant and equipment, including building held for use in the production or supply of goods or services, or for administrative purposes other than properties under development, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

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.

Buildings are depreciated over their useful lives, where shorter, in the terms of respective leases, using the straight-line method.

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.

3. 主要會計政策 (續)

收益確認

收益乃以已收取或應收代價之公平值計量，指於正常業務過程中出售貨品之經扣除折扣及有關銷售稅項之應收款項。

貨品之銷售收入乃在貨品已經付運及擁有權已轉移時確認。

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將估計未來所得現金折現至相關資產賬面淨值之折算率。

物業、廠房及設備

物業、廠房及設備(包括持作生產或提供貨品或服務用途，或用作行政用途之樓宇，惟發展中物業除外)乃按成本值減其後累計折舊及累計減值虧損入賬。

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經考慮其估計殘餘值後，按該等資產之估計可使用年期攤銷成本。

樓宇採用直線法按可使用年期或有關租期兩者之較短者計算折舊。

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開始計算折舊。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七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.

Intangible assets

Intangible assets including technical know-how acquired and the cost incurred in the registration of trademarks with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation is provided on a straight-line basis over their estimated useful lives.

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.

Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

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.

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綜合收益表。

無形資產

無形資產(包括已收購專門知識技術及註冊有限使用年期商標所產生之成本)乃按成本值減累計攤銷及任何累計減值虧損入賬。攤銷採用直線法按該等資產之估計可使用年期進行計算。

研究活動費用於其產生期間確認為開支。

因開發費用而於內部形成之無形資產，只有當在清晰界定之項目所實際支付之開發費用，預期可通過未來商業活動收回之情況下才會獲得確認。而由此所得之資產將按其估計可使用年期以直線法攤銷，並按成本值減其後累計攤銷及任何累計減值虧損入賬。

如無法確認任何內部形成之無形資產，則開發費用於產生期間自損益扣除。

撤銷確認無形資產所產生之損益乃按該資產之出售款項淨額與其賬面值之差額計算，並在撤銷確認該資產時於綜合收益表中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Inventories

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

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.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

3. 主要會計政策 (續)

存貨

存貨乃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。

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。

本集團作為租賃人

經營租約之租金收入乃按有關租約期限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，並按租約期限以直線法確認為開支。

本集團作為承租人

經營租約之應付租金按有關租約期限以直線法於損益扣除。作為促使訂立經營租約之已收及應收利益乃按租約期限以直線法確認為租金開支之減少。

租賃土地及樓宇

就租賃分類而言，租賃土地及樓宇之土地及樓宇部份被視作獨立項目，除非租賃款項不能可靠地在土地及樓宇項目之間作出分配，於此情況下，整項租賃一般被當作融資租賃及作物業、廠房以及設備入賬。倘租賃款項能可靠分配，則土地之租賃權益會按經營租約列賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

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.

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)

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)所進行之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)按交易日期之現行匯率入賬。於各結算日，以外幣列值之貨幣項目乃按結算日之現行匯率重新換算。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損益。

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現行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年度之平均匯率換算，惟倘期內匯率顯著波動除外，於該情況下，則採用交易日期之現行匯率。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損益。

借貸成本

所有借貸成本均被確認為及計入財務成本，並於產生期間計入綜合收益表內。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

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.

Retirement benefit costs

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

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自綜合收益表扣除之相同期間確認，並獨立呈列為其他收入。

退休福利成本

定額供款退休福利計劃供款於僱員提供服務使其有權享有供款之時作為開支扣除。

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溢利不同。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 (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

Deferred tax is recognised 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)

遞延稅項乃按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確認，並以資產負債表負債法列賬。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抵扣應課稅溢利時確認。倘於一項交易中，因其他資產及負債之商譽或初步確認（不包括業務合併）產生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進行確認，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預見將來撥回之情況則除外。

遞延稅項資產之賬面值於各結算日作出審閱，並於不可能有足夠應課稅溢利用於收回全部或部分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，惟倘相關項目乃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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七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 financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and 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.

3. 主要會計政策 (續)

金融工具

金融資產及金融負債乃當集團實體成為工具合同條文之訂約方時在綜合資產負債表上確認。金融資產及金融負債初步按公平值確認。收購或發行金融資產及金融負債直接應佔之交易成本(於損益以公平值列值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(如適用)。收購於損益以公平值列值之金融資產或金融負債直接應佔之交易成本即時於損益內確認。

金融資產

本集團金融資產主要分類為於損益以公平值列值之金融資產(「於損益以公平值列值」)、貸款、應收賬款及可供出售金融資產。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。一般方式買賣指資產須於市場規管或慣例所設定時限內交付之金融資產買賣。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

- **Financial assets at fair value through profit or loss ("FVTPL")**
Financial assets at FVTPL comprise financial assets held for trading. At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with the changes in fair value recognised directly in profit or loss in the period in which they arise.

- **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 loans receivable, trade and other receivables, amount due from an associate and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

- **Available-for-sale financial assets**
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, 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 are measured at cost less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

- **於損益以公平值列值之金融資產 (「於損益以公平值列值」)**
於損益以公平值列值之金融資產包括持作買賣之金融資產。於初步確認後之各結算日，於損益以公平值列值之金融資產乃按公平值計算，而公平值之變動乃於產生期間直接確認為損益。

- **貸款及應收款項**
貸款及應收款項乃並無於活躍市場報價之固定或可釐定付款之非衍生金融工具。於初步確認後各結算日，貸款及應收款項 (包括應收貸款、貿易及其他應收賬款、應收一間聯營公司款項及銀行結存及現金) 均採用實際利率法按已攤銷成本減任何已識別減值虧損入賬 (見下文金融資產減值虧損之會計政策)。

- **供銷售金融資產**
供銷售投資乃被指派或未獲分類為於損益以公平值列值之財務資產、貸款及應收款項或持至到期投資之非衍生工具。

於初步確認後各結算日，倘可供出售之股本投資並無活躍市場報價，而其公平價值未能可靠計算，則可供出售之股本投資按成本值減任何已識別減值虧損計算 (見下文金融資產減值虧損之會計政策)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Impairment of financial assets

Financial assets other than financial assets at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payment, observable changes in national or local economic conditions that correlate with default on receivables.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

實際利率法

實際利率法乃一種在相關期間內用於計算金融資產的已攤銷成本及分配利息收入之方法。實際利率是將金融資產在估計年期或(如適用)更短期間內之估計未來現金收入進行折現(包括構成實際利率、交易成本不可缺少的一部份的當場已付或已收取的所有費用以及其他溢價或折讓)之折算率。

金融資產減值

金融資產(於損益以公平值列值者除外)於各結算日評估是否有減值跡象。倘有客觀證據證明初步確認金融資產後發生之一項或多項事件令金融資產之估計未來現金流量受到影響,則對金融資產計提減值。

客觀減值證據可包括:

- 發行人或對手方遇到嚴重財政困難;或
- 違約或拖欠利息或本金還款;或
- 借款人有可能破產或進行財務重組。

應收賬款及被評估為非個別減值資產之若干金融資產類別,其後按整體基準進行減值評估。應收賬款組合之客觀減值證據可包括本集團之過往收款經驗、延遲還款次數增加以及與應收賬款違約有關之全國或地方經濟狀況明顯改變。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets carried at amortised cost, 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.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount 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 loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivables is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent 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)

金融資產減值 (續)

就按已攤銷成本列賬之金融資產而言，減值虧損乃於有客觀證據證明資產出現減值時於損益內確認，並按該資產之賬面值與按原先實際利率折現之估計未來現金流量之現值間之差額計量。

就按成本列賬之金融資產而言，減值虧損之金額以資產之賬面值與估計未來現金流量之現值（以類似金融資產之當前市場回報率折現）間之差額計量。該等減值虧損不會於其後期間撥回。

就所有金融資產而言，金融資產之賬面值直接按減值虧損調減，惟應收賬項及其他應收賬款除外，其賬面值乃透過使用撥備賬目調減。撥備賬目之賬面值變動乃於損益內確認。倘應收賬項及其他應收賬款被視為無法收回，則於撥備賬目撤銷。其後收回過往撤銷之款項計入損益。

就按已攤銷成本計量之金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生之事件有關，則先前確認之減值虧損透過損益撥回，惟該資產於撥回減值日期之賬面值不得超過在並無確認減值之情況下應有之已攤銷成本。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

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.

- **Financial liabilities at fair value through profit or loss ("FVTPL")**
Financial liabilities at FVTPL comprise financial liabilities held for trading. At each balance sheet date subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with the changes in fair value recognised directly in profit or loss in the period in which they arise.
- **Financial liabilities**
Financial liabilities (including trade and other payables and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.
- **Equity instruments**
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. 主要會計政策 (續)

金融工具 (續)

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。

- **於損益以公平值處理之金融負債**
於損益以公平值處理之金融負債包括持作買賣之金融負債。於初始確認後的各結算日，於損益以公平值處理之金融負債以公平值計值，其公平值變動直接於變動發生之期內於損益確認。
- **金融負債**
本集團之金融負債，包括應付賬項及其他應付款項、銀行及其他借貸，其後以實際利率法按攤銷成本計算。
- **股本工具**
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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

Derecognition

Financial assets are derecognised 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 recognised directly in equity is recognised in profit or loss.

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

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本

實際利率法

實際利率法是一種在有關期間內用於計算金融負債的已攤銷成本以及分配利息開支的方法。實際利率是一種在金融負債的預期壽命或更短時間內(如適用)，能夠精確計算預計未來現金收入額的折現額。

利率開支按實際利率基準確認。

衍生金融工具

衍生工具最初於衍生合約簽訂日期以公平值確認，隨後於各結算日重新計算至公平值。所產生之收益或虧損即時於損益中確認。

取消確認

倘從資產收取現金流量之權利已到期，或金融資產已轉讓且本集團已將其於金融資產擁有權之絕大部份風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收及應收代價已直接於股本確認之累計損益總和之差額，將於損益中確認。

倘於有關合約之特定責任獲解除、註銷或到期，則相關金融負債將於取消確認。取消確認之金融負債賬面值與已付或應付代價之差額，將於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees after 7 November 2002 and vested on or after 1 January 2005

The fair value of services received determined by reference to the fair value of share options granted on or after 1 January 2005 is recognised as an expense in full at grant date when the share options granted vest immediately, with a corresponding increase in equity (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 after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

Share options granted to employees on or before 7 November 2002, or granted after 7 November 2002 and vested before 1 January 2005

The financial impact of share options granted is not recorded in the consolidated financial statements until such time as the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

3. 主要會計政策 (續)

以股份為基礎支付之交易

以權益方式結算之基於股份之付款交易

於二零零二年十一月七日之後授予僱員且於二零零五年一月一日或之後歸屬之購股權

已獲取服務之公平值參照於授出日期或二零零五年一月一日以後所批授之購股權之公平值釐定，並於所批授購股權即時生效之授出日全部確認為開支，而權益（購股權儲備）亦相應增加。

於行使購股權之時，之前於購股權儲備確認之金額將轉撥至股份溢價賬。當購股權於歸屬日後被沒收或於屆滿日期仍未獲行使，之前在購股權儲備確認之款項將被轉撥至保留溢利。

於二零零二年十一月七日或之前授予僱員之購股權，或於二零零二年十一月七日之後授出且於二零零五年一月一日之前歸屬之購股權

授出之購股權之財務影響尚未計入本集團之綜合財務報表，直至該等購股權獲行使，且授出之購股權之價值未於綜合收益表內確認扣除為止。由於行使購股權而發行之股份以股份賬面值記作增發股本，而每股行使價超出股份面值之餘額記作股份溢價。於行使日期之前失效或註銷之購股權從尚未行使購股權名冊中刪除。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

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 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.

4. REVENUE

Revenue represents the gross proceeds received and receivable on the sale of goods during the year, net of sales tax, trade discounts and returns, and is analysed as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Sales of LCD products	銷售液晶體顯示器產品	6,362,402	4,403,989
Sales of electronic consumer products	銷售電子消費產品	130,992	119,837
		6,493,394	4,523,826

3. 主要會計政策 (續)

除商譽外之有形及無形資產之減值虧損 (參見上述有關商譽之會計政策)

本集團於各結算日對有形及無形資產之賬面值進行評估，以確認該等資產是否出現減值虧損跡象。倘資產之估計可收回金額低於其賬面值，則資產之賬面值減少至可收回金額。減值虧損即時確認為開支。

若減值虧損隨後撥回，資產之賬面值增加至經修訂估計可收回金額，但增加之賬面值不得超過倘若於資產過往年度並未確認減值虧損所釐定之賬面值。減值虧損撥回即時於收益中確認。

4. 收益

收益指本年度銷售貨品之收訖及應收之款項扣除銷售稅、賬項折讓及退貨後的金額，其分析如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

5. 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

Segment information about these businesses is presented below:

For the year ended 31 December 2007

		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	6,362,402	130,992	6,493,394
RESULT	業績			
Segment result	分類業績	814,674	14,444	829,118
Unallocated corporate income	未分配之公司收入			73,939
Unallocated corporate expenses	未分配之公司費用			(19,468)
Share of loss of an associate	應佔一間聯營公司虧損	–	(445)	(445)
Finance costs	財務費用			(57,821)
Profit before tax	除稅前溢利			825,323
Income tax expense	所得稅支出			(123,294)
Profit for the year	本年度溢利			702,029

5. 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

此等業務之分類資料呈列如下：

截至二零零七年十二月三十一日止年度

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

As at 31 December 2007

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	4,636,398	601,431	5,237,829
Interest in an associate	一家聯營公司之權益	–	391	391
Unallocated corporate assets	未分配之公司資產			663,824
Consolidated total assets	綜合資產總額			5,902,044
LIABILITIES	負債			
Segment liabilities	分類負債	1,315,594	44,196	1,359,790
Unallocated corporate liabilities	未分配之公司負債			1,509,923
Consolidated total liabilities	綜合負債總額			2,869,713

5. 業務及地區分類 (續)

業務分類 (續)

於二零零七年十二月三十一日

資產負債表

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	1,965,025	66,635	2,031,660
Depreciation and amortisation	折舊及攤銷	239,698	34,535	274,233
Loss on disposal/write-off of property, plant and equipment	出售／撤銷物業 、廠房及設備 之虧損	1,508	55	1,563
Allowance for bad debts	壞賬撥備	5,289	1,871	7,160

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

For the year ended 31 December 2006

5. 業務及地區分類 (續)

業務分類 (續)

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	應佔一間聯營公司之虧損	—	(334)	(334)
Finance costs	財務費用			(35,766)
Profit before tax	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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

5. 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
Amount due from an associate	應收一家聯營公司款項	—	352	352
Unallocated corporate assets	未分配之公司資產			1,041,569
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
Unallocated corporate liabilities	未分配之公司負債			864,751
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	Consolidated 綜合 HK\$'000 千港元
Capital additions	增加資本	404,918	60,116	465,034
Depreciation and amortisation	折舊及攤銷	149,179	34,843	184,022
Loss on disposal/write-off of property, plant and equipment	出售／撇減物業、 廠房及設備之虧損	28	443	471
Allowance for bad debts	壞賬撥備	3,256	327	3,583

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

5. 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:

5. 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	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
PRC	中國	5,162,994	3,620,501
South Korea	南韓	595,018	226,908
Japan	日本	115,532	125,054
Hong Kong	香港	178,636	212,317
Europe	歐洲	282,110	206,404
Others	其他	159,104	132,642
		6,493,394	4,523,826

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

GEOGRAPHICAL SEGMENTS (continued)

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:

5. 業務及地區分類 (續)

地區分類 (續)

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分析：

		Carrying amount of segment assets 分類資產賬面值		Additions to property, plant and equipment and intangible assets 物業、廠房及設備以及無形資產之添置	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
PRC	中國	4,495,128	2,103,679	1,982,658	458,629
Hong Kong	香港	697,621	910,902	49,002	6,368
Europe	歐洲	87	2,507	–	17
Others	其他	44,993	34,694	–	20
		5,237,829	3,051,782	2,031,660	465,034

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

6. OTHER INCOME

6. 其他收入

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Other income includes:	其他收入包括：		
Exchange gains, net	匯兌收益淨額	-	4,863
Fair value changes on derivative financial instruments	衍生金融工具之公平值變動	14,942	-
Gain on disposal of prepaid lease payments	出售預付租賃款項收益	-	2,191
Government grants	政府津貼	5,456	629
Interest income	利息收入	12,644	20,546
Rental income	租金收入	4,064	2,694
Tax refund on reinvestment (note)	重新投資之稅務退款(附註)	42,289	38,849

Note: Pursuant to the relevant laws and regulations in the PRC, the immediate holding company of the PRC subsidiaries, 信利半導體有限公司, is entitled for the tax refund on the reinvestment on its profit. The tax approval was obtained from the relevant tax bureau before the year end dates.

附註：根據中國之有關法律及法規，中國附屬公司之直接控股公司信利半導體有限公司有權於就溢利獲得重新投資之稅務退款。於年度結束日期之前，已獲得相關稅務局之稅務審批。

7. FINANCE COSTS

7. 財務費用

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest on bank and other borrowings wholly repayable within five years	銀行利息及其他須於五年內全部償還之銀行借款	57,821	35,766

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

8. INCOME TAX EXPENSE

8. 所得稅支出

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current tax:	本期稅項：		
Hong Kong	香港	16,300	35,949
PRC Enterprise Income Tax	中國企業所得稅	113,055	82,361
Other jurisdictions	其他司法權區	110	360
		129,465	118,670
(Over)underprovision in prior years:	以往年度(超額撥備)撥備不足：		
Hong Kong	香港	(1,383)	133
Deferred tax (note 27)	遞延稅項(附註27)	(4,788)	334
Income tax expense for the year	本年度所得稅支出	123,294	119,137

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the year.

香港利得稅乃根據年內之估計應課稅溢利按17.5%(二零零六年：17.5%)之稅率計算。

Income tax arising in PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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。

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 classified as advance technology entity, which entitled to a 50% relief from PRC enterprise income tax of 24% and an exemption of 3% local tax for the following three years starting from 2006.

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分類為領先技術實體，從而自二零零六年起三年享有中國企業所得稅(稅率為24%)之50%寬減以及3%的當地稅收寬免。

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the statutory tax rate to 25%, from 1 January 2008.

於二零零七年三月十六日，根據中華人民共和國主席令第63號，中國頒佈中國企業所得稅法(「新稅法」)。於二零零七年十二月六日，中國國務院頒發新稅法《實施條例》。根據新稅法及其《實施條例》，自二零零八年一月一日起，法定稅率將調整為25%。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

8. INCOME TAX EXPENSE (continued)

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

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit before tax	除稅前溢利	825,323	651,183
Tax at applicable income tax rate of 26.7% (2006: 25.0%)	適用所得稅稅率為26.7% (二零零六年：25.0%)	220,768	162,732
Tax effect of share of profits of an associate	應佔一間聯營公司溢利之稅務影響	78	58
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	21,107	12,937
Tax effect of income not taxable for tax purpose	毋須扣稅收入之稅務影響	(9,040)	(3,401)
(Over) underprovision in respect of prior years	過往年度(超額撥備)撥備不足	(1,383)	133
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	1,069	1,913
Tax effect of utilisation of tax losses previously not recognised	動用以往未確認稅務虧損之稅務影響	-	(75)
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)
Effect of tax concession granted to a PRC subsidiary	中國附屬公司獲授稅務優惠之影響	(109,369)	(55,306)
Others	其他	64	429
Income tax expense for the year	本年度稅項支出	123,294	119,137

Note The average income tax rate for the year ended 31 December 2007 represents the weighted tax rate of the operations in different jurisdictions on the basis of the relevant amounts of profits before taxation and the relevant tax rate for the year.

8. 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：

附註：截至二零零七年十二月三十一日止年度之平均所得稅稅率為本集團根據除稅前溢利以及年內相關稅率於不同司法區經營之加權稅率。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

8. INCOME TAX EXPENSE (continued)

For the years of assessment from 1999/2000 to 2003/04, the Inland Revenue Department ("IRD") issued protective profits tax assessments, in aggregate, of approximately HK\$55,000,000 against a wholly-owned subsidiary of the Company. The Group lodged objections with the IRD against the protective assessments. The IRD agreed to hold over the tax claimed completely subject to the subsidiary in question purchasing tax reserve certificates for those years of assessment. These tax reserve certificates were purchased by the relevant subsidiary subsequent to the balance sheet date.

The directors of the Company believe that no profits tax is payable by the Group in respect of the concerned subsidiary and no provision for Hong Kong Profits Tax in respect of the protective assessments is necessary.

8. 所得稅支出 (續)

根據稅務局對本集團全資附屬公司發出之保障性所得稅評稅，其於1999／2000至2003／04年度稅務評核之總額約為55,000,000港元。本集團已經向稅務局提出反對該保障性所得稅評估。稅務局同意暫緩所徵的全部稅款，惟存疑之附屬公司須就該等年度之評核購買儲稅券。相關附屬公司已於結算日後購買該等儲稅券。

本公司董事認為，本集團相關附屬公司並無應付所得稅，亦無須就相關保障性所得稅評估而考慮作出香港所得稅撥備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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9. PROFIT FOR THE YEAR

9. 本年度溢利

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit for the year has been arrived at after charging:		
Allowance for doubtful debts	7,160	3,583
Auditor's remuneration	1,977	1,842
Cost of inventories	5,336,606	3,612,475
Depreciation and amortisation on:		
Property, plant and equipment	263,398	173,135
Development expenditure included in cost of sales	10,625	10,625
Trademarks included in cost of sales	210	262
	274,233	184,022
Loss on disposal/write-off of property, plant and equipment	1,563	471
Operating lease rental in respect of:		
Rented premises	4,729	4,122
Other equipment	-	484
Release of prepaid lease payments	3,245	2,598
Research costs included in cost of sales	10,624	11,465
Staff costs, inclusive of directors' remuneration:		
Salaries and other benefits	374,193	230,387
Retirement benefits scheme contributions	19,408	11,547
	393,601	241,934

Of the consolidated profit for the year of HK\$702,029,000 (2006: HK\$532,046,000), a profit of HK\$235,306,000 (2006: HK\$225,307,000) has been dealt with in the financial statements of the Company.

於702,029,000港元之本年度綜合溢利當中(二零零六年: 532,046,000港元), 235,306,000港元(二零零六年: 225,307,000港元)已在本公司之財務報表中處理。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

10. DIRECTORS' REMUNERATION

10. 董事酬金

		Lam Wai Wah, Steven (Chairman and Managing Director) 林偉華 (主席及董事總經理)	Wong Pong Chun, James (Executive Director) 黃邦俊 (執行董事)	Cheung Tat Sang, James (Marketing Director) 張達生 (市場推廣董事)	Li Jian Hua (Production Managing Director) 李建華 (生產部董事總經理)	Chung Kam Kwong 鍾錦光	Ip Cho Ting, Spencer 葉祖亭	Heung Kai Sing 香啟誠	Total 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
2007	二零零七								
Directors' fees:	董事袍金：								
Executive	執行	-	-	-	-	-	-	-	-
Independent non-executive	獨立非執行	-	-	-	-	88	50	50	188
Other emoluments paid to the executive directors:	支付予執行董事之其他酬金：								
Salaries and other benefits	薪金及其他福利	2,113	1,272	1,558	1,800	-	-	-	6,743
Performance related incentive payments (note 1)	與業績掛鈎之獎金 (附註1)	5,000	-	1,250	1,500	-	-	-	7,750
Contributions to retirement benefit scheme	退休福利計劃供款	24	24	24	12	-	-	-	84
		7,137	1,296	2,832	3,312	88	50	50	14,765
2006	二零零六								
Directors' fees:	董事袍金：								
Executive	執行	-	-	-	-	-	-	-	-
Independent non-executive	獨立非執行	-	-	-	-	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	薪金及其他福利	2,113	1,250	1,640	1,800	-	-	-	6,803
Performance related incentive payments (note 1)	與業績掛鈎之獎金 (附註1)	-	-	875	1,500	-	-	-	2,375
Contributions to retirement benefit scheme	退休福利計劃供款	24	24	24	12	-	-	-	84
		2,137	1,274	2,539	3,312	88	30	30	9,410

Notes:

- (1) The performance related incentive payments are determined as a percentage of the turnover and operating profit of the Group for the year ended 31 December 2007.
- (2) During the year ended 31 December 2006, 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 represented the fair value of the share options granted, calculated on the basis set out in note 33.

附註：

- (1) 與業績掛鈎之獎金乃按本集團截至二零零七年十二月三十一日止年度之營業額及營運溢利之百分比釐定。
- (2) 於截至二零零六年十二月三十一日止之年內，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33項所載基準計算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2006: three) were directors of the Company whose emoluments are set out in note 10 above. The emoluments of the remaining two (2006: two) individuals were as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,954	3,660
Share based payments	以股份為基礎之付款	–	3,333
Performance related incentive payments	與業績掛鈎之獎金	475	–
Contributions to retirement benefit scheme	退休福利計劃供款	36	36
		4,465	7,029

Their emoluments were within the following bands:

		2007 二零零七年 Number of employees 僱員數目	2006 二零零六年 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
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	1	–
HK\$4,500,001 to HK\$5,000,000	4,500,001 港元至 5,000,000 港元	–	1

11. 僱員酬金

本集團五名最高薪酬人士包括三名(二零零六年:三名)本公司之董事,其酬金詳情已載於上文附註10。其餘兩名(二零零六年:兩名)僱員之酬金如下:

有關僱員酬金之金額介乎:

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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12. DIVIDENDS

12. 股息

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Dividend recognised as distribution during the year:	於本年度確認為分派之股息：		
Interim dividend of 25 HK cents (2006: 23 HK cents) per share	已派發中期股息每股25港仙(二零零六年：23港仙)	117,985	107,640
Final dividend in respect of 2006 of 25 HK cents (2006: in respect of 2005 of 25 HK cents) per share	已派發二零零六年之末期股息每股25港仙(二零零六年：二零零五年之末期股息25港仙)	117,358	114,626
		235,343	222,266

A final dividend of 30 HK cents (2006: 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30港仙(二零零六年：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。

13. EARNINGS PER SHARE

13. 每股盈利

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

每股基本盈利及每股攤薄盈利乃按下列數據計算：

Earnings

盈利

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 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	702,029	532,046

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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13. EARNINGS PER SHARE (continued)

Number of shares

		2007 二零零七年	2006 二零零六年
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	470,304,880	463,925,689
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	11,156,785	6,912,977
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	481,461,665	470,838,666

13. 每股盈利 (續)

股份數目

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings	Furniture, fixtures and equipment 傢俬、裝置及設備	Plant and machinery 廠房及機器	Motor vehicles 汽車	Properties under development 發展中物業	Total 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
COST	成本值						
At 1 January 2006	於二零零六年一月一日	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	轉撥	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
Currency realignment	貨幣調整	8,489	13,829	93,676	696	11,845	128,535
Transfer	轉撥	237,277	-	-	-	(237,277)	-
Additions	添置	8,882	125,234	1,636,454	12,155	229,334	2,012,059
Disposals/write off	出售/撤銷	-	(1,894)	(15,632)	-	-	(17,526)
At 31 December 2007	於二零零七年十二月三十一日	627,297	354,901	3,349,649	33,542	213,493	4,578,882
DEPRECIATION AND IMPAIRMENT	折舊及減值						
At 1 January 2006	於二零零六年一月一日	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
Currency realignment	貨幣調整	1,540	8,295	54,573	632	-	65,040
Provided for the year	本年度撥備	9,759	33,119	215,474	5,046	-	263,398
Eliminated on disposals/write off	出售/撤銷對銷	-	(1,667)	(14,296)	-	-	(15,963)
At 31 December 2007	於二零零七年十二月三十一日	91,796	156,765	1,094,446	21,562	-	1,364,569
CARRYING VALUES	賬面值						
At 31 December 2007	於二零零七年十二月三十一日	535,501	198,136	2,255,203	11,980	213,493	3,214,313
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

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.

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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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14. PROPERTY, PLANT AND EQUIPMENT

(continued)

The other 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%

14. 物業、廠房及設備 (續)

其他物業、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%

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
The carrying value of the Group's property interests shown above comprises:		
Leasehold properties in Hong Kong held under medium term leases	10,013	2,995
Leasehold properties in the PRC held under medium term leases	525,488	289,157
	535,501	292,152

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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15. PREPAID LEASE PAYMENTS

15. 預付租賃款項

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 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	9,249	4,469
Land use rights in the PRC held under medium-term lease	根據中期租約在中國持有之土地使用權	113,904	97,218
		123,153	101,687
Analysed for reporting purposes as:	就匯報目的分析如下：		
Non-current asset	非流動資產	119,908	99,089
Current asset	流動資產	3,245	2,598
		123,153	101,687

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

16. INTANGIBLE ASSETS

16. 無形資產

		Development expenditure 發展支出 HK\$'000 千港元	Technical know-how 技術專業知識 HK\$'000 千港元	Trademarks 商標 HK\$'000 千港元	Total 總額 HK\$'000 千港元
COST	成本值				
At 1 January 2006	於二零零六年一月一日	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
Additions	增加	–	19,601	–	19,601
Write off	撇銷	–	–	(2,052)	(2,052)
At 31 December 2007	於二零零七年十二月三十一日	43,602	19,601	1,412	64,615
AMORTISATION	攤銷				
At 1 January 2006	二零零六年一月一日	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
Provided for the year	本年度撥備	10,625	–	210	10,835
Eliminated on write-off	撇銷對銷	–	–	(2,052)	(2,052)
At 31 December 2007	於二零零七年十二月三十一日	41,264	–	1,230	42,494
CARRYING VALUES	賬面值				
At 31 December 2007	於二零零七年十二月三十一日	2,338	19,601	182	22,121
At 31 December 2006	二零零六年十二月三十一日	12,963	–	392	13,355

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

發展支出、技術專業知識及商標乃以直線法攤銷，攤銷期為四年。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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17. INTEREST IN AN ASSOCIATE

17. 一家聯營公司之權益

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 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	(109)	338
		391	838

Particulars of the associate of the Group at 31 December 2007 and 2006 are as follows:

本集團於二零零七年及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	Proportion of nominal value of issued capital held by the Group 本集團持有之已發行股本賬面值之百分比	Principal activity 主要業務
Truly Instrument Korea Company Limited (formerly known as Fast Clean (Korea) Ltd.) Truly Instrument Korea Company Limited (前稱 Fast Clean (Korea) Ltd.)	Incorporated 註冊為法團	South Korea 南韓	Ordinary 普通股	50%	Trading of electronic 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：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Total assets	總資產	1,408	2,695
Total liabilities	總負債	(627)	(1,019)
Net assets	淨資產	781	1,676
Group's share of net assets of an associate	本集團應佔一家聯營公司淨資產	391	838

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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17. INTEREST IN AN ASSOCIATE (continued)

17. 一家聯營公司之權益 (續)

		Year ended 31.12.2007 截至 二零零七年 十二月 三十一日 止年度 HK\$'000 千港元	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
Revenue	收益	4,438	5,510
Loss for the year	本年度虧損	(890)	(668)
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	(445)	(334)

18. AVAILABLE-FOR-SALE INVESTMENTS

18. 可供出售投資

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Unlisted equity shares, at cost	非上市股本股份 (按成本值)	10,500	10,500

The investments represent the unlisted equity shares issued by private entities in Japan. The investments 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實體發行的非上市股本的投資。由於其合理公平值之估計範圍過大，董事認為其公平值不能可靠計量，故於各結算日按成本值減減值列出。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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19. INVENTORIES

19. 存貨

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Raw materials 原材料	395,163	202,533
Work in progress 在製品	203,521	139,521
Finished goods 製成品	209,323	177,024
	808,007	519,078

20. LOANS RECEIVABLE

20. 應收貸款

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Fixed-rate loan receivable (Note 1) 定息應收貸款 (附註1)	42,891	-
Interest-free loan receivable (Note 2) 免息應收貸款 (附註2)	10,551	-
	53,442	-

Notes:

- The amount is unsecured and will be received within one year. With reference to the loan agreement entered into between the Company and independent third parties, after the expiry of the loan agreement, the Company or its designated entity can participate in the public tender and auction for sale of the land and the loan would consider as the retention money or purchase consideration in the auction. If, however, the Company or its designated entity does not obtain such land use right under such tender and auction, the independent third party agrees to repay and compensate the Company by repaying the principal outstanding balance together with the interest which is calculated on the basis of the contemporary lending interest rate of 0.465% per month quoted by the People's Bank of China. Any further delay in the repayment of the outstanding balance will subject to an additional penalty interest of 2% per month.
- The amount is unsecured, interest-free and will be received within one year.

附註：

- 該款項為無抵押及須於一年內收回。根據本公司與獨立第三方訂立的貸款協議，於該貸款協議到期後，本公司或其指定實體可參與土地銷售的公開投標及拍賣，而貸款將作為拍賣中的保留款項或收購代價。然而，倘本公司或其指定實體未能在該投標或拍賣中獲取該土地使用權，獨立第三方同意連同利息返還未償還本金結餘，利息以中國人民銀行公佈的同期月度借款利率0.465%為基準計算，以償還及補償本集團。若進一步延遲償還未償結餘，則須每月追加2%的罰息。
- 該款項為無抵押、免息且須於一年內收回。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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21. TRADE AND OTHER RECEIVABLES

21. 應收賬項及其他應收款項

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Trade receivables	應收賬項	972,272	552,420
Less: Allowance for doubtful debts	減：呆賬撥備	(9,150)	(12,907)
Other receivables	其他應收賬款	963,122 67,552	539,513 47,191
Total trade and other receivables	應收賬項及 其他應收賬款總額	1,030,674	586,704

The Group's trade receivables that are denominated in currencies other than 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應收賬款載列如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Denominated in HK\$	以港元計值	53,139	37,904
Denominated in Euro	以歐元計值	2,115	1,751

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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21. TRADE AND OTHER RECEIVABLES (continued)

The Group allows an average credit period ranging from 30 to 90 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts at the reporting date:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within 60 days	60天以內	909,199	442,116
61 to 90 days	61至90天	14,271	43,761
More than 90 days	90天以上	39,652	53,636
		963,122	539,513

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit rating limits for each customer. Limits attributed to customers are reviewed once a year. 81% of the trade receivables are neither past due nor impaired.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$181,902,000 (2006: HK\$163,406,000) which are past due at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

21. 應收賬項及其他應收款項 (續)

本集團給予其貿易客戶平均30至90天的信貸期。於報告日之應收賬項減呆賬撥備之賬齡分析如下：

於接納任何新客戶前，本集團會評估潛在客戶之信貸質素及確定各客戶之信貸評級限額。給予客戶之信貸限額每年審查一次。81%之應收賬項均未過期及減值。

本集團之應收賬款結餘內包括總賬面值約為181,902,000港元之應收賬款(二零零六年：163,406,000港元)，該筆款項於報告日已過期，惟由於其信貸質素並無重大變動且該金額仍可收回，因此本集團並無作出減值虧損撥備。本集團並無就該等結餘持有任何抵押。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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21. TRADE AND OTHER RECEIVABLES (continued)

Ageing of trade receivables which are past due but not impaired

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within 60 days	60天以內	127,979	88,135
61 to 90 days	61至90天	14,271	43,761
More than 90 days	90天以上	39,652	53,636
		181,902	185,532

Movement in the allowance for doubtful debts

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	(12,907)	(9,324)
Impairment losses recognised on receivables	已確認應收款項減值虧損	(7,160)	(3,583)
Amounts written off as uncollectible	撇銷為不可收回之款項	10,917	-
Balance at end of the year	年終結餘	(9,150)	(12,907)

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$7,160,000 (2006: HK\$3,583,000) which the debtors have financial difficulties in repaying the outstanding balances. The Group does not hold any collateral over these balances.

21. 應收賬項及其他應收款項 (續)

已過期但未減值之應收賬項
賬齡分析如下：

呆賬撥備的變動

由於債務人於清償未償還結餘時出現財務困難，因此本集團之呆賬撥備包括總值為7,160,000港元之獨立減值應收賬項(二零零六年：3,583,000港元)。本集團並無就該等結餘持有任何抵押。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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22. AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate was unsecured, interest-free and fully repaid during the year.

22. 應收一家聯營公司款項

應收一家聯營公司款項為無抵押、免息並須於年內全額償還。

23. DERIVATIVE FINANCIAL INSTRUMENTS

23. 衍生金融工具

		Assets 資產		Liabilities 負債	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Foreign currency forward contracts	外匯遠期合約	27,016	-	12,074	-

Major terms of foreign currency forward contracts as at 31 December, 2007 are as follows:

外匯遠期合約於二零零七年十二月三十一日之主要條款如下：

Aggregate principal amount 本金總額	Maturity 合約期限	Forward exchange rates 遠期匯率
US\$93,000,000 93,000,000美元	From January 2008 to November 2008 二零零八年一月至二零零八年十一月	Sell RMB/ buy US\$ at 6.8390 to 7.4090 以6.8390至7.4090 賣出人民幣/買入美元
US\$93,000,000 93,000,000美元	From January 2008 to November 2008 二零零八年一月至二零零八年十一月	Sell US\$/ buy RMB at 7.0033 to 7.5653 以7.0033至7.5653 賣出美元/買入人民幣

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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24. BANK BALANCES AND CASH

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

		Japanese Yen 日圓 HK\$'000 千港元	HK\$ 港元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元	Euro 歐元 HK\$'000 千港元
As at 31 December 2007	於二零零七年 十二月三十一日	-	51,273	-	-
As at 31 December 2006	於二零零六年 十二月三十一日	728,402	40,438	2,197	4,829

Bank balances carry interest at market rates which ranged from 0.61% to 5.0% (2006: 0.13% to 4.74%) per annum.

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0.61%至5.0%（二零零六年：0.13%至4.74%）之市場年利率計息。

25. TRADE AND OTHER PAYABLES

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

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within 60 days	60天以內	664,287	472,881
61 to 90 days	61至90天	128,189	93,982
More than 90 days	90天以上	181,830	87,854
		974,306	654,717

The average credit period on purchases of goods is 60-90 days. The Group has financial risk management policies in place to ensure that all payables within the credit timeframe.

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：

採購貨品的平均信貸期為60至90天。本集團制定有適當之財務風險管理政策，以確保於信貸期內支付所有應付款項。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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25. TRADE AND OTHER PAYABLES (continued)

The Group's trade payables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Denominated in HK\$	以港元計值	384,237	226,553
Denominated in Japanese Yen	以日圓計值	107,695	26,806
Denominated in Euro	以歐元計值	382	353

25. 應付賬項及其他應付款項 (續)

本集團以有關集團實體功能貨幣以外之貨幣列值之應付賬項載列如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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26. BANK AND OTHER BORROWINGS, UNSECURED

26. 銀行及其他借貸，無抵押

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Bank loans	銀行借貸	1,094,121	524,602
Trust receipt loans	信託收據貸款	268,030	249,938
Other loans	其他貸款	24,505	-
		1,386,656	774,540
The Group's bank and other borrowings that are denominated in currencies other 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及其他借貸載列如下：		
Denominated in HK\$	以港元計值	1,195,416	661,722
Denominated in Japanese Yen	以日圓計值	9,559	6,300
The maturity profile of the bank and other borrowings is as follows:	銀行及其他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	698,597	566,696
More than one year, but not exceeding two years	一年後但於兩年內	440,680	123,966
More than two years, but not exceeding five years	兩年後但於五年內	247,379	83,878
		1,386,656	774,540
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	(698,597)	(566,696)
Amount due after one year	一年後到期款項	688,059	207,844

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 effective interest rates is at 5.13% to 7.88% (2006: 4.70% to 6.88%) per annum.

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，實際利率之年息率幅度為5.13%至7.88%（二零零六年：4.70%至6.88%）。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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27. DEFERRED TAX

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

		Accelerated tax depreciation	Others	Total
		加速稅項折舊	其他	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2006	於二零零六年 一月一日	38,150	(415)	37,735
Charge (credit) to income for the year	於年度收入中支銷 (抵免)	755	(421)	334
At 1 January 2007	於二零零七年 一月一日	38,905	(836)	38,069
(Credit) charge to income for the year	於年度收入中(抵免) 支銷	(4,824)	36	(4,788)
At 31 December 2007	於二零零七年 十二月三十一日	34,081	(800)	33,281

27. 遞延稅項

在本期及之前年度內確認的主要遞延稅項負債(資產)及其變動如下:

The following is the analysis of the deferred tax balances for financial reporting purposes:

就財務呈報而言之遞延稅項結餘分析如下:

		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Deferred tax liabilities	遞延稅項負債	34,081	38,905
Deferred tax assets	遞延稅項資產	(800)	(836)
		33,281	38,069

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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27. DEFERRED TAX (continued)

At the balance sheet date, the Group has unused tax losses of HK\$60,876,000 (2006: HK\$55,470,000) 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\$6,573,000 (2006: HK\$12,684,000) 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 (2006: HK\$6,218,000) 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60,876,000港元(二零零六年：55,470,000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6,573,000港元(二零零六年：12,684,000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(二零零六年：6,218,000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	
		2007 二零零七年	2006 二零零六年	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 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	468,296,527	458,164,527	46,830	45,816
Exercise of share options	行使購股權	4,448,000	10,132,000	444	1,014
At 31 December	於十二月三十一日	472,744,527	468,296,527	47,274	46,830

Details of the exercise of share options are set out in note 33.

行使購股權之詳情載於附註第33項。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings disclosed in note 26 (net of cash and cash equivalents) and equity, comprising issued share capital and reserves.

The directors of the Company reviews the capital structure periodically. As a part of this review, the directors consider the cost of capital and the risks associates with each class of capital. The Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

29. 資本風險管理

本集團進行資本管理以確保其實體能持續經營，同時透過優化債務與權益平衡為股東帶來最大回報。本集團之總體策略與上一年度保持不變。

本集團的資本架構由債務淨額(包括附註26所披露之借款，經扣除現金及現金等值項目)及股權(包括已發行股本及儲備)組成。

本公司董事定期審查其資本架構。作為審閱的一部份，董事考慮資本成本及與各類別資本相關之風險。本集團將會透過支付股息、發行新股份、發行新債或贖回現有債務以平衡其總體資本架構。

30. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Financial assets	金融資產		
Loan and receivable (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值項目)	1,552,611	1,558,584
Available-for-sale investments	可供出售投資	10,500	10,500
Derivative financial instruments	衍生金融工具	27,016	—
		1,590,127	1,569,084
Financial liabilities	金融負債		
Amortised cost	攤銷成本	2,722,090	1,616,172
Derivative financial instruments	衍生金融工具	12,074	—
		2,734,164	1,616,172

30 金融工具

a. 金融工具分類

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies

The Group's major financial instruments include bank balances and cash, loans receivable, derivative financial instruments, available-for-sale investments, bank and other borrowings, trade and other receivables and trade and other payables. Details of the financial instruments are disclosed in respective notes.

The management monitors and manages the financial risk relating to the Group through internal risk assessment which analyses exposures by degree and magnitude of risks. The risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. 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.

The Group's overall strategy remains unchanged from prior year.

Market risk

(i) Currency risk

The Group undertakes certain transactions denominated in foreign currencies which are different from the United States dollar, the functional currency of the certain group entities and the Group is mainly exposed to foreign currencies risk due to the change in United States dollar. The Group currently has entered into foreign currency forward contracts to hedge against its exposure to change of foreign exchange rate. However, as these foreign currency forward contracts do not qualify for hedge accounting, they are deemed as financial assets or financial liabilities held for trading.

30 金融工具 (續)

b. 金融風險管理目標及政策

本集團之主要金融工具包括銀行結存及現金、應收貸款、衍生金融工具、可供出售投資、銀行借貸及其他借款、應收賬款及其他應收款項以及應付賬項及其他應付款項。金融工具之詳情於各項附註分別作出披露。

管理層透過內部風險評估分析風險的嚴重程度及影響範圍，從而監察及管理與本集團相關的金融風險。該等風險包括市場風險(包括貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。降低該等風險的政策載於下文。管理層會管理及監察有關風險，確保及時有效地實施適當的措施。

本集團的整體策略仍與前一年一樣。

市場風險

(i) 貨幣風險

本集團的若干交易以外幣計值，該等外幣為相關集團實體功能貨幣(美元)以外的貨幣。本集團的外幣風險主要來自美元匯率的變動。本集團現已簽訂遠期外匯合約以對沖匯率變動之風險，惟由於該等遠期外匯合約並不符合對沖會計之要求，因此以持有可供交易的金融資產或金融負債入賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

		Liabilities 負債		Assets 資產	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Hong Kong dollar	港元	1,810,067	1,063,285	139,929	90,892
Japanese Yen	日圓	130,710	47,996	10,500	728,402

30 金融工具 (續)

b. 金融風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

於報告日期，本集團以外幣列值之貨幣資產及貨幣負債之賬面值如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The following table indicates the approximate change in the Group's profit for the year in response to reasonably possible change in the functional currency i.e. United State dollar to the relevant currencies which the Group have significant exposure at the balance sheet date.

		2007 二零零七年		2006 二零零六年	
		United States dollar	Effect on profit	United States dollar	Effect on profit
		strengthen (weaken)	對溢利 (貶值) 影響	strengthen (weaken)	對溢利 (貶值) 影響
		美圓升值 (貶值)	對溢利 (貶值) 影響	美圓升值 (貶值)	對溢利 (貶值) 影響
			HK\$'000 千港元		HK\$'000 千港元
Hong Kong dollar	港元	1%	16,701	1%	9,724
		(1%)	(16,701)	(1%)	(9,724)
Japanese Yen	日圓	5%	6,536	5%	(34,020)
		(5%)	(6,536)	(5%)	34,020

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to each of the group entities' exposure to currency risk for non-derivative financial instruments in existence at that date, and that all other variable remain constant.

30 金融工具 (續)

b. 金融風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

敏感度分析

下表顯示由於功能貨幣 (如美元) 兌換本集團於結算日面對重大風險之相關貨幣可能出現的合理變動，而導致本集團損益所產生的大致變動。

敏感度分析乃假定外幣匯率變動於結算日發生，同時已應用於各集團實體就該日期已有非衍生金融工具所承擔的貨幣風險，而所有其他變量保持不變。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

The stated changes represent the management's assessment of reasonably possible changes in foreign exchange rate over the period until the next annual balance sheet date. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' profit or loss measured in the respective functional currencies, translated into Hong Kong Dollars at the exchange rate ruling at the balance sheet date for presentation purposes. The analysis is performed on the same basis for 2006.

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances, loans receivable and variable-rate bank and other borrowings (see note 26 for details of these borrowings). It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR and LIBOR arising from the Group's Hong Kong dollar denominated borrowings.

30 金融工具 (續)

b. 金融風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

敏感度分析 (續)

所列變動為管理層對截至下一年度結算日期止期間外幣匯率可能出現之合理變動的評估。上表顯示之分析結果為本集團各實體以各自功能貨幣計量的損益所受到影響的總額，並且以結算日適用的匯率換算為港元作呈列用途。該分析乃根據與二零零六年相同之基準進行。

(ii) 利率風險

本集團須承擔現金流利率風險，該風險乃來自銀行結存、應收貸款及浮息銀行借貸以及其他借貸（該等借貸之詳情參見附註26）之現行市場利率變動。本集團之政策為將借貸保持以浮動利率計息，以將公平值利率風險降至最低。

本集團就其金融資產及金融負債所承擔利率風險之詳情載於本附註流動資金風險管理一節。本集團之現金流利率風險來自本集團以港元列值之借貸，主要集中於香港銀行同業拆息及倫敦銀行同業拆息之變動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate bank borrowings and bank balances. The analysis is prepared assuming the amount of asset and liability outstanding at the balance sheet date was existed for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2007 would decrease/increase by HK\$13,873,000 (2006: decrease/increase by HK\$7,745,000). This is mainly attributable to the Group's exposure to interest rates on its bank balances and bank and other borrowings.

(iii) Other price risk

The Group is exposed to other price risk through the Group's available-for-sales investments and derivative financial instruments.

Sensitivity analysis

The sensitivity analyses below show the exposure to change in forward exchange rate on the derivative financial instruments assets. Sensitivity rate of 5% represents management's assessment of the reasonably possible change in forward exchange rate.

30 金融工具 (續)

b. 金融風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險 (續)

敏感度分析

以下敏感度分析乃根據浮息銀行借貸及銀行結存之利率風險而釐定。該分析乃假定於結算日未償還資產及負債之款項於全年內存在而編製。向主要管理人員內部報告利率風險時乃使用100個基本點的變動，代表管理層對利率可能出現合理變動作出的評估。

倘利率上升／下跌100個基本點，而所有其他變量保持不變，本集團於截至二零零七年十二月三十一日止年度之溢利則減少／增加13,873,000港元（二零零六年：減少／增加7,745,000港元）。溢利變動主要由於本集團就其銀行結存、銀行借貸及其他借貸承擔利率風險所致。

(iii) 其他價格風險

本集團須就其可供出售投資及衍生金融工具承擔其他價格風險。

敏感度分析

以下敏感度分析顯示衍生金融工具資產遠期匯率變動之風險。敏感度為5%，代表管理層對遠期匯率可能出現合理變動作出的評估。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) Other price risk (continued)

Increase (decrease) in profit for the year

		At 31st December, 於十二月三十一日	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
- as a result of increase in forward exchange rate	- 遠期匯率上升	1,351	-
- as a result of decrease in forward exchange rate	- 遠期匯率下跌	(1,351)	-

The sensitivity analyses below show the exposure to change in forward exchange rate on the derivative financial instruments liabilities. Sensitivity rate of 5% represents management's assessment of the reasonably possible change in forward exchange rate.

Increase (decrease) in profit for the year

		At 31st December, 於十二月三十一日	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
- as a result of increase in forward exchange rate	- 遠期匯率上升	(604)	-
- as a result of decrease in forward exchange rate	- 遠期匯率下跌	604	-

30 金融工具 (續)

b. 金融風險管理目標及政策 (續)

市場風險 (續)

(iii) 其他價格風險 (續)

本年度溢利增加/(減少)

以下敏感度分析顯示衍生金融工具負債遠期匯率變動之風險。敏感度為5%，代表管理層對遠期匯率可能出現合理變動作出的評估。

本年度溢利增加/(減少)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Credit risk

As at 31 December 2007, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet.

Other than loans receivable as disclosed in note 20, the Group does not have significant concentration of credit risk as trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

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

30 金融工具 (續)

b. 金融風險管理目標及政策 (續)

信貸風險

於二零零七年十二月三十一日，本集團因對手方未能履行其責任而導致本集團出現財務虧損的信貸風險上限，為已確認金融資產於綜合資產負債表列賬的賬面值。

除附註20所披露之應收貸款外，由於本集團應收賬款涉及眾多行業及不同地區的大量客戶，因此本集團並無過分集中的信貸風險。

為將信貸風險減至最低，本集團管理層已委派專職團隊釐定信貸上限、信貸批核及其他監察程序，以確保採取跟進行動收回逾期債項。此外，本集團會於各結算日審閱各筆應收款項之可收回金額，確保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為降低。

流動資金之信貸風險有限，主要由於對手方均為獲得國際信貸評級機構極高信貸評級之銀行。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. 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 monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2007, the Group has available banking facilities of approximately HK\$1,223,984,000 (2006: HK\$1,314,181,000). Details of bank and other borrowings are set out in note 26.

The following table details the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flow.

For derivative instruments settle on a net basis, undiscounted net cash outflows are presented.

30 金融工具 (續)

b. 金融風險管理目標及政策 (續)

流動資金風險

於管理流動資金風險時，本集團會監督及維持現金及現金等值項目於管理層認為充足之水平，以撥付本集團之營運及減低現金流量波動之影響。管理層會監督動用借貸之情況，並確保遵守貸款契約。

本集團倚賴銀行借貸作為流動資金的主要來源。於二零零七年十二月三十一日，本集團可動用之銀行貸款信貸約為1,223,984,000港元(二零零六年：1,314,181,000港元)。銀行借貸及其他借貸之詳情載於附註26。

下表詳細呈列本集團金融負債之剩餘合約年期。該表根據本集團須還款之最早日期金融負債之未折現現金流呈列非衍生金融負債。該表包括利息及本金現金流。

按淨值結算的衍生工具以未折現現金流出淨額呈列。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

30 金融工具 (續)

b. 金融風險管理目標及政策 (續)

流動資金風險 (續)

		Weighted average effective interest rate	0 to 3 months	4-6 months	7-12 months	1-2 year	2-3 years	3-5 years	Total undiscounted cash flows	Carrying amount at 31.12.2007
									未折現 現金流總額	於二零零七年 十二月 三十一日 之賬面值
		加權平均 實際利率 %	零至三個月 HK\$'000 千港元	四至六個月 HK\$'000 千港元	七至十二個月 HK\$'000 千港元	一至兩年 HK\$'000 千港元	兩至三年 HK\$'000 千港元	三至五年 HK\$'000 千港元	現金流總額 HK\$'000 千港元	賬面值 HK\$'000 千港元
2007	二零零七年									
Non-derivative instruments	非衍生工具									
Trade and other payables	應付賬項及 其他應付款項		1,334,781	-	-	-	-	-	1,334,781	1,334,781
Variable interest rate bank and other borrowings	浮息銀行借貸及 其他借貸	6.5	394,408	89,513	253,580	419,222	232,230	93,440	1,482,391	1,387,309
			1,729,189	89,513	253,580	419,222	232,230	93,440	2,817,174	2,722,090
Derivative instruments - net settlement	衍生工具 - 按淨值結算									
Foreign exchange forward contracts - outflow	遠期外匯合約 - 流出		(3,799)	(3,172)	(5,103)	-	-	-	(12,074)	(12,074)
2006	二零零六年									
Non-derivative instruments	非衍生工具									
Trade and other payable	應付賬項及 其他應付款項		841,632	-	-	-	-	-	841,632	841,632
Variable interest rate bank and other borrowings	銀行浮息借貸及 其他借貸	5.8	412,430	64,146	110,227	135,356	77,045	12,014	811,218	774,540
			1,254,062	64,146	110,227	135,356	77,045	12,014	1,652,850	1,616,172

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (continued)

c. Fair value

The fair value of financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The foreign currency forward contracts are classified as derivative financial instruments are measured at fair value at each balance sheet date. Their fair values are determined based on the difference between the market forward rates at the balance sheet date for remaining duration of the outstanding contracts and their contracted forward rates.

The directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

30 金融工具 (續)

c. 公平值

金融資產及金融負債(包括衍生金融工具)之公平值乃根據普遍接受的定價模式基於折現現金流分析釐定。折現現金流分析利用從可觀察之當前市場交易價格及利率計算。

遠期外匯合約列入衍生金融工具，於各結算日按公平值計量。其公平值根據未完成合約之剩餘期限按結算日的市場遠期匯率與其訂約遠期匯率之差額釐定。

董事認為按攤銷成本列入綜合財務報表之金融資產及金融負債之賬面值與其公平值相若。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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截至二零零七年十二月三十一日止年度

31. 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:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	5,581	2,613
Within two years	兩年內	4,541	1,117
		10,122	3,730

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.

31. 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。

32. CAPITAL COMMITMENTS

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of plant and equipment	就購置廠房及設備已訂約但未在綜合財務報表中撥備之資本支出	115,409	1,106,216
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	600,000

32. 資本承擔

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

33. 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 2007, the number of shares in respect of which options had been granted previously and remained outstanding under the Old Scheme was 540,000 (2006: 3,963,000), representing approximately 0.1% (2006: 0.8%) of total issued share capital of the Company. The options are exercisable at any time until 21 May 2011.

33. 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。

於二零零七年十二月三十一日，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540,000股（二零零六年：3,963,000股），佔本公司於該日之已發行股份0.1%（二零零六年：0.8%）。購股權可隨時予以行使，直至二零一一年五月二十一日止。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

33. 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:

2007

Date of grant	Exercisable period	Exercise price	Number of options				
			Outstanding at 1.1.2006	Exercised during the year	Outstanding at 31.12.2006	Exercised during the year	Outstanding at 31.12.2007
授出日期	行使期間	行使價 HK\$ 港元	於二零零六年一月一日 尚未行使	年內行使	於二零零六年十二月三十一日 尚未行使	年內行使	於二零零七年十二月三十一日 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二零零一年五月二十一日	2.196	11,390,000	(8,690,000)	2,700,000	(2,300,000)	400,000
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二零零一年五月二十一日	2.196	2,705,000	(1,442,000)	1,263,000	(1,123,000)	140,000
			14,095,000	(10,132,000)	3,963,000	(3,423,000)	540,000

The average closing price of the Company's share immediately before the date(s) on which the options were exercised and at dates of exercise is HK\$7.39 (2006: HK\$10.27).

33. 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:

二零零七年

年內，就行使購股權而發行之本公司股份之平均市價為7.39港元(二零零六年：10.27港元)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

33. 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.

33. 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二十一日屆滿。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、控權股東或控權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、任何控權股東或控權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、任何控權股東或控權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 (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

33. SHARE OPTION SCHEMES (continued)

(ii) 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 (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

At 31 December 2007, the number of shares in respect of which options had been granted previously and remained outstanding under the New Scheme was 56,475,000 (2006: 57,500,000), representing approximately 11.9% (2006: 12.3%) of total issued share capital of the Company. The options are exercisable at any time until 21 December 2013.

33. 購股權計劃 (續)

(ii) 新計劃 (續)

授出之購股權必須於購股權發售要約起計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，且將不少於以下較高者：(i)本公司股份於授出日期之收市價，(ii)股份於緊接授出日期前五個營業日之平均收市價；及(iii)本公司股份之面值。

於二零零七年十二月三十一日，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56,475,000股(二零零六年：57,500,000股)，佔於該日本公司已發行股份之約11.9%(二零零六年：12.3%)。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。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

33. 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):

Date of grant	Exercisable period	Exercise price	Number of options				
			Outstanding at 1.1.2006 於二零零六年一月一日 尚未行使	Granted during the year 年內授出	Outstanding at 31.12.2006 於二零零六年十二月三十一日 尚未行使	Exercised during the year 年內行使	Outstanding at 31.12.2007 於二零零七年十二月三十一日 尚未行使
授出日期	行使期間	行使價 HK\$ 港元					
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二零零三年十二月三十一日	11.6	17,600,000	-	17,600,000	(250,000)	17,350,000
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二零零三年十二月三十一日	9.58	-	9,000,000	9,000,000	-	9,000,000
			17,600,000	9,000,000	26,600,000	(250,000)	26,350,000
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二零零三年十二月三十一日	11.6	26,400,000	-	26,400,000	(775,000)	25,625,000
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二零零三年十二月三十一日	9.58	-	4,500,000	4,500,000	-	4,500,000
			26,400,000	4,500,000	30,900,000	(775,000)	30,125,000
			44,000,000	13,500,000	57,500,000	(1,025,000)	56,475,000

The average closing price of the Company's share immediately before the date(s) on which the options were exercised and at dates of exercise is HK\$11.55 (2006: Nil).

33. 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：

本公司股份於購股權行使日期之前及行使之日之平均收市價格為11.55港元(二零零六年：無)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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33. SHARE OPTION SCHEMES (continued)

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

Exercise price	HK\$9.58
Expected volatility	27.35%
Expected life	1 year
Risk-free rate	4.407%
Expected dividend yield	5.27%

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 Black-Scholes option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variable of certain subjective assumptions.

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

33. 購股權計劃 (續)

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：

行使價	9.58港元
預期波幅	27.35%
預期年期	一年
無風險率	4.407%
預期派息率	5.27%

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。

柏力克舒爾斯定價模式乃用於估計該等購股權之公平值。計算購股權公平值所用的變量及假設乃基於董事之最佳估計。期權之價值會因應若干主觀假設之不同變量而有差異。

本集團已就本公司於截至二零零六年十二月三十一日止年度授出之有關購股權確認總開支10,000,000港元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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34. 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.

35. GOVERNMENT GRANTS

At the balance sheet date, the Group has an unconditional government subsidy of HK\$9,353,000 (2006: HK\$14,022,000) towards the scientific research development. The amount has been treated as deferred income and 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\$5,456,000 (2006: HK\$629,000).

34. 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的退休福利計劃作出相當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。

35. 政府補助

於結算日，本集團獲得用作科研發展之無條件政府補助9,353,000港元（二零零六年：14,022,000港元）。該數額已以遞延收入列賬，並於相關資產及所產生之相關費用之使用期內轉為收益。此政策導致本年度收入之進賬額為5,456,000港元（二零零六年：629,000港元）。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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36. RELATED PARTY TRANSACTIONS

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

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Short-term benefits	短期福利	18,921	11,708
Post-employment benefits	離職後福利	120	132
Share based payments	以股份為基礎支付之款項	—	10,000
		19,041	21,840

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

37. POST BALANCE SHEET EVENT

On 21 January 2008, two purchase orders were placed by Truly Semiconductors Limited, a wholly-owned subsidiary of the Company, for the purchase of the colour STN LCD production equipment; and transfective TFT LCD production machine and equipment at the consideration of US\$26,000,000 and JPY7,900,000,000 (equivalent to approximately HK\$776,340,000 in aggregate) from an independent third party. Both purchase orders were confirmed and accepted by the relevant supplier on 21 January 2008.

Details of transaction are set out in the announcement of the Company dated 21 January 2008.

36. 關連人士交易

本年度董事及其他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。

37. 結算日後事件

於二零零八年一月二十一日，信利半導體有限公司(本公司之全資附屬公司)作出兩份採購訂單，分別以26,000,000美元及7,900,000,000日圓(合約776,340,000港元)之代價向獨立第三方採購彩色STN LCD生產設備；及TFT LCD生產機械及設備。兩項採購訂單均於二零零八年一月二十一日由相關供應商確認及接受。

交易之有關詳情載於本公司日期為二零零八年一月二十一日之公告內。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY 38. 本公司主要附屬公司資料

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	Proportion ownership interest held by the Company in 2007 and 2006 本公司於二零零七年及二零零六年持有之所有權益比例	Principal activities 主要業務
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 of electronic calculators 電子計算機貿易
Truly Electrical Products Company Limited 信利電器有限公司	Hong Kong 香港	HK\$200 200港元	100%	Trading of 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 of electronic components 電子元件貿易
Truly Instrument Limited 信利儀器有限公司	Hong Kong 香港	HK\$100 100港元	100%	Trading of electric tooth brush 電動牙刷貿易
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 of 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 電子計算機銷售
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
信利儀器(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

* wholly foreign owned enterprise

* 外商獨資企業

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2007
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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Except for Truly Electronics Manufacturing Limited and Truly (USA) Inc., all subsidiaries are indirectly held by the Company.

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 2007 or at any time during the year.

38. 本公司主要附屬公司資料 (續)

除信利電子有限公司及Truly (USA) Inc.外，所有附屬公司均由本公司間接持有。

以上之表單列出主要影響本集團業績或資產之附屬公司(根據董事之意見)。倘提供其他附屬公司之詳情，董事認為篇幅會過於冗長。

於二零零七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償還之債務證券。

Financial Summary

財務資料概要

RESULTS

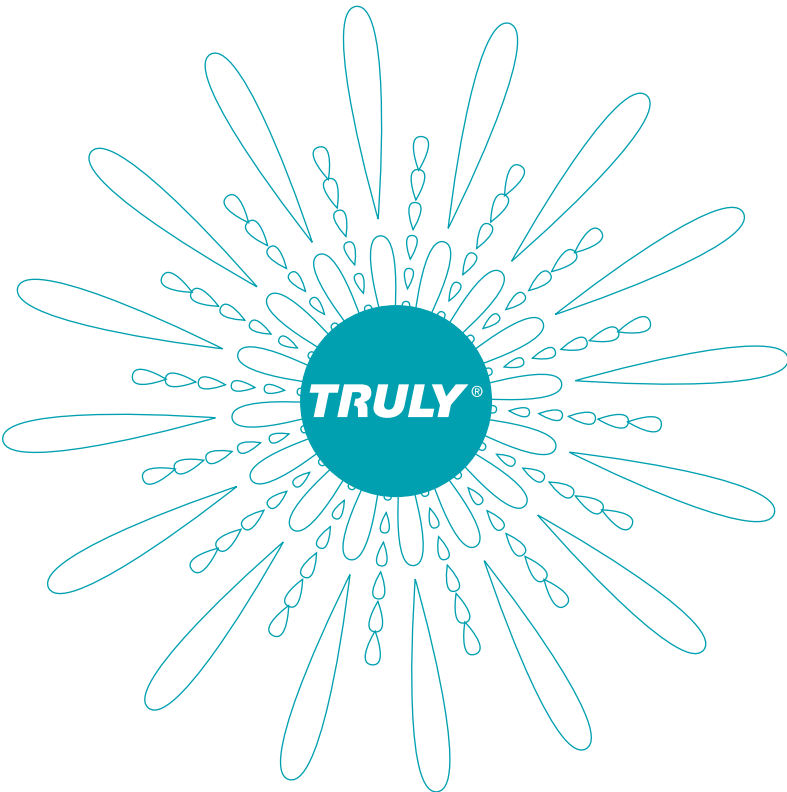
業績

		Year ended 31 December 截至十二月三十一日止年度					
		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\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
Revenue	收入	1,399,898	3,406,992	4,574,079	4,523,826	6,493,394	
Cost of sales	銷售成本	(993,521)	(2,615,969)	(3,487,719)	(3,623,940)	(5,387,613)	
Gross profit	毛利	406,377	791,023	1,086,360	899,886	1,105,781	
Other income	其他收入	7,861	16,061	27,438	79,125	85,669	
Administrative expenses	行政費用	(131,717)	(130,229)	(164,459)	(178,062)	(168,753)	
Distribution costs	分銷成本	(39,189)	(54,839)	(73,592)	(113,666)	(139,108)	
Impairment losses	減值虧損	-	-	(14,177)	-	-	
Share of results of an associate	應佔一家聯營公司業績	552	113	(382)	(334)	(445)	
Finance costs	財務費用	(9,665)	(14,201)	(19,683)	(35,766)	(57,821)	
Profit before tax	除稅前溢利	234,219	607,928	841,505	651,183	825,323	
Income tax expense	所得稅支出	(41,570)	(81,427)	(139,457)	(119,137)	(123,294)	
Profit for the year	本年度溢利	192,649	526,501	702,048	532,046	702,029	

ASSETS AND LIABILITIES

資產及負債

		At 31 December 於十二月三十一日					
		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\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
Total assets	資產總額	1,731,079	2,408,947	3,428,180	4,094,541	5,902,044	
Total liabilities	負債總額	(735,847)	(1,001,008)	(1,490,135)	(1,728,539)	(2,869,713)	
Equity attributable to equity holders of the Company	本公司股東應佔股權	995,232	1,407,939	1,938,045	2,366,002	3,032,331	





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