

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Research and development expenditure**

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

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight line basis over its useful life.

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

Government grants received as subsidy for the Group's research and development activities are credited to the related project costs in the year in which the Group is entitled to such grant.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Taxation

The charge for taxation is based on the results for the year after adjusting for items which are non-assessable or disallowed. Certain items of income and expense are recognised for tax purposes in a different accounting period from that in which they are recognised in the financial statements. The tax effect of the resulting timing differences, computed using the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or an asset will crystallise in the foreseeable future.

主要會計政策(續)**研究及發展費用**

研究工作之費用於產生之期間確認為開支。

僅在明確界定項目所產生之發展費用預期將可透過日後之商業活動收回之情況下，因發展費用而產生之內部無形資產方會予以確認，而因此所產生之資產將會按可使用年期以直線法攤銷。

倘並無內部無形資產可予確認，則發展費用於產生之期間確認為開支。

政府給予作為本集團研究及發展活動津貼之撥款於本集團享有該等津貼之年度從有關項目成本扣除。

減值

於各資產負債表結算日，本集團均會審閱其資產之賬面值，以確認該等資產是否已出現減值虧損。倘本公司估計某項資產之可收回金額低於其賬面值，則該項資產之賬面值須減低至其可收回金額。減值虧損將即時確認為開支，惟倘有關資產乃按重估數額入賬，則有關減值虧損將視為重估減值。

倘某項減值虧損期後撤回，則該項資產之賬面值須增加至重新估計之可收回金額，惟增加後之賬面值不得超過若在以往年度並無減值虧損而釐定之賬面值。若減值虧損撤回時將即時確認為收益，惟若有關資產乃按重估數額入賬，則有關減值虧損之撤回將視為重估增值。

稅項

稅項支出乃根據已就毋須課稅或不可減免項目作出調整之本年度業績計算。由於就稅務確認若干收支項目之會計期間與在財務報表內確認之會計期間不同，故會出現時差，時差帶來之稅務影響以負債法計算，並只會在可預見將來會出現負債或資產之情況下在財務報表內確認。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Foreign currencies**

Transactions in foreign currencies are translated at the approximate rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, except funds advanced to subsidiaries which are regarded as permanent equity funding, are re-translated at the rates ruling on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statement. Funds advanced to subsidiaries which, although not designated as capital, are regarded as permanent equity funding, are stated at historical rates.

On consolidation, the assets and liabilities of overseas subsidiaries are translated at the market rates at the balance sheet date and the results of overseas subsidiaries are translated at the average market rate during the year. All exchange differences arising on consolidation are dealt with in the exchange reserve.

Employee Share Incentive Scheme

The costs on Employee Share Incentive Scheme are recognised as an expense in the period in which the relevant employees' services are rendered and are calculated with reference to the nominal value of shares expected to be issued under the scheme.

Retirement benefit schemes

The retirement benefit costs charged to the income statement represent the contribution payable in respect of the current year to the Group's defined contribution retirement schemes and Mandatory Provident Fund Scheme.

Cash equivalents

Cash equivalents represent short term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired; less advances from banks repayable within three months from the date of the advances.

4 TURNOVER

Turnover represents the amounts received and receivable for goods sold to customers during the year, less returns and allowance.

主要會計政策(續)**外幣兌換**

外幣交易均按交易當日之大概匯率折算。以外幣結算之資產及負債乃按資產負債表結算日之匯率換算，惟墊付予附屬公司作為永久權益資金的款項則除外。因兌換而產生之盈虧均撥入收益報表處理。墊付予附屬公司之款項雖然並非指定為資本，但仍被視為永久權益資金而按過往歷史匯率折算列賬。

在綜合結算時，海外附屬公司之資產及負債按資產負債表結算日期之市場匯率折算，而海外附屬公司之業績則按年內之市場平均匯率折算。因綜合結算而產生之所有兌換差額均撥入兌換儲備處理。

僱員股份獎勵制度

僱員股份獎勵制度之費用均於相關僱員提供服務期內確認為支出，並根據該制度按預期發行股份之賬面值計算。

退休福利計劃

自收益表中扣除之退休福利成本指本集團於本年度就既定供款退休計劃及強制性公積金計劃應付之供款。

現金等額

現金等額指於購入日期起三個月內到期，並可隨時轉換為已知現金金額之短期高度流動投資，減由墊支日期起三個月內須償還之銀行墊支。

營業額

營業額為是年度出售貨品予客戶之已收或應收款項減去退貨及折扣。