



1. CORPORATE INFORMATION

The registered office of Man Yue International Holdings Limited is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

During the year, the principal activities of the Group consist of the manufacture and trading of electronic components, the trading of electrical products, raw materials and production machinery.

2. IMPACT OF REVISED STATEMENT OF STANDARD ACCOUNTING PRACTICE (“SSAP”)

SSAP 12 (Revised) – “Income taxes” is effective for the first time for the current year’s financial statements and has had a significant impact thereon.

SSAP 12 prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current period (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and the carryforward of unused tax losses (deferred tax).

The principal impact of the revision of this SSAP on these financial statements is described below:

Measurement and recognition:

- deferred tax assets and liabilities relating to the differences between capital allowances for tax purposes and depreciation for financial reporting purposes and other taxable and deductible temporary differences are generally fully provided for, whereas previously the deferred tax was recognised for timing differences only to the extent that it was probable that the deferred tax asset or liability would crystallise in the foreseeable future;

1. 公司資料

萬裕國際集團有限公司之註冊辦事處位於 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

年內，本集團主要從事製造及買賣電子零件、買賣電子產品、買賣原材料及買賣生產機械。

2. 採用經修訂會計實務準則（「會計實務準則」）之影響

會計實務準則第12號（經修訂）－「所得稅」於現年度財務報表首次生效，並產生重大影響。

會計實務準則第12號訂明應付或可退回所得稅源於本期間應課稅溢利或虧損（即期稅項）及未來期間之應付或可退回所得稅主要源於應課稅及可扣減暫時差額及結轉未使用稅務虧損（遞延稅項）之會計處理方法。

本會計實務準則修訂之主要影響概述如下：

計算及確認：

- 折舊免稅額與財務報表內折舊間差額，以及其他應課稅及可扣稅之暫時性差異所引致之遞延稅項資產及負債一般應全數撥備，過往遞延稅項祇會就可能於可見將來作實之資產或負債之時差作撥備；



2. IMPACT OF REVISED STATEMENT OF STANDARD ACCOUNTING PRACTICE (“SSAP”) (continued)

- a deferred tax liability has been recognised on the revaluation of the Group’s land and buildings; and
- a deferred tax asset has been recognised for tax losses arising in the current/prior periods to the extent that it is probable that there will be sufficient future taxable profits against which such losses can be utilised.

Disclosures:

- deferred tax assets and liabilities are presented separately on the balance sheet, whereas previously they were presented on a net basis; and
- the related note disclosures are now more extensive than previously required. These disclosures are presented in notes 10 and 28 to the financial statements and include a reconciliation between the accounting profit and the tax expense for the year.

Further details of these changes and the prior year adjustments arising from them are included in the accounting policy for deferred tax in note 3 and in note 28 to the financial statements.

2. 採用經修訂會計實務準則（「會計實務準則」）之影響（續）

- 就本集團土地及樓宇重估之遞延稅項負債已被確認；及
- 本期／往期產生之稅務虧損，而未來足夠應課稅溢利可用作抵償該等虧損，有關之遞延稅項資產已被確認。

披露：

- 遞延資產與負債乃於資產負債表內分開呈列，而以往則按淨額基準呈列；及
- 現時相關附註之披露內容較以往詳盡。該等披露內容乃於財務報表附註10及附註28中呈列，並包括本年度會計溢利及稅項費用之對帳。

有關由此而起之變動及往年調整已載入財務報表附註3及附註28中之遞延稅項會計政策。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the periodic remeasurement of certain fixed assets and equity investments, as further explained below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2003. The results of subsidiaries established, acquired or disposed of during the year are consolidated from or to their effective dates of establishment, acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The Company's interests in subsidiaries are stated at cost less any impairment losses.

3. 主要會計政策概要

會計基準

此等財務報表乃按照香港會計實務準則、香港公認會計準則及香港公司條例之披露規定而編製。除重新釐定若干固定資產及股本投資價值外，其他部份均根據慣用之原值成本法編製，詳如下文闡述。

綜合基準

綜合財務報表包括截至二零零三年十二月三十一日止年度本公司及其附屬公司之財務報表。年內所成立、收購或出售之附屬公司乃自彼等各自成立或收購生效日期起計或計至出售生效日期而綜合業績。所有集團公司間之重大交易及結餘已於編製本集團綜合帳目時對銷。

少數股東權益指外界股東於本公司附屬公司之業績及資產淨值之權益。

附屬公司

附屬公司為本公司直接或間接控制其財務及經營決策並從其業務獲益之公司。

本公司於附屬公司之權益乃按成本減任何減值虧損列帳。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint venture companies

A joint venture company is a company set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture company operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture company's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture company is treated as:

- (a) a subsidiary, if the Company has unilateral control over the joint venture company;
- (b) a jointly controlled entity, if the Company does not have unilateral control, but has joint control over the joint venture company;
- (c) an associate, if the Company does not have unilateral or joint control, but holds generally not less than 20% of the joint venture company's registered capital and is in a position to exercise significant influence over the joint venture company; or
- (d) a long term investment, if the Company holds less than 20% of the joint venture company's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture company.

3. 主要會計政策概要 (續)

合營公司

合營公司指根據合約安排成立之公司，由本集團聯同其他各方共同進行經濟活動。合營公司以獨立實體經營，其權益由本集團與其他各方擁有。

合營夥伴間所訂立之合營協議，規定各合營夥伴之注資額、合營期及解散時套現資產之基準。合營公司之業務盈虧及任何資產盈餘之分配乃按各合營夥伴之注資比例或根據合營協議之條款由合營者攤分。

合營公司於以下情況被視為：

- (a) 附屬公司，如本公司單方面擁有合營公司之控制權；
- (b) 共同控制公司，如本公司並無單方面控制權但有合營公司之共同控制權；
- (c) 聯營公司，如本公司並無單方面控制權或共同控制權，但持有合營公司不少於20%之註冊資本並可對其行使重大影響力；或
- (d) 長期投資，如本公司持有合營公司不足20%之註冊資本且無共同控制權，亦不可對其行使重大影響。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly controlled entities

A jointly controlled entity is a joint venture company which is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly controlled entity.

The Group's share of the post-acquisition results and reserves of jointly controlled entities is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in jointly controlled entities are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. Negative goodwill arising from the acquisition of jointly controlled entities, which was not previously recognised in reserves, is included as part of the Group's interests in jointly controlled entities.

Associates

An associate is a company, not being a subsidiary or a jointly controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting less any impairment losses.

3. 主要會計政策概要 (續)

共同控制公司

共同控制公司乃受到共同控制之合營公司，故此並無任何一方單方面擁有其經濟活動之控制權。

本集團所佔共同控制公司之收購後業績及儲備分別計入綜合損益表及綜合儲備。本集團在綜合資產負債表中列帳的於共同控制公司之權益，是採用權益會計法按本集團應佔之資產淨值減除任何減值虧損後計算。因收購共同控制公司所產生而先前並未於儲備中確認的負商譽則計入本集團於共同控制公司之權益。

聯營公司

聯營公司並非附屬公司或共同控制公司，為本集團持有一般不少於20%投票權之長期股本權益，並可對其行使重大影響之公司。

本集團所佔聯營公司之收購後業績及儲備分別計入綜合損益表及綜合儲備。本集團在綜合資產負債表中列帳的聯營公司之權益，是採用權益會計法按本集團應佔之資產淨值減除任何減值虧損後計算。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising on the acquisition of subsidiaries, associates and jointly controlled entities represents the excess of cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life of not more than 20 years. In the case of associates and jointly controlled entities, any unamortised goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

On disposal of subsidiaries, associates or jointly controlled entities, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate. Any attributable goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries, associates and jointly controlled entities represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

3. 主要會計政策概要 (續)

商譽

收購附屬公司、聯營公司及共同控制公司所產生之商譽，指收購價超逾本集團所收購之可辨別資產及負債於收購當日之公允值之差額。

收購所產生之商譽於綜合資產負債表確認為資產，並以直線法按不超過20年之估計可使用年期攤銷。倘屬聯營公司及共同控制公司，未攤銷之商譽應計入帳面值，而非於綜合資產負債表內列作個別資產。

出售附屬公司、聯營公司或共同控制公司時，出售盈虧乃經參考出售當日之資產淨值計算，其中包括應佔商譽仍未攤銷之數額及任何相關儲備(如適用)。任何於收購當日已在綜合儲備撇銷之應佔商譽都被撥回，並計入出售盈虧。

負商譽

收購附屬公司、聯營公司及共同控制公司所產生之負商譽，指本集團所收購之可辨別資產與負債之公允值超逾收購價之差額。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Negative goodwill (continued)

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

In the case of associates and jointly controlled entities, any negative goodwill not yet recognised in the consolidated profit and loss account is included in the carrying amount thereof, rather than as a separately identified item on the consolidated balance sheet.

Prior to the adoption of SSAP 30 "Business combinations" in 2001, negative goodwill arising on acquisitions was credited to the capital reserve in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of the SSAP that permitted such negative goodwill to remain credited to the capital reserve. Negative goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 negative goodwill accounting policy above.

3. 主要會計政策概要 (續)

負商譽 (續)

倘負商譽與收購計劃當中已確定預期於未來出現之虧損及開支有關，並能可靠地計算時（但並非為於收購當日之可辨別負債），則該等部份的負商譽於未來虧損及開支確認時在綜合損益表確認為收入。

倘負商譽與已確定預期於未來出現之虧損及開支無關，則負商譽會於所收購之可折舊／可攤銷資產餘下之平均可使用年期內，有系統地在綜合損益表中確認。負商譽超逾所收購之非貨幣資產之公允值之部份，會隨即獲確認為收入。

倘屬聯營公司及共同控制公司，尚未於綜合損益表確認之任何負商譽會計入其帳面值，而非於綜合資產負債表分開呈列。

本集團於二零零一年採納會計實務準則第30號「業務合併」前，因收購產生之負商譽乃於收購年度計入資本儲備。於採納會計實務準則第30號時，本集團引用會計實務準則第30號之過渡條款，容許負商譽仍然保留於資本儲備內。於採納此項會計實務準則後因收購而產生之負商譽，乃根據上文會計實務準則第30號負商譽會計政策處理。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Negative goodwill (continued)

On disposal of subsidiaries, associates or jointly controlled entities, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate. Any attributable negative goodwill previously credited to the capital reserve at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

3. 主要會計政策概要 (續)

負商譽 (續)

於出售附屬公司、聯營公司或共同控制公司時，出售盈虧乃經參考出售當日之資產淨值計算，其中包括應佔負商譽並未於綜合損益表確認之數額及任何相關儲備（如適用），任何於收購當日已計入資本儲備之應佔負商譽都被撥回，並計入出售時之盈虧。

關連人士

倘一方能夠直接或間接控制另一方或對其財務及營運決策作出重大影響，則可視為關連人士。倘一方與另一方受共同控制或重大影響，亦可視為關連人士。關連人士可以為個人或公司實體。

資產減值

每逢結算日均作出評估，衡量是否有跡象顯示資產已出現減值，或於以往年度所確認之資產減值虧損不再存在或可能減少。倘出現任何該等跡象，則需要估計資產之可收回數額。資產之可收回數額乃資產使用值與其淨售價兩者中之較高者。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

3. 主要會計政策概要 (續)

資產減值 (續)

減值虧損僅於資產之帳面值高於可收回數額時方可確認。減值虧損於產生期間自損益表扣除，惟若有關資產以重估數額列帳，則根據該重估資產之相關會計政策計算減值虧損。

先前確認之減值虧損僅會於用以釐定資產可收回數額的估計方法有變時方可撥回，惟撥回的金額不可超逾假設過往年度並無就該項資產確認減值虧損而釐定的帳面值(扣除任何折舊／攤銷)。

減值虧損撥回於產生期間計入損益表，惟倘若有關資產以重估數額列帳，則根據該重估資產之相關會計政策計算減值虧損撥回。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets and depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

Changes in the values of fixed assets are dealt with as movements in the revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged. On the disposal of a revalued asset, the relevant portion of the revaluation reserve realised in respect of the previous valuations is transferred to the retained earnings as a movement in reserves.

3. 主要會計政策概要 (續)

固定資產及折舊

固定資產按成本或估值減累積折舊及任何減值虧損入帳。資產之成本包括購買價及將其達致運作狀況及地點作擬定用途之任何直接應計費用。固定資產投產後所涉維修保養等開支，一般於產生期間計入損益表。倘有關開支明顯可提高日後使用有關固定資產之預期經濟收益，則該等開支將撥作固定資產之額外成本。

固定資產之價值變動視作重估儲備變動。倘儲備總額不足以彌補個別資產之重估減值，則不足部份將計入損益表，而其後任何重估增值將計入損益表，但以先前扣除之虧絀為限。出售重估資產時，重估儲備有關過往估值之部份將撥入保留溢利作為儲備變動。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each asset over its estimated useful life, after taking into account its estimated residual value. The principal annual rates used for this purpose are as follows:

Leasehold land and buildings	2%
Machinery and equipment	9% – 20%
Furniture and fixtures	18% – 20%
Motor vehicles	18% – 20%
Leasehold improvements	9% – 20%

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account, is the difference between the net sales proceeds and the carrying amount of the relevant assets.

Intangible assets

Technology know-how

Technology know-how was acquired for use in the production of certain high technological electronic components. Expenditure incurred on the acquisition of technology know-how is capitalised and stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on the straight-line basis over the useful life of the technology know-how of three years.

3. 主要會計政策概要 (續)

固定資產及折舊 (續)

折舊乃扣除資產之估計餘值後，按估計可使用期以直線法撇銷有關成本或估值。所用主要年率如下：

租賃土地及樓宇	2%
機器及設備	9% – 20%
傢俬及裝置	18% – 20%
車輛	18% – 20%
租賃物業裝修	9% – 20%

出售或棄用固定資產計入損益表之盈虧乃出售所得收益淨額與有關資產帳面值之差額。

無形資產

技術知識

購入技術知識乃用於生產若干高科技電子零件。購入技術知識所招致之開支乃作資本化，並以成本減累計攤銷及任何減值虧損列帳。攤銷乃以直線法於技術知識之三年使用期內計算。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leased assets

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in fixed assets and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the profit and loss account on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

3. 主要會計政策概要 (續)

租賃資產

凡將資產擁有權(法定所有權除外)之大部份回報及風險撥歸本集團之租賃均列為融資租賃。融資租賃生效時，租賃資產之成本將按租約之最低應付租金撥作成本，並連同租賃責任(不包括利息)入帳，以反映採購與融資。資本融資租賃所持之資產列作固定資產，並按租期或資產之估計可使用年期兩者之中較低者計算折舊。上述租賃之融資費用自損益表扣除，以於租期作出定期定額扣減。

根據租購合約收購屬融資性質之資產列作融資租賃，惟將按估計可使用年期折舊。

資產所有權之大部份利益與風險仍歸於出租人之租賃列作營業租賃。倘本集團為出租人，則本集團根據營業租賃所出租之資產計入非流動資產，而營業租賃之應收租金則按照租期以直線法計入損益表。倘本集團為承租人，則營業租賃之租金按照租期以直線法在損益表扣除。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long term investments

Long term investments are non-trading investments in unlisted equity securities intended to be held on a long term basis. They are stated at cost less any provisions for impairments in values deemed necessary by the directors, other than those considered to be temporary in nature, on an individual investment basis.

When such impairments in values have occurred, the carrying amounts of the securities are reduced to their fair values, as estimated by the directors, and the amounts of the impairments are charged to the profit and loss account for the period in which they arise. When the circumstances and events which led to the impairments in values cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, the amounts of the impairments previously charged is credited to the profit and loss account to the extent of the amounts previously charged.

Short term investments

Short term investments are investments in equity securities held for trading purposes and are stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual investment basis. The gains or losses arising from changes in the fair value of a security are credited or charged to the profit and loss account for the period in which they arise.

3. 主要會計政策概要 (續)

長期投資

長期投資乃指擬長期持有非作買賣用途之非上市股本證券投資。該等投資按成本減任何董事認為必要之非暫時性減值撥備個別入帳。

當出現減值時，證券之帳面值減至董事估計之公允值，而減值數額於產生期間自損益表扣除。倘導致出現減值之情況及事件不再存在，且具有力證據指新情況及事件於可見將來持續出現，則先前扣除之減值數額及公允值之任何增值將計入損益表，惟以先前已扣除數額為限。

短期投資

短期投資乃指持作買賣用途之股本證券投資，按個別投資在結算日期所報市價之公允值列帳。由證券公允值變動所產生之盈虧需於產生期間計入或扣自損益表。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and bank balances comprise cash on hand and at banks, including term deposits which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account or in equity if it relates to items that are recognised in the same or a different period directly in equity.

3. 主要會計政策概要 (續)

存貨

存貨按成本值及可變現淨值兩者中之較低者列帳。成本值按加權平均基準計算，如屬在製品及製成品，其成本值則包括直接物料費用、直接工資及適當比例之間接費用。可變現淨值按估計售價減預期完成及售出所需之任何估計費用計算。

現金及現金等值物

就編撰綜合現金流量表而言，現金及現金等值物包括手頭現金及活期存款以及可兌換為已知數額現金而承受價值變動風險有限且一般於購入後三個月內到期之短期高流通投資，扣除於提出要求後須即時償還之銀行透支，並為本集團現金管理之一部份。

就資產負債表而言，現金及銀行結存包括手頭現金及銀行結存，包括用途不受限制之定期存款。

所得稅

所得稅包括即期及遞延稅項。所得稅於損益表內確認，或若與股東權益直接確認之項目（不論同一或不同期間），則在股東權益內確認。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. 主要會計政策概要 (續)

所得稅 (續)

遞延稅項乃採用負債法，對於結算日資產及負債之計稅基準及該等項目之帳面值之一切暫時性差額就財務申報而作出撥備。

遞延稅項負債就一切暫時差額予以確認：

- 惟於一宗交易中首次確認之資產或負債，且於交易時並不影響會計溢利或應課稅溢利或虧損所產生之遞延稅項負債除外；及
- 就與於附屬公司、聯營公司之投資及於合營企業之權益有關之應課稅暫時差額而言，除非撥回暫時差額之時間可以控制及暫時差額可能不會在可見將來撥回。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax assets and unused tax losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

3. 主要會計政策概要 (續)

所得稅 (續)

所有可予扣減暫時差額、未動用稅項資產結轉及未動用稅項虧損於可能獲得應課稅溢利作為抵銷，以動用該等可予扣減暫時差額、未動用稅項資產結轉及未動用稅項虧損之情況下，均確認為遞延稅項資產：

- 惟關乎於一宗交易中首次確認之資產或負債，且於交易時並不影響會計溢利或應課稅溢利或虧損所產生之可予扣減暫時差額之遞延稅項資產除外；及
- 就與於附屬公司、聯營公司之投資及於合營企業之權益有關之可予扣減暫時差額，僅於暫時差額可能會在可見將來撥回及將有應課稅溢利作為抵銷，以動用暫時差額之情況下，才確認遞延稅項資產。

遞延稅項資產之帳面值乃於各結算日進行審閱，並予以相應扣減，直至不可能有足夠應課稅溢利以動用全部或部份遞延稅項資產為止。相反，先前未確認之遞延稅項資產乃於可能獲得足夠應課稅溢利以動用全部或部份遞延稅項資產之情況下予以確認。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Employee benefits

Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date.

3. 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產及負債乃根據於結算日已實施或已大致實施之稅率(及稅務法例)，按變現資產或清償負債之期間預期適用之稅率予以估量。

僱員福利

僱傭條例長期服務金

本集團若干僱員已完成所須為本集團服務之年資，倘終止聘任，可有資格獲得香港僱傭條例所指之長期服務金。倘終止聘用符合僱傭條例所指之情況，本集團須支付有關款項。

本集團已就預期有可能作出之未來長期服務金確認撥備。有關撥備乃根據直至結算日為止，僱員因向本集團提供服務而賺取之長期服務金之最佳估計而作出。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary which operates in the PRC are required to participate in a central pension scheme operated by the local municipal government. This PRC subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the central pension scheme.

3. 主要會計政策概要 (續)

僱員福利 (續)

退休福利計劃

根據強制性公積金條例，本集團為所有合資格參加強制性公積金退休福利計劃（「強積金計劃」）之僱員實行定額供款強積金計劃。按照強積金計劃之規章，供款乃按僱員之底薪之一定百分比釐定，並於應付供款時自損益帳扣除。強積金計劃之資產與本集團資產分開處理，另由一個獨立運作之基金管理。本集團之僱主供款一旦注入強積金計劃，即悉數歸屬僱員。

本集團在中國經營之附屬公司之僱員，須參與地區市政府設立之中央退休金計劃。此中國附屬公司須按其薪金成本之百分比向中央退休金計劃供款。供款須於根據中央退休金計劃支付時在損益帳中支銷。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company 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 by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

3. 主要會計政策概要 (續)

僱員福利 (續)

購股權計劃

本公司設有一項購股權計劃，作為對本集團經營成果有貢獻之合資格參與者之鼓勵及獎賞。購股權計劃所授購股權之財務影響於購股權獲行使時始記錄於本公司或本集團之資產負債表，因而並無於損益帳或資產負債表中扣除有關成本。於購股權獲行使後，本公司將據此而發行之股份按股份之面值入帳列作增加之股本，而每股行使價超出股份面值之差額則撥入本公司之股份溢價帳。行使日期前被註銷或失效之購股權均於未行使購股權登記冊中刪除。

收益確認

收益會於本集團可能獲得有關經濟利益且該等收益又能可靠衡量時按以下基準確認：

- (a) 銷售貨品於擁有權之重大風險及回報轉移至買家時入帳，惟本集團對所售貨品已無涉及一般與擁有權有關之管理權及實際控制權；



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- (b) income from the trading of listed investments, on the date when the transaction takes place;
- (c) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (d) dividend income, when the shareholders' right to receive payment has been established.

Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries, jointly controlled entities and associates are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries, jointly controlled entities and associates are translated to Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated to Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

3. 主要會計政策概要 (續)

收益確認 (續)

- (b) 買賣上市投資之收入於交易日予以確認；
- (c) 利息收入就尚未償還本金及實際適用之利率按時間比例確認；及
- (d) 股息於股東收取股息之權利得到確立時確認。

外幣

外幣交易按交易日適用之匯率換算入帳，於結算日以外幣結算之貨幣資產及負債按該日適用之匯率換算。滙兌差額撥入損益表內處理。

綜合帳目時，海外附屬公司、共同控制公司及聯營公司之財務報表乃利用淨投資法換算為港元。海外附屬公司、共同控制公司及聯營公司之損益帳乃按年內加權平均匯率換算為港元，而其資產負債表乃按結算日之匯率換算為港元。由此產生之換算差額計入滙兌波動儲備。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated to Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated to Hong Kong dollars at the weighted average exchange rates for the year.

4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:

- (a) the electronic components and electrical products segment engages in manufacture and trading of electronic components, particularly aluminum electrolytic capacitors and resistors and trading of electrical products;

3. 主要會計政策概要 (續)

外幣 (續)

就綜合現金流量表而言，海外附屬公司之現金流量乃按現金流量日期之滙率換算。年內海外附屬公司經常產生之經常性現金流量按年內加權平均滙率換算為港元。

4. 分類資料

分類資料以兩種方式呈報：(i)業務分類資料作為主要分類資料報告方式；而(ii)地區分類資料則作為次要分類資料報告方式。

本集團經營業務按業務性質與所提供之產品及服務，將業務分類及分開管理。本集團各業務分類代表一個提供產品及服務之策略性業務單位，而各業務分類所承擔之風險及獲取之回報均有別於其他分類業務。業務分類詳情概述如下：

- (a) 電子零件與電子產品分類包括製造及買賣電子零件及買賣電子產品，特別是鋁電解電容器及電阻；



4. SEGMENT INFORMATION (continued)

- (b) the trading of raw materials segment engages mainly in trading of aluminum foils; and
- (c) the corporate and others segment comprises the Group's trading of production machinery together with corporate income and expense items.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

4. 分類資料 (續)

- (b) 買賣原材料分類主要從事買賣鋁箔；及
- (c) 企業及其他分類包括本集團買賣生產機械，以及企業收入及開支項目。

在釐定本集團之地區分類時，分類收益乃按客戶所在地計算，而分類資產則按資產所在地計算。



Notes to Financial Statements 財務報表附註

31 December 2003 二零零三年十二月三十一日

4. SEGMENT INFORMATION (continued)

(a) Business segments

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments.

4. 分類資料 (續)

(a) 業務分類

下表呈列本集團按業務分類之收益、溢利及若干資產、負債及開支資料。

Group		本集團									
		Electronic components and electrical products 電子零件與電子產品		Trading of raw materials 買賣原材料		Corporate and others 企業及其他		Eliminations 撇銷		Consolidated 綜合	
		2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年
		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	HK\$'000 千港元	HK\$'000 千港元
		(Restated) (重列)									
Segment revenue:	分類收益:										
Sales to external customers	售予外界客戶	596,576	437,804	23,577	12,846	6,300	27,077	-	-	626,453	477,727
Other revenue	其他收益	-	-	-	-	4,005	2,696	-	-	4,005	2,696
Total	總計	<u>596,576</u>	<u>437,804</u>	<u>23,577</u>	<u>12,846</u>	<u>10,305</u>	<u>29,773</u>	<u>-</u>	<u>-</u>	<u>630,458</u>	<u>480,423</u>
Segment results	分類業績	<u>48,658</u>	<u>29,905</u>	<u>1,632</u>	<u>704</u>	<u>1,904</u>	<u>2,975</u>	<u>-</u>	<u>-</u>	<u>52,194</u>	<u>33,584</u>
Finance costs	財務費用									(5,364)	(5,529)
Share of profits and losses of: Jointly controlled entities	攤佔共同控制公司 之溢利及虧損	(4,413)	(1,314)	-	-	-	-	-	-	(4,413)	(1,314)
Profit before tax	除稅前溢利									42,417	26,741
Tax	稅項									(5,293)	(5,755)
Profit before minority interests	未計少數股東 權益之溢利									37,124	20,986
Minority interests	少數股東權益									(71)	(638)
Net profit from ordinary activities attributable to shareholders	股東應佔日常 業務溢利淨額									<u>37,053</u>	<u>20,348</u>

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4. SEGMENT INFORMATION (continued)

4. 分類資料 (續)

(a) Business segments (continued)

(a) 業務分類 (續)

Group		本集團									
		Electronic components and electrical products 電子零件與電子產品		Trading of raw materials 買賣原材料		Corporate and others 企業及其他		Eliminations 撇銷		Consolidated 綜合	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元 (Restated) (重列)	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元 (Restated) (重列)
Segment assets	分類資產	609,054	424,475	4,918	360	25,150	25,611	-	-	639,122	450,446
Interests in jointly controlled entities	於共同控制公司權益	2,309	5,288	-	-	-	-	-	-	2,309	5,288
Total assets	資產總值	611,363	429,763	4,918	360	25,150	25,611	-	-	641,431	455,734
Segment liabilities	分類負債	184,901	175,279	23,551	22,299	163,909	25,031	-	-	372,361	222,609
Other segment information:	其他分類資料:										
Depreciation	折舊	25,892	21,130	-	-	14	12	-	-	25,906	21,142
Amortisation	攤銷	323	223	-	-	102	80	-	-	425	303
Other non-cash expenses	其他非現金費用	3,066	5,256	-	-	-	-	-	-	3,066	5,256
Capital expenditure	資本開支	96,216	51,264	-	-	-	-	-	-	96,216	51,264



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4. SEGMENT INFORMATION (continued)

(b) Geographical segments

The following tables present revenue and certain asset and expenditure information for the Group's geographical segments.

4. 分類資料 (續)

(b) 地區分類

下表呈列本集團按地區分類有關於收益及若干資產及開支資料。

Group	本集團													
	Hong Kong 香港		Elsewhere in the PRC 中國其他地區		Southeast Asia 東南亞		Taiwan 台灣		Other countries 其他國家		Corporate and others 企業及其他		Consolidated 綜合	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'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	千港元	千港元	千港元	千港元	千港元
		(Restated) (重列)		(Restated) (重列)										(Restated) (重列)
Segment revenue: 分類收益:														
Sales to external customers 售予外界客戶	127,911	138,156	140,264	147,673	93,800	78,989	223,893	82,310	40,585	30,599	-	-	626,453	477,727
Other segment information: 其他分類資料:														
Segment assets 分類資產	112,228	102,384	409,249	297,715	21,773	7,329	66,535	29,005	6,496	3,300	25,150	16,001	641,431	455,734
Capital expenditure 資本開支	506	673	95,679	50,591	-	-	-	-	31	-	-	-	96,216	51,264