

# NOTES TO THE ACCOUNTS

## 賬目附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated accounts are set out below:

#### (a) Basis of preparation

The accounts have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention, as modified by the revaluation of buildings and investment properties, which are carried at fair value.

The preparation of the accounts in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the accounts, are disclosed in note 3.

In 2005, the Group adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. Comparatives have been amended as required in 2004, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosures and Presentation

### 1. 主要會計政策摘要

編製此等賬目所採用之主要會計政策如下：

#### (a) 編製基準

本賬目乃按照香港財務報告準則及詮釋編製。賬目並依據歷史成本常規法編製，惟若干物業及投資物業之會計政策乃按公允值更新列賬。

編製符合財務準則的財務報表需要使用若干關鍵會計估算。這亦需要管理層在應用本公司會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，在附註3中披露。

在二零零五年，本集團採納下列與其業務相關的新訂／經修訂香港財務報告準則及詮釋。而二零零四年度之賬目已根據有關規定修訂。

香港會計準則1	財務報表之呈報
香港會計準則2	存貨
香港會計準則7	現金流量表
香港會計準則8	會計政策、會計估算更改及錯誤更正
香港會計準則10	結算日後事項
香港會計準則16	物業、機器及設備
香港會計準則17	租賃
香港會計準則21	匯率變更之影響
香港會計準則23	借貸成本
香港會計準則24	關聯方披露
香港會計準則27	綜合及獨立財務報表
香港會計準則32	金融工具：披露及呈報

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (a) Basis of preparation (Continued)

HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40	Investment Property
HKAS Int 15	Operating Leases – Incentives
HKAS-Int 21	Income Taxes – Recovery of Revalued Non-Depreciated Assets
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations

The adoption of these new/revised HKFRSs did not have any significant impact on its results of operations and financial position, except for the adoption of HKAS 17, HKAS 40, HKAS-Int 21 and HKFRS 3.

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of lease premiums for leasehold land and land use rights from property, plant and equipment to operating leases. The up-front prepayments made for the lease premium for leasehold land and land use rights are expensed in the profit and loss account on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the profit and loss account. In prior years, the lease premiums for land were accounted for at valuation less accumulated depreciation and accumulated impairment.

The adoption of revised HKAS 40 has resulted in a change in the accounting policy of which the changes in fair values are recorded in the profit and loss account as part of other income. In prior years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the profit and loss account.

#### 1. 主要會計政策摘要(續)

##### (a) 編製基準(續)

香港會計準則33	每股盈利
香港會計準則36	資產減值
香港會計準則39	金融工具：確認及計量
香港會計準則39 (修訂)	財務資產和財務負債的過渡和初步確認
香港會計準則40	投資物業
香港會計準則—詮釋15	營運租賃—優惠
香港會計準則—詮釋21	所得稅—經重估非折舊資產的收回
香港財務準則2	以股份為基礎的支付
香港財務準則3	企業合併

採納這幾項新訂／經修訂之香港財務報告準則對經營及財務狀況並無重大影響，除採納香港會計準則第17號，第40號，詮釋第21號及香港財務報告準則第3號。

採納經修訂香港會計準則第17號導致會計政策改變，涉及將租賃土地及土地使用權由物業、機器及設備重新分類為營運租賃。就租賃土地及土地使用權作出的首期預付款在租賃期間以直線法於損益表支銷，或如有減值，將減值在損益表支銷。在以往年度，租賃土地按公允值減累計折舊及累計減值列賬。

採納經修訂香港會計準則第40號導致有關投資物業公允值變動的會計政策有變，公允值的變化均計入本期損益。於過往年度，公允值之增加計入投資物業之重估儲備，公允值之減少先抵減過往年度重估增值後再以費用形式計入損益賬。

## NOTES TO THE ACCOUNTS (CONTINUED) 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of preparation (Continued)

The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale.

The adoption of HKFRS 3 has resulted in a change that negative goodwill credited to the reserve arising on consolidation has been credited to the opening balance of retained earnings as at 1st January 2005.

### 1. 主要會計政策摘要(續)

#### (a) 編製基準(續)

採納經修訂香港會計準則－詮釋第21號導致有關投資物業重估遞延稅項計算的會計政策有變。該遞延稅項負債按透過使用資產而之回報賬面值以稅項結果為基準計算。於過往年度，該資產之賬面值透過出售而回報。

根據財務報告準則第3號導致負商譽並於編製綜合賬目時列作儲備更改為於二零零五年一月一日列作期初保留溢利。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (a) Basis of preparation (Continued)

In connection with adoption of HKAS 17 and HKAS-Int 21, the standards require retrospective application and the details are as follows:

- (i) The adoption of revised HKAS 17 resulted in a decrease in opening balance of reserves as at 1st January 2004 by HK\$4,005,000 and the details of the adjustments to the balance sheets as at 31st December 2005 and 31st December 2004, and the profit and loss account for the years ended 31st December 2005 and 31st December 2004 are as follows:

#### 1. 主要會計政策摘要(續)

##### (a) 編製基準(續)

針對採納香港會計準則17號及香港財務報告準則一詮釋第21號，有關準則要求追溯應用，詳列如下：

- (i) 採納修訂之會計準則第17號導致於二零零四年一月一日之期初儲備減少4,005,000港元。於二零零四年十二月三十一日及二零零五年十二月三十一日之資產負債表及截至二零零四年十二月三十一日及二零零五年十二月三十一日之損益賬之調整如下：

		As at 31st December	
		於十二月三十一日	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Decrease in property, plant and equipment	物業、廠房及設備之減少	67,534	58,425
Increase in leasehold land and land use rights	租賃土地及土地使用權之增加	31,136	31,923
Decrease in deferred tax liabilities	遞延稅項負債之減少	6,814	4,827
(Increase)/decrease in retained earnings	保留盈利之(增加)/減少	(882)	579
Decrease in buildings revaluation reserves	樓宇重估儲備之減少	30,466	21,096

# NOTES TO THE ACCOUNTS (CONTINUED)

## 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1. 主要會計政策摘要(續)

#### (a) Basis of preparation (Continued)

#### (a) 編製基準(續)

		<b>For the year ended</b>	
		<b>31st December</b>	
		截至十二月三十一日止年度	
		<b>2005</b>	2004
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Decrease in cost of sales	銷售成本之減少	<b>886</b>	837
Decrease/(increase) in administrative expenses	行政開支之減少/(增加)	<b>575</b>	(158)
Increase in basic earnings per share	每股基本盈利之增加	<b>HK\$0.007</b>	HK\$0.003

(ii) The adoption of HKAS-Int 21 resulted in decrease in opening balance of reserves as at 1st January 2004 by HK\$208,000 and the details of the adjustments to the balance sheets at 31st December 2005 and 31st December 2004, and the profit and loss account for the years ended 31st December 2005 and 31st December 2004 are as follows:

(ii) 採納會計準則一詮釋第21號導致於二零零四年一月一日之期初儲備減少208,000港元。於二零零四年十二月三十一日及二零零五年十二月三十一日之資產負債表及截至二零零四年十二月三十一日及二零零五年十二月三十一日之損益賬之調整如下：

		<b>As at 31st December</b>	
		於十二月三十一日	
		<b>2005</b>	2004
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Increase in deferred tax liability	遞延稅項負債之增加	<b>382</b>	312
Decrease in investment property revaluation reserve	投資物業重估儲備之減少	<b>312</b>	312
Decrease in retained earnings	保留溢利之減少	<b>70</b>	-

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (a) Basis of preparation (Continued)

		For the year ended 31st December	
		截至十二月三十一日止年度	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Increase in tax expense	稅項開支之增加	70	—
Decrease in basic earnings per share	每股基本盈利之減少	HK\$0.0003	—

The following new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1st January 2006 or later periods but which the Group has not early adopted.

HKAS 1 (Amendment)	Capital Disclosures
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 and HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS 1 and HKFRS 6 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards and Exploration for and Evaluation of Mineral Resources
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS 7	Financial Instruments: Disclosures

本集團並無提早採納以下已頒佈但未生效之新準則、修訂及已生效之詮釋。該等準則及修訂於二零零六年一月一日或其後開始的會計年度期間生效。

香港會計準則 1 (修訂)	資金披露
香港會計準則 19 (修訂)	精算損益，集團計劃及披露
香港會計準則 39 (修訂)	預計集團內部交易的現金流對沖會計處理
香港會計準則 39 (修訂)	公平值選擇權
香港會計準則 39 及 香港財務準則 4 (修訂)	財務擔保合約
香港財務準則 1 (修訂) 及香港 財務準則 6 (修訂)	首度採納香港財務報告準則及礦產資源的勘察及評估
香港財務準則 6	礦產資源的勘察及評估
香港財務準則 7	金融工具：披露

# NOTES TO THE ACCOUNTS (CONTINUED)

## 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of preparation (Continued)

HKFRS-Int 4	Determining whether an Arrangement Contains a Lease
HKFRS-Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK(IFRIC)-Int6	Liabilities arising from Participating in a Specific Market- Waste Electrical and Electronic Equipment

The Directors are of the opinion that HKAS 19 (Amendment), HKFRS 1 and HKFRS 6 (Amendment), HKFRS 6 are not relevant to the Group's operations and the adoption of the remaining new standards, amendments and interpretations will not result in substantial changes to the Group's accounting policies.

#### (b) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

### 1. 主要會計政策摘要(續)

#### (a) 編製基準(續)

香港會計準則 - 詮釋 4	釐定一項安排是 否包括租賃
香港會計準則 - 詮釋 5	解除、恢復及環境 修復基金所產生 的權利
香港(國際財務 報告詮釋 委員會)- 詮釋 6	參與特定市場的 責任- 電力及 電子廢料

董事應認為香港會計準則第19號(修訂)、香港財務準則第1號及香港財務準則第6號(修訂)、香港財務準則第6號與本集團的業務並不相關及採納餘下的新準則、修訂及詮釋均不會導致本集團的會計政策出現重大改變。

#### (b) 綜合賬目

綜合賬目包括本公司及各附屬公司截至十二月三十一日止之賬目。

附屬公司指本集團有權管控其財政及營運政策而控制所有實體，一般附帶超過半數投票權的股權。在評定本集團是否控制另一實體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。

附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (b) Consolidation (Continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment of losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

##### (c) Foreign currency translation

###### (i) Functional and presentation currency

Items included in the accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated accounts are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

###### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

#### 1. 主要會計政策摘要(續)

##### (b) 綜合賬目(續)

公司內部交易，結餘及集團公司間之交易所產生之未變現收益予以併除。除減值顯出資產轉移減值外，虧損亦予以併除。附屬公司之會計政策已按需要作出更改，以確保與本集團所採納之政策相一致。

在本公司之資產負債表內，附屬公司之投資以成本值扣除減值虧損準備入賬。本公司將附屬公司之業績按已收及應收股息入賬。

##### (c) 外幣換算

###### (i) 功能及呈報貨幣

所有集團公司各自賬目中的項目均按有關公司營運所在的主要經濟環境的貨幣(「功能貨幣」)計算。綜合賬目則以港元作呈列，其為本公司的功能及呈報貨幣。

###### (ii) 交易及結餘

外幣交易按交易日的匯率換算為功能貨幣。因此等交易的結算以及因以外幣為本位的貨幣資產及負債按年終匯率進行換算而產生的匯兌盈虧均記入損益賬。



# NOTES TO THE ACCOUNTS (CONTINUED)

## 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Foreign currency translation (Continued)

##### (iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each profit and loss account are translated at average exchange rates for the year; and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the profit and loss account as part of the gain or loss on sale.

#### (d) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property comprises land held under operating leases. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met.

### 1. 主要會計政策摘要(續)

#### (c) 外幣換算(續)

##### (iii) 集團公司

所有集團公司之業績及財務狀況由呈報貨幣換算為呈報貨幣間存在之功能貨幣差異如下：

- (i) 每資產負債表之資產及負債均按該資產負債表當日之結算率呈報；
- (ii) 每損益賬之收入及支出均按該年度平均匯率呈報；及
- (iii) 所有換算差異結果均於不同權益組合中被確認。

在綜合賬目時，換算海外業務的淨投資，以及換算借貸及其他指定作為該等投資對沖的貨幣工具所產生的匯兌差額列入股東權益。當售出一項海外業務時，匯兌差額在損益表確認為出售盈虧的一部份。

#### (d) 投資物業

持有物業為長期租賃收益或資本增值或兩者兼備，及並非由集團內公司所佔有，並歸類為投資物業。投資物業包括以營運租賃持有的土地。以營運租賃持有的土地，如符合投資物業其餘定義，按投資物業分類及記賬。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (d) Investment properties (Continued)

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. The valuation is reviewed annually by external independent valuers on an open market basis. Separate value is not attributed to land and buildings. The valuation is incorporated in the accounts. Changes in fair values are recognised in the profit and loss account.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit and loss account during the financial period in which they are incurred.

##### (e) Property, plant and equipment

###### (i) Buildings

Buildings comprise factories and offices. Buildings are shown at fair value, based on annual valuations by external independent valuers, less subsequent depreciation. The valuations are on an open market basis. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of buildings are credited to building revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are expensed in the profit and loss account.

#### 1. 主要會計政策摘要(續)

##### (d) 投資物業(續)

投資物業按最初之成本，包括相關之交易成本計算。

經過最初之確認，投資物業以公允價值結轉。此估價由外部估值師於公開市場進行年審，而土地及樓宇並不分開估值。估值會用於賬目內。調整之公允價值將反映於損益賬內。

當未來經濟利益之關聯項目將流入集團及項目成本被對現時，隨後之開支只計入資產賬面值。在此財務期間，所有其他維修及保養成本於損益賬列為開支。

##### (e) 物業、廠房及設備

###### (i) 物業

樓宇主要包括工廠和辦公室。樓宇根據外部獨立估值師定期進行的估值按公允價值減其後的折舊列賬。在估值日的任何累積折舊與資產的賬面值總額對銷，而淨額則重列至資產的重估金額。

重估樓宇產生的賬面值增加撥入股東權益的樓宇重估儲備內。對銷同一資產以往增加的減少直接在權益的公允價值儲備對銷；所有其他減少在損益表支銷。

# NOTES TO THE ACCOUNTS (CONTINUED)

## 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (e) Property, plant and equipment (Continued)

(ii) *Other property, plant and equipment*  
Other property, plant and equipment, comprising leasehold improvements, plant and machinery, furniture and fixtures, office equipment, motor vehicles and pleasure boat are stated at cost less accumulated depreciation and accumulated impairment of losses.

(iii) *Depreciation*  
Depreciation on buildings is calculated to write off their costs or valuation less accumulated impairment losses on a straight line basis over the unexpired period of the leases or their estimated useful lives, whichever is shorter. The principal annual rates used for this purpose are 2.5%–5%.

Other property, plant and equipment are depreciated at rates sufficient to write off their cost less accumulated impairment of losses over their estimated useful lives on a reducing balance basis. The principal annual rates are as follows:

Leasehold improvements	20%
Plant and machinery	20%
Furniture and fixtures	15%–20%
Office equipment	20%
Motor vehicles	15%–20%
Pleasure boat	10%

### 1. 主要會計政策摘要(續)

#### (e) 物業、廠房及設備(續)

(ii) *其他物業、廠房及設備*  
其他物業、廠房及設備，即租賃物業裝修、廠房及機器、傢俬及裝置、辦公室設備、汽車及遊艇均按成本值減累積折舊及累積減值虧損列賬。

(iii) *折舊*  
租賃土地按租約年期折舊。租賃樓宇之折舊及按未屆滿租約年期或估計其可供使用之年期兩者之較短期間以直線法撇銷其成本值或估值減累積減值虧損。為此而採用之主要年率為2.5%–5%。

其他物業、廠房及設備之折舊乃以餘額遞減法按其估計可使用年期撇銷其成本值減累積減值虧損。為此而採用之主要年率如下：

租賃物業裝修	20%
廠房及機器	20%
傢俬及裝置	15%–20%
辦公室設備	20%
汽車	15%–20%
遊艇	10%

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (e) Property, plant and equipment (Continued)

###### (iv) Others

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the profit and loss account during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss account. Where revalued assets are sold, the amounts included in buildings revaluation reserve are transferred to retained earnings.

##### (f) Assets under hire purchase/leases

###### (i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in the profit and loss account on a straight-line basis over the period of the lease.

#### 1. 主要會計政策摘要(續)

##### (e) 物業、廠房及設備(續)

###### (iv) 其他

其後支出只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠衡量時，才計入在資產的賬面值中。所有其他維修及保養成本在產生的財政期間內於損益表支銷。

資產的剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額

賬上處理資產的估法是以銷售金額減去賬值，而計算得來的虧／盈皆以在損益表上處理。所轉讓資產中，若有未重估值的，其相應在物業重估儲備中的部份會轉至保留盈利。

##### (f) 租購／租賃

###### (i) 經營租賃

如租賃擁有權的重大部份風險和回報由出租人保留，分類為營運租賃。根據營運租賃支付的款項(扣除自出租人收取之任何獎勵金後)於租賃期內以直線法計入損益表內。

# NOTES TO THE ACCOUNTS (CONTINUED)

## 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (f) Assets under hire purchase/leases (Continued)

##### (ii) Hire purchase

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as hire purchase. Hire purchase are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is recognised in the profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### (g) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items on the first-in first-out basis and are arrived at as follows:

- (i) Raw materials purchased for use in the manufacturing process – invoiced price and shipping cost.
- (ii) Work in progress and finished manufactured goods – costs of direct materials, direct labour and an appropriate proportion of production overhead.
- (iii) Finished goods purchased for resale – invoiced price and shipping cost.

Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

### 1. 主要會計政策摘要(續)

#### (f) 租購/租賃(續)

##### (ii) 租購

如本集團持有租賃資產擁有權的差不多所有風險及回報，分類為融資租賃。融資租賃在租賃開始時按租賃物業之公允值及最低租賃付款現值兩者之較低者入賬。每項租金均分攤為負債及財務開支，使財務費用佔融資結欠額之常數比率。相應租賃責任在扣除財務開支後計入流動及非流動貸款內。財務費用的利息部份於租約期內在損益表確認，使財務費用與每個期間的負債餘額之比為常數定期利率。

#### (g) 存貨

存貨以成本值及可變現淨值兩者中較低者入賬。成本值按個別項目以先入先出法計算如下：

- (i) 採購用於製造工序之原料 – 發票價及運費。
- (ii) 在製品及製成品 – 直接原料、直接勞工之成本及應佔之生產經常費用。
- (iii) 採購以作轉銷之製成品 – 發票價及運費。

可變現淨值按估計銷售收益減估計銷售開支釐定。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (h) Accounts receivable

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

##### (i) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

##### (j) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

All borrowing costs are charged to the profit and loss account in the financial period in which they are incurred.

#### 1. 主要會計政策摘要(續)

##### (h) 應收款項

應收賬項按最初之公允值及隨後採用有效益利息方法分攤成本而計算，減增加撥備。當客觀證據顯示集團將不能按最初應收賬項條款收回所有到期賬項時，便構成貿易及其他應收賬項撥備。撥備金額差異在於資產之承擔金額及預期現金流之現值，有效益利息率之貼現。撥備金額於損益賬內被確認。

##### (i) 現金及現金等價物

現金及現金等價物乃按成本在資產負債表列賬。就編製現金流量表而言，現金及現金等價物包括手頭現金及存於銀行之通知存款。

##### (j) 借貸

借款最初以公允值，構成淨交易成本而確認。交易成本為增加之成本，直接歸因於收購，發行或變賣財務資產或財務負債，包括費用及支付予代理，顧問，經紀及經銷商之佣金，監管代理及證券交易所之徵費，及轉讓稅項。借款隨後被定為分攤成本；在貨價收入(淨交易成本)與贖回價值間之任何差異於損益賬內採用有效益利息方法之逾期借款而被確認。

在此財務期間，所有借款成本於損益賬列為開支。

# NOTES TO THE ACCOUNTS (CONTINUED)

## 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (k) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Bonus plans*

The expected cost of bonus payment, at the discretion of the Remuneration Committee, is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(iii) *Retirement benefit costs*

For Hong Kong employees, the Group contributes to Mandatory Provident Fund ("MPF") scheme in accordance with Hong Kong Mandatory Provident Fund Schemes Ordinance. Contributions to the scheme by the Group and employees are calculated as a percentage of employees' basic salaries, bonus, commission and housing allowance. The Group's contributions to MPF scheme are expensed as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

### 1. 主要會計政策摘要(續)

#### (k) 僱員福利

(i) *僱員應享假期*

僱員在年假及長期服務休假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

(ii) *獎金計劃*

當本集團因為僱員提供之服務而產生現有法律或推定性責任，而責任金額能可靠估算時，則將獎金計劃之預計成本確認為負債入賬。獎金計劃之負債預期須在十二個月內償付，並根據在償付時預期會支付之金額計算。

(iii) *退休金成本*

就香港僱員，本集團根據香港強制性公積金條例向強制性公積金（「強積金」）計劃供款。本集團及僱員向退休計劃之供款按各僱員的基本薪酬、獎金、佣金及房屋津貼比率計算。本集團向強積金計劃作出之供款在發生時作為費用支銷。該計劃之資產與本集團資產分開，由獨立之行政基金持有。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Employee benefits (Continued)

###### (iii) Retirement benefit costs (Continued)

For PRC employees, the Group contributes to a defined contribution retirement scheme managed by the local municipal government in the PRC. The Group's contributions to the retirement scheme are expensed as incurred while the local municipal government in the PRC undertakes to assume the retirement benefit obligations of the qualified employees in the PRC.

##### (l) Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

#### 1. 主要會計政策摘要(續)

##### (k) 僱員福利(續)

###### (iii) 退休金成本(續)

就中國大陸僱員，本集團向中國大陸地方政府作出退休計劃供款，並在供款時作為費用支銷。並由中國大陸地方政府為合資格的僱員的退休福利作出承擔。

##### (l) 遞延稅項

遞延所得稅利用負債法就資產和負債的稅基與在資產和負債在綜合財務報表的賬面值之差產生的暫時差異全數撥備。然而，遞延所得稅來自在交易(不包括企業合併)中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率(及法例)而釐定。

遞延所得稅資產是就可能未來應課稅盈利而就此可使用暫時差異而確認。

遞延稅項就附屬公司產生之暫時差異而撥備，但假若本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回則除外。



# NOTES TO THE ACCOUNTS (CONTINUED)

## 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (m) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discount and after eliminating sales within the Group. Revenue is recognised as follows:

- (i) Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.
- (ii) Interest income is recognised on a time proportion basis using effective interest method.
- (iii) Operating lease rental income is recognised on a straight-line basis over the lease periods.

#### (n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### (o) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the accounts in the period in which the dividends are approved by the Company's shareholders.

### 1. 主要會計政策摘要(續)

#### (m) 收入確認

收益包括出售貨品及服務的公允值，並扣除增值稅、回扣和折扣，以及除去集團內部銷售。收益確認如下：

- (i) 銷售貨品所得之收入於擁有權之風險及回報轉移時確認，通常亦即為貨品付運予客戶及擁有權轉歸客戶時相符。
- (ii) 利息收入採用實際利息法按時間比例基準確認。
- (iii) 租賃期間之經營租賃之租金收入按直線法確認。

#### (n) 撥備

當集團因已發生的事件須承擔現有之法律性或推定性的責任，而解除責任時有可能消耗資源，並在責任金額能夠可靠地作出估算的情況下，需確立撥備。

撥備以稅前市場現金價值加以風險估值再以現今值來計算。因事件久未處理好，利息費用也會因時間長久加以撥備。

#### (o) 派發股息

向本公司股東分派的股息在股息獲本公司股東批准的期間內於財務報表內列為負債。

# NOTES TO THE ACCOUNTS (CONTINUED)

## 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (p) Segment reporting

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Unallocated costs represent mainly corporate expenses. Segment assets consist primarily of property, plant and equipment, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities. Capital expenditure comprises additions to property, plant and equipment.

In respect of geographical segment reporting, sales are based on the country in which the customer is located and total assets and capital expenditure are where the assets are located.

### 2. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed moderately to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the Directors. The Directors provide principles for overall risk management, as well as policies covering specific areas.

#### (a) Foreign exchange risk

The Group operates internationally and is exposed primarily to exchange risk arising from US dollars with respect to HK dollars. Since US dollars are pegged to Hong Kong dollars, the Group has no significant exposure of foreign exchange risk.

### 1. 主要會計政策摘要(續)

#### (p) 分部報告

根據本集團之內部財務報告，本集團已決定將業務分部資料作為主要分部報告，而地區分部資料則作次要呈報方式。

未分類費用意指公司開支。分類資產主要包括物業、廠房及設備、存貨、應收賬款及經營現金。分類負債指經營負債。資本開支包括添置之物業、廠房及設備。

銷售額乃以顧客所在之國家作地區分類和總資產及資本開支則以資產所在地分類。

### 2. 財務風險管理

本集團之活動普遍觸及多種財務風險：外匯風險，利率風險，賒貸風險及流動風險。本集團整體風險管理方案專注於不可預測之金融市場，及試圖將本集團財務表現之潛在不利影響減至最少。

風險管理乃根據董事所核准之政策而執行。董事提供整體風險管理之原則，包括政策中之特定範疇。

#### (a) 匯率風險

本集團在全球營運，故此承受美元貨幣產生的匯率風險，因美元與港元掛鈎，本集團並無重大匯率風險。

# NOTES TO THE ACCOUNTS (CONTINUED)

## 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 2. FINANCE RISK MANAGEMENT (CONTINUED)

#### (b) Credit risk

The Group has no significant concentration of credit risk. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The carrying amount of the trade receivable included in the balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets.

#### (c) Liquidity risk

The Group has minimal liquidity risk as it maintains sufficient cash and credit lines to meet its liquidity requirements.

#### (d) Interest rate risk

The Group is exposed primarily to interest rate risk arising from its interest-bearing liabilities. The Group's policy is to maintain interest-bearing borrowings at a prudent level.

### 3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (a) Taxation

The Group is subject to taxation in several jurisdictions. Significant judgement is required in determining the provision for taxation. Sufficient provisions are set aside to meet all tax liabilities.

### 2. 財務風險管理(續)

#### (b) 信貸風險

本集團並無重大集中的信貸風險。本集團有政策確保產品的批發銷售是向擁有適當信貸歷史的客戶銷售。於資產負責表內應收賬款賬面值代表本集團其財務資產之最高信貸風險。

#### (c) 流動資金風險

本集團有極少的流動資金風險，因維持有足夠現金及信貸額度去應付流動資金的需要。

#### (d) 利率風險

本集團以審慎態度借款。因而，本集團的借貸款也會面對一般的利率風險。

### 3. 關鍵會計估算及假設

估算和假設會被持續評估，並根據過往經驗和其他因素進行評價，包括在有相關情況下相信為合理的對未來事件的預測。

本集團對未來作出估算和假設。所得的會計估算如其定義，很少會與其實際結果相同。很大機會導致下個財政年度的資產和負債的賬面值作出重大調整的估算和假設討論如下。

#### (a) 稅項

本集團需要在多個司法權區繳納稅項。在釐定稅項撥備時，需要作出重大判斷。充足的撥備已釐定以應付所有稅務。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

##### (b) Fair value estimation

Investment property and buildings are revalued annually on the basis of open market value.

#### 4. TURNOVER, REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and trading of electric cable and wire products. Turnover recognised during the year is as follows:

#### 3. 關鍵會計估算及假設(續)

##### (b) 公允值的估計

投資物業及樓宇於每年重估，其價值按市場情況釐定。

#### 4. 營業額、收益及分部資料

本集團主要經營製造及買賣電線及導線產品業務。年內列賬之營業額如下：

		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Sale of goods	銷貨	375,383	303,143

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 4. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

An analysis of the Group's turnover and contribution to operating profit for the year by principal activity and market is as follows:

##### Business segment

		<b>Cable and wire products</b>	<b>Investment holdings</b>	<b>Group</b>
		電線及 導線產品	投資	本集團
		<b>2005</b>	<b>2005</b>	<b>2005</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
		千港元	千港元	千港元
Turnover	營業額	<b>375,383</b>	-	<b>375,383</b>
Segment results	分部業績	<b>69,317</b>	<b>631</b>	<b>69,948</b>
Unallocated expenses	未分配費用			<b>(39,635)</b>
Operating profit	經營溢利			<b>30,313</b>
Finance costs	財務費用			<b>(3,464)</b>
Profit before taxation	除稅前溢利			<b>26,849</b>
Taxation	稅項			<b>(1,441)</b>
Profit for the year	本年度溢利			<b>25,408</b>
Depreciation and amortisation	折舊及攤銷	<b>8,307</b>	-	<b>8,307</b>

#### 4. 營業額、收益及分部資料(續)

本集團之年度營業額及經營溢利之貢獻按主要業務及市場所作之分析如下：

##### 業務分部

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 4. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

##### Business segment (Continued)

The segment assets, liabilities and capital expenditure at 31st December 2005 are as follows:

		<b>Cable and wire products</b>	<b>Investment holdings</b>	<b>Unallocated</b>	<b>Group</b>
		電線及 導線產品	投資	未分配	本集團
		<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
		千港元	千港元	千港元	千港元
Assets	資產	<b>243,688</b>	<b>37,278</b>	<b>-</b>	<b>280,966</b>
Liabilities	負債	<b>88,283</b>	<b>5,372</b>	<b>22,100</b>	<b>115,755</b>
Capital expenditure	資本性開支	<b>2,864</b>	<b>-</b>	<b>-</b>	<b>2,864</b>

There is no sale or other transaction between the business segments.

#### 4. 營業額、收益及分部資料(續)

##### 業務分部(續)

於二零零五年十二月三十一日之分部資產、負債及資本性開支：

業務分部之間沒有銷售或其他交易。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 4. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### 4. 營業額、收益及分部資料(續)

##### Business segment (Continued)

##### 業務分部(續)

		As restated 經重列		Group 本集團 2004 HK\$'000 千港元
		Cable and wire products 電線及 導線產品 2004 HK\$'000 千港元	Investment holdings 投資 2004 HK\$'000 千港元	
Turnover	營業額	303,143	–	303,143
Segment results	分部業績	59,720	198	59,918
Unallocated expenses	未分配費用			(43,260)
Operating profit	經營溢利			16,658
Finance costs	財務費用			(2,004)
Profit before taxation	除稅前溢利			14,654
Taxation	稅項			1,175
Profit for the year	本年度溢利			15,829
Depreciation and amortisation	折舊及攤銷	8,585	–	8,585

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 4. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

##### Business segment (Continued)

The segment assets, liabilities and capital expenditure at 31st December 2004 are as follows:

		As restated 經重列			
		Cable and wire products 電線及 導線產品 2004 HK\$'000 千港元	Investment holdings 投資 2004 HK\$'000 千港元	Unallocated 未分配 2004 HK\$'000 千港元	Group 本集團 2004 HK\$'000 千港元
Assets	資產	212,070	37,092	–	249,162
Liabilities	負債	74,554	8,636	21,724	104,914
Capital expenditure	資本性開支	19,124	–	–	19,124

There is no sale or other transaction between the business segments.

In prior years, the cable and wire products business was divided into two segments, namely manufacturing of cable and wire products segment and trading of cable and wire products segment, for accounts disclosure purposes. For the year ended 31st December 2005, in order to better reflect the performance of the Group's cable and wire products business, the Directors consider it more appropriate to combine the two business segments aforesaid into one single business segment and the results have been presented in accordance with the new classification. The comparatives of 2004 have been restated accordingly. The Directors are of the opinion that such restatement of comparatives does not have net impact on the Group's accounts for the year ended 31st December 2004.

#### 4. 營業額、收益及分部資料(續)

##### 業務分部(續)

於二零零四年十二月三十一日之分部資產、負債及資本性開支：

		As restated 經重列			
		Cable and wire products 電線及 導線產品 2004 HK\$'000 千港元	Investment holdings 投資 2004 HK\$'000 千港元	Unallocated 未分配 2004 HK\$'000 千港元	Group 本集團 2004 HK\$'000 千港元
Assets	資產	212,070	37,092	–	249,162
Liabilities	負債	74,554	8,636	21,724	104,914
Capital expenditure	資本性開支	19,124	–	–	19,124

業務分部之間沒有銷售或其他交易。

於過往年度，導線業務分為兩個分部，即生產導線產品分部及營銷導線產品分部，以作賬目披露之用。截至二零零五年十二月三十一日，為了更適當地反映本集團導線業務之表現，董事認為將兩個分部業務合併為一個單一業務分部較為合適，並按此新分類呈報業績。因此，二零零四年度之比較數據已作重列。董事認為上述重列比較數據並無對本集團截至二零零四年十二月三十一日止之賬目構成影響。



## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 4. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### 4. 營業額、收益及分部資料(續)

Geographical segment		地區分部			
		Turnover	Segment results	Total assets	Capital Expenditure
		營業額	分部業績	總資產	資本性開支
		2005	2005	2005	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	189,064	25,919	100,462	577
Mainland China	中國大陸	30,816	4,462	142,984	2,287
Other Asian countries	其他亞洲國家	25,657	6,101	4,655	-
America	美洲	124,020	32,013	31,888	-
Europe	歐洲	3,568	834	977	-
South Africa	南非	2,258	619	-	-
		<b>375,383</b>	<b>69,948</b>	<b>280,966</b>	<b>2,864</b>
Unallocated costs	未分配成本		<b>(39,635)</b>		
Operating profit	經營溢利		<b>30,313</b>		

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 4. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

##### Geographical segment (Continued)

		As restated 經重列			
		Turnover	Segment results	Total assets	Capital expenditure
		營業額	分部業績	總資產	資本性開支
		2004	2004	2004	2004
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	177,128	25,805	95,184	12,104
Mainland China	中國大陸	24,264	4,725	119,851	7,018
Other Asian countries	其他亞洲國家	31,893	9,200	6,828	2
America	美洲	62,510	18,146	26,484	–
Europe	歐洲	2,774	691	815	–
South Africa	南非	4,574	1,351	–	–
		<b>303,143</b>	<b>59,918</b>	<b>249,162</b>	<b>19,124</b>
Unallocated costs	未分配成本		(43,260)		
Operating profit	經營溢利		<b>16,658</b>		

There is no sale between the geographical segments.

#### 4. 營業額、收益及分部資料(續)

##### 地區分部(續)

		As restated 經重列			
		Turnover	Segment results	Total assets	Capital expenditure
		營業額	分部業績	總資產	資本性開支
		2004	2004	2004	2004
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	177,128	25,805	95,184	12,104
Mainland China	中國大陸	24,264	4,725	119,851	7,018
Other Asian countries	其他亞洲國家	31,893	9,200	6,828	2
America	美洲	62,510	18,146	26,484	–
Europe	歐洲	2,774	691	815	–
South Africa	南非	4,574	1,351	–	–
		<b>303,143</b>	<b>59,918</b>	<b>249,162</b>	<b>19,124</b>
Unallocated costs	未分配成本		(43,260)		
Operating profit	經營溢利		<b>16,658</b>		

地區分部之間並無任何銷售。

#### 5. OTHER GAIN

		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Gross rental income from investment property	投資物業租金收入毛額	<b>231</b>	198
Interest income	利息收入	<b>100</b>	22
Revaluation surplus on investment property	投資物業之重估盈餘	<b>400</b>	–
		<b>731</b>	220

#### 5. 其他收益

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 6. OPERATING PROFIT

Operating profit is stated after charging the following:

#### 6. 經營溢利

經營溢利已扣除下列各項：

		2005	As restated 經重列 2004
		HK\$'000	HK\$'000
		千港元	千港元
Amortisation and depreciation:	攤銷及折舊：		
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	787	787
Depreciation of owned property, plant and equipment	自置物業、廠房及設備折舊	6,377	6,523
Depreciation of property, plant and equipment held under hire purchase contracts	根據租購合約持有之物業、廠房及設備折舊	1,143	1,275
Auditors' remuneration	核數師酬金	950	741
Cost of inventories sold	出售存貨成本	249,539	193,424
Net exchange loss	外匯淨虧損	859	1,898
Operating lease rentals in respect of land and buildings	土地及樓宇之經營租約租金	392	309
Transportation	運輸	4,844	2,854
Provision/(reversal of provision) for slow-moving inventories	存貨撥備/(回撥)	648	(256)
Staff costs (including directors' emoluments) (Note 12)	員工成本(包括董事酬金) (附註12)	45,807	45,170

#### 7. FINANCE COSTS

#### 7. 財務費用

		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank loans	銀行貸款利息		
Wholly repayable within five years	須於五年內全數償還	3,059	1,483
Not wholly repayable within five years	毋須於五年內全數償還	-	267
Interest of hire purchase contracts	租購合約中之利息	405	254
		<b>3,464</b>	<b>2,004</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 8. TAXATION

- (a) Hong Kong profits tax has been provided at the rate of 17.5% (2004:17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the consolidated profit and loss account represents:

#### 8. 稅項

- (a) 香港利得稅乃根據本年度之估計應課稅溢利17.5%(二零零四年:17.5%)之稅率撥備。海外溢利稅項為本集團附屬公司本年度之估計應課稅溢利按其業務所在國家之普遍稅率計算。

扣除/(計入)綜合損益賬之稅款指:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Hong Kong profits tax	香港利得稅	893	158
Overseas taxation	海外稅項	761	473
Over provision in prior year	年前超額撥備	(12)	(1,446)
Deferred taxation relating to the origination and reversal of temporary differences	暫時差異的產生及撥回之遞延稅項	(201)	(360)
		<b>1,441</b>	<b>(1,175)</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 8. TAXATION (CONTINUED)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

#### 8. 稅項(續)

本集團有關除稅前溢利之稅項與假若採用香港利得稅率而計算之理論稅額之差額如下：

		2005	As restated 經重列 2004
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation	除稅前溢利	<b>26,849</b>	14,654
Calculated at a taxation rate of 17.5% (2004: 17.5%)	按稅率17.5%(二零零四年: 17.5%) 計算之稅項	<b>4,699</b>	2,564
Income not subject to taxation	毋須課稅之收入	<b>(298)</b>	(200)
Effect of different taxation rate in other countries	其他國家不同稅率之影響	<b>(3,205)</b>	(2,822)
Expenses not deductible for taxation purposes	不可扣稅之支出	<b>511</b>	405
Over provision in prior year	年前超額撥備	<b>(12)</b>	(1,446)
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	<b>(23)</b>	-
Deferred tax assets not recognised	未確認之遞延稅項資產	<b>108</b>	115
Reversal of deferred tax assets previously recognised	去年確認之遞延稅項資產回撥	-	230
Others	其他	<b>(339)</b>	(21)
Taxation charge/(credit)	稅款扣除/(計入)	<b>1,441</b>	(1,175)

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 8. TAXATION (CONTINUED)

(b) The movement on the net deferred tax liabilities account is as follows:

		2005 HK\$'000 千港元	As restated 經重列 2004 HK\$'000 千港元
At 1st January	於一月一日	344	176
Deferred taxation credited to consolidated profit and loss account (Note 8(a))	計入綜合損益賬之遞延稅項 (附註8(a))	(201)	(360)
Taxation charged to equity	自權益扣除之遞延稅項	51	528
At 31st December	於十二月三十一日	194	344

The deferred taxation charged to equity during the year is as follows:

		2005 HK\$'000 千港元	As restated 經重列 2004 HK\$'000 千港元
Revaluation reserves in shareholders' equity	股東權益之估值儲備	51	528

#### 8. 稅項(續)

(b) 遞延稅項負債賬目如下：

年內，自權益扣除之遞延稅項如下：

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 8. TAXATION (CONTINUED)

##### Deferred tax liabilities

		Tax depreciation 稅項折舊	
		As restated 經重列	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
At 1st January	於一月一日	<b>2,632</b>	1,705
(Credited)/charged to consolidated profit and loss account	自綜合損益賬(計入)/扣除	<b>(49)</b>	399
Charged to equity	自權益扣除	<b>51</b>	528
At 31st December	於十二月三十一日	<b>2,634</b>	2,632

#### 8. 稅項(續)

##### 遞延稅項負債

##### Deferred tax assets

		遞延稅項資產					
		Tax losses 稅損		Tax depreciation 稅項折舊		Total 總額	
		As restated 經重列		As restated 經重列		As restated 經重列	
		2005	2004	2005	2004	2005	2004
		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
At 1st January	於一月一日	<b>1,034</b>	476	<b>1,254</b>	1,053	<b>2,288</b>	1,529
Credited/(charged) to consolidated profit and loss account	計入/(扣除)綜合損益賬	<b>638</b>	558	<b>(486)</b>	201	<b>152</b>	759
At 31st December	於十二月三十一日	<b>1,672</b>	1,034	<b>768</b>	1,254	<b>2,440</b>	2,288

		As restated 經重列	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Deferred tax assets	遞延稅項資產	<b>(2,440)</b>	(2,288)
Deferred tax liabilities	遞延稅項負債	<b>2,634</b>	2,632
		<b>194</b>	344

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 9. PROFIT FOR THE YEAR

The profit for the year is dealt with in the accounts of the Company to extent of HK\$19,447,000 (2004: loss of HK\$394,000).

#### 9. 本年度溢利

計入本公司賬目之本年度溢利為19,447,000港元(二零零四年:虧損394,000港元)。

#### 10. DIVIDENDS

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Interim, paid, of HK\$0.01 (2004: HK\$0.01) per ordinary share	每股普通股1港仙之已派發中期股息 (二零零四年: 1港仙)	1,990	1,990
Final, proposed, of HK\$0.03 (2004: HK\$0.02) per ordinary share	每股普通股3港仙之建議派發末期股息 (二零零四年: 2港仙)	5,970	3,980
		<b>7,960</b>	5,970

At a meeting held on 31st March 2006, the Directors proposed a final dividend of HK\$0.03 per ordinary share. This proposed dividend is not reflected as a dividend payable in the accounts, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2006.

於二零零六年三月三十一日舉行之會議上,董事擬派發末期股息每股3港仙。此項擬派發股息並無於本賬目中列作應付股息,惟將於截至二零零六年十二月三十一日止年度賬目中列作保留溢利之分派。

#### 11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the year of HK\$25,408,000 (restated 2004: HK\$15,829,000) and on the weighted average number of 198,958,000 (2004: 198,958,000) ordinary share in issue during the year.

#### 11. 每股盈利

每股基本盈利乃根據年內之本集團本年度溢利25,408,000港元(經重列二零零四年: 15,829,000港元)及按年內已發行普通股之加權平均數198,958,000股(二零零四年: 198,958,000股)計算。

No diluted earnings per share is presented as there is no potential dilutive ordinary share during the year.

由於年內並無具攤薄效應之潛在普通股,故未呈列每股攤薄盈利。



## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 12. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

#### 12. 員工成本(包括董事酬金)

		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Wages, salaries and fringe benefits	薪酬·工資及額外津貼	43,800	43,590
Social security costs	社會保障成本	1,319	990
Pension costs – contribution to MPF scheme	退休成本—強積金計劃作出之供款	382	418
Others	其他	306	172
		<b>45,807</b>	45,170

#### 13. DIRECTOR'S AND KEY MANAGEMENT'S EMOLUMENTS

#### 13. 董事及高層管理人員之酬金

##### (a) Directors' emoluments

The remuneration of every Director for the year ended 31st December 2005 is set out below:

##### (a) 董事薪酬

截至二零零五年十二月三十一日止年度，每名董事的薪酬如下：

Name of Director 董事姓名	Fee 袍金	Salary 薪金	Discretionary	Other	合計
			bonuses 酌情獎金	benefits (ii) 其他福利(ii)	
	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
MON Chung Hung 孟振雄	–	4,340	581	12	4,933
KOO Di An, Louise 顧迪安	–	1,320	290	12	1,622
SIU Yuk Shing, Marco 蕭旭成	–	584	165	186	935
LI Man Wai 李文斌	–	1,728	681	324	2,733
MON Tiffany 孟韋怡	–	240	21	12	273
LI Ho Cheong 李可昌	–	610	615	284	1,509
LAU Chun Kay (i) 劉振麒 (i)	120	–	–	–	120
LIAO Zhixiong (i) 廖志雄 (i)	60	–	–	–	60
CHENG Kwok Kit, Edwin (i);(iii) 鄭國傑 (i);(iii)	300	–	–	–	300

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 13. DIRECTOR'S AND KEY MANAGEMENT'S EMOLUMENTS (CONTINUED)

##### (a) Directors' emoluments (Continued)

The remuneration of every Director for the year ended 31st December 2004 is set out below:

Name of Director 董事姓名	Fee 袍金	Salary 薪金	Discretionary bonuses 酌情獎金	Other benefits (ii) 其他福利(ii)	Total 合計
	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
MON Chung Hung 孟振雄	–	4,711	589	45	5,345
KOO Di An, Louise 顧迪安	–	1,250	312	45	1,607
SIU Yuk Shing, Marco 蕭旭成	–	584	240	253	1,077
LI Man Wai 李文斌	–	1,588	609	324	2,521
MON Tiffany 孟韋怡	–	240	12	12	264
LI Ho Cheong (iv) 李可昌 (iv)	–	146	–	74	220
LAU Chun Kay (i) 劉振麒 (i)	60	–	–	–	60
LIAO Zhixiong (i);(v) 廖志雄 (i);(v)	20	–	–	–	20
CHENG Kwok Kit, Edwin (i) 鄭國傑 (i)	300	–	–	–	300
LAM Hon Mo, Frederick (i);(vi) 林漢武 (i);(vi)	–	–	–	–	–

- (i) Independence non-executive Directors
- (ii) Other benefits include commission, quarters allowance, travel allowance, tax reserve certificate allowance and MPF scheme contribution.
- (iii) Resigned on 31st December 2005
- (iv) Appointed on 30th September 2004
- (v) Appointed on 1st September 2004
- (vi) Resigned on 8th May 2004

##### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31st December 2005 and 2004 are also Directors whose emoluments are reflected in the analysis presented above.

#### 13. 董事及高層管理人員之酬金(續)

##### (a) 董事薪酬(續)

截至二零零四年十二月三十一日止年度，每名董事的薪酬如下：

Name of Director 董事姓名	Fee 袍金	Salary 薪金	Discretionary bonuses 酌情獎金	Other benefits (ii) 其他福利(ii)	Total 合計
	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
MON Chung Hung 孟振雄	–	4,711	589	45	5,345
KOO Di An, Louise 顧迪安	–	1,250	312	45	1,607
SIU Yuk Shing, Marco 蕭旭成	–	584	240	253	1,077
LI Man Wai 李文斌	–	1,588	609	324	2,521
MON Tiffany 孟韋怡	–	240	12	12	264
LI Ho Cheong (iv) 李可昌 (iv)	–	146	–	74	220
LAU Chun Kay (i) 劉振麒 (i)	60	–	–	–	60
LIAO Zhixiong (i);(v) 廖志雄 (i);(v)	20	–	–	–	20
CHENG Kwok Kit, Edwin (i) 鄭國傑 (i)	300	–	–	–	300
LAM Hon Mo, Frederick (i);(vi) 林漢武 (i);(vi)	–	–	–	–	–

- (i) 獨立非執行董事
- (ii) 其他福利包括銷售佣金、宿舍津貼、差旅津貼、儲稅券津貼及強積金之供款。
- (iii) 於二零零五年十二月三十一日辭職。
- (iv) 於二零零四年九月三十日委任。
- (v) 於二零零四年九月一日委任。
- (vi) 於二零零四年五月八日辭職

##### (b) 五位最高薪酬人士

截止二零零五年及二零零四年十二月三十一日上年度，本集團最高薪酬之五位人士均為董事，彼等之酬金已載於上文分析。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 13. DIRECTOR'S AND KEY MANAGEMENT'S EMOLUMENTS (CONTINUED)

#### 13. 董事及高層管理人員之酬金(續)

##### (c) Key management emoluments

##### (c) 高層管理人員之薪酬

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Basic salaries, housing allowances, other allowances and benefits in kind	基本薪金、房屋津貼、其他津貼及實物利益	11,640	12,882
Discretionary bonuses	酌情花紅	2,547	1,894
Social security costs	社會保障成本	16	10
Pension costs – contribution to MPF scheme	退休成本—強積金計劃作出之供款	85	82
		<b>14,288</b>	14,868

#### 14. LEASEHOLD LAND AND LAND USE RIGHTS

#### 14. 土地租賃及土地使用權

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book value are analysed as follows:

本集團土地租賃及土地使用權權益列作預付經營租賃款項及其賬面淨值分析如下：

		Group 本集團	
		2005 HK\$'000 千港元	As restated 經重列 2004 HK\$'000 千港元
Opening net book value reported	以往呈列之期初賬面淨值	–	–
Adjustment on adoption of HKAS17	採納香港會計準則第17號之調整	31,923	32,710
Opening net book value restated	經重列之期初賬面淨值	31,923	32,710
Amortisation of leasehold land and land use rights	土地租賃及土地使用權攤銷	(787)	(787)
Closing net book value	期末賬面淨值	31,136	31,923

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 14. LEASEHOLD LAND AND LAND USE RIGHTS (CONTINUED)

#### 14. 土地租賃及土地使用權(續)

		As restated 經重列
		2004
	<b>2005</b>	HK\$'000
	HK\$'000	千港元
	千港元	千港元
In Hong Kong held on:	於香港擁有:	
– Leases of between 10 to 50 years	– 租賃於十至五十年之間	23,056
Outside Hong Kong held on:	於海外擁有:	
– Leases of between 10 to 50 years	– 租賃於十至五十年之間	8,867
		<b>31,923</b>

At 31st December 2005, the net book value of leasehold land pledged as security for the Group's bank loans amounted to HK\$22,502,000 (restated 2004: HK\$23,056,000)

於二零零五年十二月三十一日，銀行貸款以賬面值22,502,000港元(經重列二零零四年：23,056,000港元)的土地作為抵押。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 15. FIXED ASSETS

#### 15. 固定資產

##### (a) Property, plant and equipment

##### (a) 物業、廠房及設備

		Group 本集團								
		Leasehold Building 租賃樓宇		Leasehold Improve- ments 裝修	Plant and Machinery 廠房及機器	Furniture and Fixtures 傢俬及裝置	Office Equipment 辦公室設備	Motor Vehicles 汽車	Pleasure Boat 遊艇	Total 總額
		Inside HK 本地	Outside HK 海外	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
Net book value reported at 1st January 2005, at cost or valuation	於二零零五年一月一日 以往呈列之賬面淨值， 成本值或估值	52,500	46,000	1,984	20,841	1,437	3,576	2,904	10,055	139,297
Adjustment on adoption of HKAS17	採納香港會計準則 第17號之期初調整	(42,802)	(15,623)	-	-	-	-	-	-	(58,425)
Net book value restated at 1st January 2005	於二零零五年一月一日 經重列之賬面淨值	9,698	30,377	1,984	20,841	1,437	3,576	2,904	10,055	80,872
Additions	添置	-	-	114	984	8	1,271	487	-	2,864
Disposals	出售	-	-	(15)	(18)	-	(57)	(55)	(9,334)	(9,479)
Depreciation	折舊	(336)	(756)	(373)	(3,863)	(267)	(712)	(560)	(653)	(7,520)
Revaluation	重估	-	401	-	-	-	-	-	-	401
Exchange adjustment	匯率調整	-	-	48	436	47	76	36	-	643
Net book value at 31st December 2005	於二零零五年十二月 三十一日賬面淨值	9,362	30,022	1,758	18,380	1,225	4,154	2,812	68	67,781
At 31st December 2005	於二零零五年十二月三十一日									
At cost	成本	-	-	3,278	66,871	5,122	7,817	5,795	76	88,959
At valuation – 2005	估值 – 2005	9,480	30,400	-	-	-	-	-	-	39,880
Accumulated depreciation	累積折舊	(118)	(378)	(1,520)	(48,491)	(3,897)	(3,663)	(2,983)	(8)	(61,058)
Net book value	賬面淨值	9,362	30,022	1,758	18,380	1,225	4,154	2,812	68	67,781

# NOTES TO THE ACCOUNTS (CONTINUED)

## 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 15. FIXED ASSETS (CONTINUED)

### 15. 固定資產(續)

(a) Property, plant and equipment (Continued)		(a) 物業、廠房及設備(續)								Total 總額
		Leasehold Building 租賃樓宇		Leasehold Improve- ments 裝修	Plant and Machinery 廠房及機器	Furniture and Fixtures 傢俬及裝置	Office Equipment 辦公室設備	Motor Vehicles 汽車	Pleasure Boat 遊艇	
		Inside HK 本地	Outside HK 海外	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
Net book value reported at 1st January 2004, at cost or valuation	於二零零四年一月一日 以往呈列之賬面淨值， 成本值或估值	36,000	45,852	1,043	21,316	1,718	2,155	2,173	-	110,257
Adjustment on adoption of HKAS17	採納香港會計準則 第17號之期初調整	(25,865)	(13,623)	-	-	-	-	-	-	(39,488)
Net book value restated at 1st January 2004	於二零零四年一月一日 經重列之賬面淨值	10,135	32,229	1,043	21,316	1,718	2,155	2,173	-	70,769
Additions	添置	-	-	1,151	3,775	49	1,843	1,558	10,748	19,124
Disposals	出售	-	-	-	-	(3)	(30)	(310)	-	(343)
Depreciation	折舊	(437)	(755)	(212)	(4,417)	(347)	(407)	(530)	(693)	(7,798)
Reclassification	重新分類	-	(1,852)	-	-	-	-	-	-	(1,852)
Revaluation	重估	-	755	-	-	-	-	-	-	755
Exchange adjustment	匯率調整	-	-	2	167	20	15	13	-	217
Net book value at 31st December 2004	於二零零四年十二月 三十一日賬面淨值	9,698	30,377	1,984	20,841	1,437	3,576	2,904	10,055	80,872
At 31st December 2004 At cost	於二零零四年十二月三十一日 成本	-	-	3,205	65,392	5,053	6,777	5,493	10,748	96,668
At valuation - 2004	估值 - 2004	9,698	30,377	-	-	-	-	-	-	40,075
Accumulated depreciation	累積折舊	-	-	(1,221)	(44,551)	(3,616)	(3,201)	(2,589)	(693)	(55,871)
Net book value	賬面淨值	9,698	30,377	1,984	20,841	1,437	3,576	2,904	10,055	80,872
Net book value of hire purchase assets:	租購資產淨值：									
At 31st December 2005	於二零零五年十二月三十一日	-	-	-	2,461	-	18	1,131	-	3,610
At 31st December 2004	於二零零四年十二月三十一日	-	-	-	1,314	-	22	1,384	9,980	12,700

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 15. FIXED ASSETS (CONTINUED)

##### (b) Investment property

		Group 本集團	
		2005	As restated 經重列 2004
		HK\$'000	HK\$'000
		千港元	千港元
Opening net book value	期初賬面淨值	2,700	2,100
Revaluation surplus credited to consolidation profit and loss account	重估盈餘計入綜合損益賬	400	-
Revaluation surplus credited to revaluation reserve	重估盈餘計入重估儲備	-	600
Closing net book value	期末賬面淨值	3,100	2,700

Leasehold buildings and investment property were revalued on the basis of open market value by DTZ Debenham Tie Leung Limited, an independent firm of chartered surveyors.

The carrying amount of these leasehold buildings would have been HK\$38,189,000 (restated 2004: HK\$40,945,000) had they been stated at cost less accumulated depreciation and accumulated impairment losses.

At 31st December 2005, net book value of leasehold buildings pledged as security for the Group's long-term bank loans amounted to HK\$9,362,000 (restated 2004: HK\$9,698,000).

#### 15. 固定資產(續)

##### (b) 投資物業

租賃物業及投資物業由獨立專業估值師戴德梁行有限公司根據公開市值之基準重估。

如該等租賃物業乃按成本值減折舊及累積減值虧損列賬，則該等租賃物業之賬面值應為38,189,000港元(經重列二零零四年：40,945,000港元)。

於二零零五年十二月三十一日，賬面淨值合共9,362,000港元(經重列二零零四年：9,698,000港元)之土地及樓宇，已作為本集團長期銀行貸款之抵押。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 16. INVESTMENTS IN SUBSIDIARIES

#### 16. 於附屬公司之投資

		Company 本公司	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份成本	20	62,748
Amounts due from subsidiaries (note)	應收附屬公司款項(附註)	132,659	—
		<b>132,679</b>	62,748

Note: The amounts due from subsidiaries are unsecured and interest free, and have no fixed term of repayment.

附註：應收附屬公司款項均無抵押、免息並無固定還款期。

Particulars of the Company's subsidiaries are set out in note 31

本公司之附屬公司詳情載於附註31。

#### 17. INVENTORIES

#### 17. 存貨

		Group 本集團	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原材料	39,333	23,711
Work in progress	在製品	12,137	9,472
Finished goods	製成品	13,211	14,724
		<b>64,681</b>	47,907
Provision for slow moving inventories	慢用存貨撥備	(1,973)	(1,325)
		<b>62,708</b>	46,582



## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 18. TRADE RECEIVABLE

At 31st December 2005, the ageing analysis of trade receivable is as follows:

		Group 本集團	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Current – 3 months	即期 – 三個月	<b>73,387</b>	65,088
4 – 6 months	四個月 – 六個月	<b>7,046</b>	3,450
Over 6 months	超過六個月	<b>701</b>	402
		<b>81,134</b>	68,940
Provision for bad and doubtful debts	呆壞賬撥備	<b>(1,472)</b>	(1,417)
		<b>79,662</b>	67,523

Payment terms with customers are mainly on credit with the exception of new customers, which are on cash on delivery basis. Invoices are normally payable within 60 to 90 days of issuance. Longer payment terms might be granted to customers which have good payment history and have long-term business relationship with the Group.

The carrying amounts of trade receivable approximate their fair value as at the balance sheet date.

#### 19. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

#### 20. BANK BALANCES AND CASH

Included in the balance of the Group are Renminbi bank balances and cash in Mainland China of approximately HK\$1,527,000 (2004: HK\$2,756,000).

#### 18. 應收貿易賬款

於二零零五年十二月三十一日，應收貿易賬款之賬齡分析如下：

		Group 本集團	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Current – 3 months	即期 – 三個月	<b>73,387</b>	65,088
4 – 6 months	四個月 – 六個月	<b>7,046</b>	3,450
Over 6 months	超過六個月	<b>701</b>	402
		<b>81,134</b>	68,940
Provision for bad and doubtful debts	呆壞賬撥備	<b>(1,472)</b>	(1,417)
		<b>79,662</b>	67,523

客戶主要以信貸方式付款，惟新客戶須於貨品付運時以現金付款。一般而言，客戶須於發票發出後六十至九十日內付款。付款記錄良好及與本集團有長期業務關係之客戶，可享受有較長之付款期。

應收貿易賬款之賬面值接近資產負債表日之公允值。

#### 19. 應收／(應付)附屬公司款項

應收／(應付)附屬公司款項為無抵押、免息及按要求償還。

#### 20. 銀行結餘及現金

餘額包括本集團在中國大陸之人民幣現金及銀行存款約為1,527,000港元(二零零四年：2,756,000港元)。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 21. SHARE CAPITAL

#### 21. 股本

		<b>Authorised ordinary shares of HK\$0.10 each</b> 法定股本每股面值0.10港元之普通股	
		No. of shares 股本數目	HK\$'000 千港元
At 1st January 2004 and at 31st December 2004	於二零零四年一月一日及 於二零零四年十二月三十一日	500,000,000	50,000
At 1st January 2005 and at 31st December 2005	於二零零五年一月一日及 於二零零五年十二月三十一日	<b>500,000,000</b>	<b>50,000</b>

  

		<b>Issued and fully paid ordinary shares of HK\$0.10 each</b> 已發行及繳足股本每股面值0.10港元之普通股	
		No. of shares 股本數目	HK\$'000 千港元
At 1st January 2004 and at 31st December 2004	於二零零四年一月一日及 於二零零四年十二月三十一日	198,958,000	19,896
At 1st January 2005 and at 31st December 2005	於二零零五年一月一日及 於二零零五年十二月三十一日	<b>198,958,000</b>	<b>19,896</b>

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

## 22. RESERVES

## 22. 儲備

### Group 本集團

		Share premium	Reserve arising on consolidation	Exchange fluctuation reserve	Investment property revaluation reserve	Buildings revaluation reserve	Capital redemption	Total other reserves
		股份溢價	綜合賬目所 產生之儲備	匯率 變動儲備	投資物業 重估儲備	樓宇 重估儲備	資本贖回	總其他儲備
		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
Balance reported as at 1st January 2005	於二零零五年 一月一日以往呈列	15,885	11,808	454	1,786	21,471	104	51,508
Adjustments on adoption of - HKAS 17	採納會計準則的期初調整 - 香港會計準則第17號	-	-	-	-	(21,096)	-	(21,096)
- HKAS-Int 21	- 香港會計準則-詮釋 第21號	-	-	-	(312)	-	-	(312)
- HKAS 40	- 香港會計準則第40號	-	-	-	(1,474)	-	-	(1,474)
- HKFRS 3	- 香港財務報告準則 第3號	-	(11,808)	-	-	-	-	(11,808)
Restated balance as at 1st January 2005	於二零零五年一月一日 經重列	15,885	-	454	-	375	104	16,818
Surplus on revaluation of building	樓宇重估盈餘	-	-	-	-	331	-	331
Exchange difference arising from translation of accounts of subsidiaries	附屬公司之兌換之 匯率差異	-	-	1,194	-	-	-	1,194
At 31st December 2005	於二零零五年十二月 三十一日	15,885	-	1,648	-	706	104	18,343
Balance reported as at 1st January 2004	於二零零四年 一月一日以往呈列	15,885	11,808	-	1,186	2,747	104	31,730
Adjustments on adoption of - HKAS 17	採納會計準則的期初調整 - 香港會計準則第17號	-	-	-	-	(2,747)	-	(2,747)
- HKAS-Int 21	- 香港會計準則-詮釋 第21號	-	-	-	(208)	-	-	(208)
Restated balance as at 1st January 2004	於二零零四年 一月一日經重列	15,885	11,808	-	978	-	104	28,775
Surplus on revaluation of investment property and buildings	投資物業及樓宇 重估盈餘	-	-	-	496	375	-	871
Exchange difference arising from translation of accounts of subsidiaries	附屬公司之兌換 之匯率差異	-	-	454	-	-	-	454
At 31st December 2004	於二零零四年 十二月三十一日	15,885	11,808	454	1,474	375	104	30,100

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 22. RESERVES (CONTINUED)

#### 22. 儲備(續)

##### Company

本公司

		Share premium	Contributed surplus (Note)	Capital redemption	Total other reserves	Retained earnings	Total
		股份溢價	繳入盈餘 (附註)	資本贖回	總其他儲備	保留盈利	總額
		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
At 1st January 2005	於二零零五年一月一日	15,885	62,548	104	78,537	20,890	99,427
Profit for the year	本年度溢利	-	-	-	-	19,447	19,447
Dividend paid (Note 10)	股息(附註10)	-	-	-	-	(5,970)	(5,970)
At 31st December 2005	於二零零五年 十二月三十一日	15,885	62,548	104	78,537	34,367	112,904
Representing:-	相當於:-						
2005 final dividend proposed	二零零五年擬派發 之末期股息					5,970	
Others	其他					28,397	
Retained earnings as at 31st December 2005	截至二零零五年十二月 三十一日止之保留盈利					34,367	
At 1st January 2004	於二零零四年一月一日	15,885	62,548	104	78,537	25,264	103,801
Loss for the year	本年度虧損	-	-	-	-	(394)	(394)
Dividend paid (Note 10)	股息(附註10)	-	-	-	-	(3,980)	(3,980)
At 31st December 2004	於二零零四年十二月 三十一日	15,885	62,548	104	78,537	20,890	99,427
Representing:-	相當於:-						
2004 final dividend proposed	二零零四年擬派發 之末期股息					3,980	
Others	其他					16,910	
Retained earnings as at 31st December 2004	截至二零零四年十二月 三十一日止之保留盈利					20,890	

##### Note:

The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of subsidiaries being acquired in connection with the reorganisation of the Group prior to its listing on the Hong Kong Exchange and Clearing Limited, and represents the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired. Under the Companies Act of 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders. At Group level, the contributed surplus is reclassified into its component reserves of the underlying subsidiaries.

##### 附註:

本公司之繳入盈餘因本公司發行股份以交換為於本公司股份在香港交易及結算有限公司上市前重組本集團而收購之附屬公司之股份而產生，相當於本公司發行股份之面值與所收購附屬公司之資產淨值之差額。根據百慕達一九八一年公司法(經修訂)，繳入盈餘可供分派予股東。在本集團之層面，繳入盈餘乃重新分類為有關附屬公司之儲備組成部分。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 23. BORROWINGS

#### 23. 貸款

		Group 本集團	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
<b>Non-current</b>	<b>非流動</b>		
Long-term bank loans	長期銀行貸款	5,372	8,636
Obligations under hire purchase contracts	租購合約承擔	936	5,623
		<b>6,308</b>	14,259
<b>Current</b>	<b>流動</b>		
Current portion of long-term bank loans	長期銀行貸款一年內應償還	3,299	4,235
Current portion of obligations under hire purchase contracts	租購合約承擔一年內應償還	1,459	3,511
Short-term bank loans	短期銀行貸款	5,000	-
Trust receipt loans	信託收據貸款	48,608	28,837
		<b>58,366</b>	36,583
<b>Total borrowings</b>	<b>總貸款</b>	<b>64,674</b>	50,842

Total borrowings included secured liabilities of HK\$54,322,000 (2004: HK\$36,805,000), which are secured by leasehold land and land use rights and leasehold buildings of the Group.

總貸款包括有抵押負債54,322,000港元(二零零四年: 36,805,000港元)以本集團的土地租賃及土地使用權及租賃樓宇作抵押。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 23. BORROWINGS (CONTINUED)

(a) The maturity of borrowings is as follows:

		Group 本集團							
		Long-term bank loans		Short-term bank loans		Trust receipt loans		Obligations under hire purchase contracts	
		長期銀行貸款		短期銀行貸款		信託收據貸款		租購合約承擔	
		2005	2004	2005	2004	2005	2004	2005	2004
		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
Within 1 year	1年內	3,299	4,235	5,000	-	48,608	28,837	1,459	3,511
Between 1 and 2 years	1至2年內	2,223	3,349	-	-	-	-	799	3,695
Between 2 and 5 years	2至5年內	3,149	5,043	-	-	-	-	137	1,928
Wholly repayable within 5 years	5年內全數償還	8,671	12,627	5,000	-	48,608	28,837	2,395	9,134
Over 5 years	超過5年	-	244	-	-	-	-	-	-

(b) The average effective interest rates at the balance sheet date are as follows:

		2005	2004
Long-term bank loans	長期銀行貸款	6.51%	4.17%
Short-term bank loans	短期銀行貸款	5.08%	-
Obligations under hire purchase contracts	租購合約承擔	7.61%	5.47%
Trust receipt loans	信託收據貸款	6.56%	4.26%

(c) The carrying amounts of borrowings approximate their fair value.

(a) 貸款的到期日如下：

(b) 於結算日的平均實際利率如下：

(c) 貸款的賬面值與其公允值相近。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 24. TRADE PAYABLE

At 31st December 2005, the ageing analysis of trade payable is as follows:

		Group 本集團	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Current – 3 months	即期 – 三個月	27,587	34,326
4 – 6 months	四個月 – 六個月	2,291	1,400
Over 6 months	超過六個月	562	133
		<b>30,440</b>	<b>35,859</b>

#### 24. 應付貿易款項

於二零零五年十二月三十一日，應付貿易賬款之賬齡分析如下：

#### 25. CONSOLIDATED CASH FLOW STATEMENT

##### (a) Reconciliation of profit before taxation to cash generated from operations

		As restated 經重列	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation	除稅前溢利	26,849	14,654
Interest income	利息收入	(100)	(22)
Bank loan interest	銀行貸款利息	3,059	1,750
Interest element of hire purchase contracts	租購合約之利息部份	405	254
Net (gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備淨(溢利)/虧損	(2,176)	260
Revaluation surplus on investment property	投資物業重估盈餘	(400)	–
Amortisation of leasehold land and land use rights	攤銷租賃土地及土地使用權	787	787
Depreciation of owned property, plant and equipment	自置物業、廠房及設備之折舊	6,377	6,523
Depreciation of property, plant and equipment held under hire purchase contracts	根據租購合約持有之物業、廠房及設備之折舊	1,143	1,275
Operating profit before working capital changes	營運資金轉變前之經營溢利	35,944	25,481
Increase in inventories	存貨增加	(16,126)	(15,991)
Increase in trade receivable, other receivables, deposits and prepayments	應收貿易賬款、其他應收賬款、訂金及預付款項增加	(15,489)	(22,335)
(Decrease)/increase in trade payable, other payables and accruals	應付貿易款項、其他應付款項及應計開支(減少)/增加	(4,182)	12,969
Cash generated from operations	營運產生的現金	147	124

##### (a) 營運產生的現金之對賬

## NOTES TO THE ACCOUNTS (CONTINUED) 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 25. CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

#### (b) Analysis of changes in financing during the year

		Long-term bank loans		Short-term bank loans		Trust receipt loans		Obligations under hire purchase contract	
		2005	2004	2005	2004	2005	2004	2005	2004
		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
At 1st January	於一月一日	12,871	8,137	-	-	28,837	14,856	9,134	83
Net addition/(repayment) of loans	淨新增/(償還)貸款	(4,200)	4,734	5,000	-	19,771	13,981	-	-
Net (repayment)/addition of capital element of hire purchase contracts	淨(償還)/新增租購合約之資本部份	-	-	-	-	-	-	(6,739)	9,051
At 31st December	於十二月三十一日	8,671	12,871	5,000	-	48,608	28,837	2,395	9,134

### 25. 綜合現金流量表(續)

#### (b) 年內融資變動分析

### 26. COMMITMENTS

#### (a) Capital commitment

At 31st December 2005, the Group had the following capital commitment for construction project:

### 26. 承擔

#### (a) 資本承擔

於二零零五年十二月三十一日，本集團有以下建築項目之資本承擔：

		Group	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Contracted but not provided for	已訂約但未撥備	574	1,535



# NOTES TO THE ACCOUNTS (CONTINUED)

## 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 26. COMMITMENTS (CONTINUED)

#### (b) Commitments under operating leases

At 31st December 2005, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

		Land and buildings 土地及樓宇	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Not later than one year	一年內	75	87
Later than one year and not later than five years	一年後但不 多於五年	17	14
		<b>92</b>	<b>101</b>

(c) The Company did not have any significant commitments at 31st December 2005 and 2004.

### 27. BANKING FACILITIES

At 31st December 2005, the Group's banking facilities amounting to approximately HK\$85,714,000 (2004: HK\$71,800,000) were secured by the following:—

- (a) legal charges over certain leasehold land and land use rights and buildings of the Group with a total net book value of HK\$31,864,000 (restated 2004: HK\$32,754,000);
- (b) deeds of guarantee executed by the Company amounting to HK\$71,000,000 (2004: HK\$39,000,000).

### 26. 承擔(續)

#### (b) 經營租賃承擔

於二零零五年十二月三十一日，本集團根據於下列期間內屆滿之不可撤銷經營租賃於日後之最低租金如下：

		Land and buildings 土地及樓宇	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Not later than one year	一年內	75	87
Later than one year and not later than five years	一年後但不 多於五年	17	14
		<b>92</b>	<b>101</b>

(c) 於二零零五年及二零零四年十二月三十一日，本公司並無任何重大承擔。

### 27. 銀行融資

於二零零五年十二月三十一日，本集團約85,714,000港元(二零零四年十二月三十一日：71,800,000港元)之銀行融資以下列項目作抵押：—

- (a) 本集團以賬面淨值合共31,864,000港元(經重列二零零四年十二月三十一日：32,754,000港元)之若干租賃土地及土地使用權及樓宇所作之法定抵押；
- (b) 本公司簽署之擔保契據合共71,000,000港元(二零零四年：39,000,000港元)。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 28. ULTIMATE HOLDING COMPANY

The Directors of the Company regard Spector Holdings Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

#### 29. SUBSEQUENT EVENT

On 17th March 2006, a subsidiary of the Company entered into a purchase and sales agreement with a third party to purchase a pleasure boat with a consideration of GBP911,396 (HK\$12,495,239). As at the date of this report, the transaction has not yet completed.

#### 30. APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 31st March 2006.

#### 28. 最終控股公司

本公司董事認為在英屬處女群島註冊成立之Spector Holdings Limited 乃最終控股公司。

#### 29. 年結日後事項

於二零零六年三月十七日，本公司之附屬公司與第三者訂立購買協議，以911,396英鎊(12,495,239港元)購買遊艇。於本報告日，交易尚未完成。

#### 30. 賬目之批准

本賬目已於二零零六年三月三十一日獲董事會批准。

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 31. SUBSIDIARIES

At 31st December 2005, the Company held shares in the following subsidiaries:

### 31. 附屬公司

於二零零五年十二月三十一日，本公司於下列主要附屬公司持有股份：

Name 名稱	Place of incorporation/ establishment 註冊／成立地點	Paid up share capital/ registered capital 繳足股本／註冊資本	Principal activities 主要業務	Interest 權益	
				2005	2004
<b>Shares held directly</b>					
<b>直接持有股份</b>					
Perennial Limited	British virgin Islands 英屬處女群島	Ordinary US\$1,200 普通股 1,200美元	Inactive 無活動	100%	100%
Perennial Holdings Global Limited	British virgin Islands 英屬處女群島	Ordinary US\$1 普通股 1美元	Investment holding 投資控股	100%	100%
<b>Shares held indirectly</b>					
<b>間接持有股份</b>					
Ever Peak Development Limited 永柏發展有限公司	Hong Kong 香港	Ordinary HK\$3 普通股 3港元	Property holding 持有物業	100%	100%
Glitter Wire & Cable Company Limited 東輝電線電纜有限公司	Hong Kong 香港	Ordinary HK\$500 普通股 500港元 Non-voting deferred HK\$2,000,000 無投票權遞延股份 2,000,000港元	Property holding 持有物業	100%	100%
New Technology Cable Limited 新科電線有限公司	Hong Kong 香港	Ordinary HK\$1,000 普通股 1,000港元 Non-voting Deferred HK\$10,000,000 無投票權遞延股份 10,000,000港元	License holding 持有牌照	100%	100%
<sup>a</sup> Perennial Cable Harness Limited 恒亞精工有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股 10,000港元	Manufacturing and sale of wires harnesses 製造及銷售電線組合線束	100%	100%

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

#### 31. SUBSIDIARIES (CONTINUED)

#### 31. 附屬公司(續)

Name 名稱	Place of incorporation/ establishment 註冊/成立地點	Paid up share capital/ registered capital 繳足股本/註冊資本	Principal activities 主要業務	Interest 權益	
				2005	2004
<b>Shares held indirectly (Continued)</b>					
間接持有股份(續)					
<sup>a</sup> Perennial Cable (H.K.) Limited 恒都電線(香港)有限公司	Hong Kong 香港	Ordinary HK\$2,000,000 普通股2,000,000港元	Manufacturing and sale of electric cables, wires and accessories 製造及銷售電線、導線及配件	100%	100%
Perennial Cable Limited	British Virgin Islands 英屬處女群島	Ordinary US\$1 普通股1美元	Investment and property holding, trading of electric cable, wires, wire harness and accessories 投資及持有物業、買賣電線、 導線、組合線束及配件	100%	100%
<sup>b</sup> Perennial Cable (Shenzhen) Co., Limited (wholly owned foreign enterprise) 恒亞電線(深圳)有限公司 (全資擁有海外機構)	Mainland China 中國大陸	HK\$28,000,000 28,000,000港元	Manufacturing of electric cables, wires and wire harness 製造電線、導線及組合線束	100%	100%
<sup>a</sup> Perennial Plastics (H.K.) Limited 恒都塑膠(香港)有限公司	Hong Kong 香港	Ordinary HK\$2 普通股2港元	Manufacturing and sale of plastic resins and compounds 製造及銷售塑膠合成樹脂及 化合物	100%	100%
Perennial Plastics Limited	British Virgin Islands 英屬處女群島	Ordinary US\$50,000 普通股50,000美元	Investment holding 投資控股	100%	100%
Perennial Investments (H.K.) Limited 恒都投資(香港) 有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	Inactive 無活動	100%	100%
<sup>c</sup> Perennial Cable (Macao) Limited	British Virgin Islands 英屬處女群島	Ordinary US\$2 普通股2美元	Trading of electric cables, wires, wire harness and accessories 買賣電線、導線、組合線束及配件	100%	100%
New Technology Cable (UK) Limited	United Kingdom 英國	Ordinary GBP1 普通股1英鎊	License holding 持有牌照	100%	100%

## NOTES TO THE ACCOUNTS (CONTINUED)

### 賬目附註(續)

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

### 31. SUBSIDIARIES (CONTINUED)

### 31. 附屬公司(續)

Name 名稱	Place of incorporation/ establishment 註冊/成立地點	Paid up share capital/ registered capital 繳足股本/註冊資本	Principal activities 主要業務	Interest 權益	
				2005	2004
<b>Shares held indirectly (continued)</b>					
間接持有股份(續)					
New Technology Cable Pte. Limited	Singapore 新加坡	Ordinary SG\$2 普通股2新加坡元	License holding 持有牌照	<b>100%</b>	100%
Shinka K.K.	Japan 日本	Ordinary JPY10,000,000 普通股10,00,000日元	License holding 持有牌照	<b>100%</b>	100%
Perennial USA Inc.	USA 美國	Ordinary USD0.5 普通股0.5美元	Trading of electric cables, wires, wire harness and accessories 買賣電線、導線、組合線束及配件	<b>100%</b>	100%

The legal form of all the above companies is limited liability company.

上述所有公司均為有限公司法體。

Save as noted below, the above companies operate principally in Hong Kong instead of their respective places of incorporation/establishment, except for:

除以下註明外，上述公司之營運地點主要為香港而非其個別成立地點：

- <sup>a</sup> Perennial Cable Harness Limited, Perennial Cable (H.K.) Limited and Perennial Plastic (H.K.) Limited of which manufacturing activities are conducted by their appointed sub-contractors in Shenzhen, the People's Republic of China.
- <sup>b</sup> Perennial Cable (Shenzhen) Co., Limited in Shenzhen, the People's Republic of China; and
- <sup>c</sup> Perennial Cable (Macao) Limited in Macau, the People's Republic of China.

- <sup>a</sup> 恒亞精工有限公司、恒都電線(香港)有限公司及恒都塑膠(香港)有限公司之製造業務乃透過中華人民共和國深圳特區境內之承包商進行。
- <sup>b</sup> 恒亞電線(深圳)有限公司於中華人民共和國深圳特區；及
- <sup>c</sup> Perennial Cable (Macao) Limited 於中華人民共和國澳門特別行政區。