

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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For the year ended 31st December, 2005

截至二零零五年十二月三十一日止年度

### 1. GENERAL

The Company is a public company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "Corporate information" of the Company's Annual Report.

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

The principal activities of the Group are the design, manufacture and sale of toys.

### 2. CHANGE IN ACCOUNTING POLICIES

#### Change in accounting policy-property, plant and equipment

In previous years, the Group's land and buildings included in property, plant and equipment, other than the factory under construction, were carried in the balance sheet at their revalued amount, being the fair value at the date of revaluation less subsequent accumulated depreciation and impairment loss, if any. Commencing from the current year, such land and buildings are carried at cost less accumulated depreciation and impairment loss, if any (the "cost model"). Under the cost model, annual depreciation charges would not be affected by changes in the fair value of land and buildings. Further, on adoption of Hong Kong Accounting Standard ("HKAS") 17 "Leases", the Group's leasehold land is required to be classified as "prepaid lease payments for land" and is carried at cost and amortised over the lease term on a straight-line basis. Revaluation of the Group's buildings excluding the land component is no longer practicable. Accordingly, management is of the view that accounting for the Group's buildings, which are included in property, plant and equipment, using the cost model would result in the consolidated financial statements providing more relevant information about the Group's financial position and performance. This change in accounting policy has been accounted for retrospectively and the comparative figures for the corresponding comparative prior period have been restated (*see note 3 for the financial impact*).

### 1. 一般資料

本公司於百慕達註冊成立為獲豁免有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。總辦事處地址及主要營業地點已經詳列於公司年報的公司資料內。

本財務報表資料以港幣呈列，港幣為本公司的功能及呈列貨幣。

本集團的主要業務為設計、製造及銷售玩具。

### 2. 會計政策之變動

#### 會計政策之變動 — 物業、廠房及設備

於過往年度，計入物業、廠房及設備之本集團之土地及樓宇（在建廠房除外）乃按其重估金額（即於重估當日之公平值減其後之累計折舊及減值虧損（如有）列賬）列入資產負債表。自本年度開始，土地及樓宇（在建廠房除外）乃按成本減累計折舊及減值虧損（如有）列賬（「成本模式」）。根據成本模式，年度減值開支不會受土地及樓宇公平值之變動影響。此外，採納香港會計準則（「香港會計準則」）第17號「租賃」後，本集團之租賃土地須分類為「預付土地租金」，並以直線法按年期攤銷成本列賬。撇除土地部份為樓宇作重估已不再可行。因此，管理層認為，採納成本模式為計入物業、廠房及設備之本集團樓宇作會計處理將令財務報表提供更多有關本集團之綜合財務狀況及表現之相關資料。此會計政策之變動已追溯計入，而過往同期之比較數字已重列。（見附註3之財務影響）

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## 2. CHANGE IN ACCOUNTING POLICIES

*(Continued)*

### Adoption of Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), HKASs and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for accounting periods beginning on or after 1st January, 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in the following changes to the Group's accounting policies:

#### *Owner-occupied leasehold interest in land*

In previous years, owner-occupied leasehold land and buildings were included in property, plant and equipment ("PP&E") and measured using the revaluation model. In the current year, the Group has applied HKAS 17 "Leases", under which the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments for land under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively (*see note 3 for financial impact*).

## 2. 會計政策之變動 (續)

### 採納新香港財務報告準則

於本年度，本集團已首次採納數項香港會計師公會頒佈之新香港財務報告準則及香港會計準則及詮釋(以下統稱「新香港財務報告準則」)，而新香港財務報告準則於二零零五年一月一日或以後開始之會計期間生效。應用新香港財務報告準則對綜合收益表、綜合資產負債表及綜合權益變動表構成變動。呈列之變動已追溯應用。採納新香港財務報告準則令本集團之會計政策出現下列變動：

#### **業主佔用土地之租賃權益**

於過往年度，業主佔用之租賃土地及樓宇乃列於物業、廠房及設備(「物業、廠房及設備」)項下，並採用重估模式計量。於本年度，本集團採用香港會計準則第17號「租賃」，據此，就租賃分類而言，一項土地及樓宇租賃中之土地及樓宇部份乃分開考慮，除非不能在土地及樓宇部份之間可靠地分配租賃款項，而在此情況下，整項租賃一般被視為融資租賃。倘能在土地及樓宇部份之間可靠地分配租賃款項，則關於土地之租賃權益乃重新分類為經營租賃項下之預付土地租金，並按成本列賬及於租賃期內按直線法攤銷。此項會計政策之變動已追溯應用(見附註3之財務影響)。

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## 2. CHANGE IN ACCOUNTING POLICIES

*(Continued)*

### Adoption of Hong Kong Financial Reporting Standards *(Continued)*

#### *Investment properties*

In the current year, the Group has, for the first time, applied HKAS 40 "Investment Property". The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in the profit or loss for the year in which they arise. In previous years, investment properties under the predecessor accounting standard were measured at open market values, with revaluation surplus or deficits credited or charged to asset revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the asset revaluation reserve was charged to the consolidated income statement. Where a decrease had previously been charged to the consolidated income statement and a revaluation increase subsequently arose, that increase was credited to the consolidated income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elected to apply HKAS 40 from 1st January, 2005 onwards (*see note 3 for the financial impact*).

## 2. 會計政策之變動 (續)

### 採納新香港財務報告準則 (續)

#### 投資物業

於本年度，本集團首次採用香港會計準則第40條「投資物業」。本集團已選擇採用公平值模式將投資物業入賬，此模式規定將投資物業公平值變動所產生之收益或虧損直接確認於有關損益產生期內之損益表。於過往年度，根據以往之會計準則，投資物業以公開市值計量，重估盈餘或虧損撥入資產重估儲備，除非儲備結餘不足以彌補重估值所產生之減值，則重估減值高出資產重估儲備結餘之數額自綜合收益表中扣除。倘減值已於早前自綜合收益表扣除而其後之重估出現增值，則增值按早前之減幅記入綜合收益表。本集團已採用香港會計準則第40條之有關過渡條文，並選擇自二零零五年一月一日起採用香港會計準則第40條。(見附註3之財務影響)

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## 2. CHANGE IN ACCOUNTING POLICIES

*(Continued)*

### Adoption of Hong Kong Financial Reporting Standards *(Continued)*

#### *Deferred taxes related to investment properties*

In previous years, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amounts of the properties through sale in accordance with the predecessor interpretation. In the current year, the Group has applied HK(SIC) Interpretation 21 "Income Taxes — Recovery of Revalued Non-Depreciable Assets" which removes the presumption that the carrying amounts of investment properties are to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflect the tax consequences that would follow from the manner in which the Group expects to recover the property at each balance sheet date. In the absence of any specific transitional provisions in HK(SIC) Interpretation 21, this change in accounting policy has been applied retrospectively. The comparative figures for the corresponding comparative prior period have been restated *(see note 3 for the financial impact)*.

#### *Financial Instruments*

In the current year, the Group has applied HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement". HKAS 32 requires retrospective application. The application of HKAS 32 has no material effect on the presentation of financial instruments in the financial statements of the Group. HKAS 39, which is effective for annual periods beginning on or after 1st January, 2005, generally does not permit to recognise, derecognise or measure financial assets

## 2. 會計政策之變動 (續)

### 採納新香港財務報告準則 (續)

#### 與投資物業有關之遞延稅項

於過往年度，根據以往之詮釋重估投資物業所產生之遞延稅項影響乃根據該等物業透過出售可收回之賬面值作出評估。於本年度，本集團採用香港會計準則詮釋第21號「所得稅 — 收回經重估之不可折舊資產」，不再假設投資物業之賬面值可透過出售而收回。因此，投資物業之遞延稅項影響評估現按本集團預期於每一結算日該物業可收回之數額計算。於香港會計準則詮釋第21號未附任何具體過渡條文下，此項會計政策之變動已追溯應用。比較數字經已重列。*(見附註3之財務影響)*

#### 金融工具

於本年度，本集團已應用香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」。香港會計準則第32號規定作追溯應用。應用香港會計準則第32號並無對本集團之財務報表中金融工具之呈列構成重大影響。於2005年1月1日或以後開始之年度期間生效之香港會計準則第39號，基本上不容許對金融資產及負債進行追溯性之確認、不再確認或

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## 2. CHANGE IN ACCOUNTING POLICIES

*(Continued)*

### Adoption of Hong Kong Financial Reporting Standards *(Continued)*

#### *Financial Instruments (Continued)*

and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 39 are summarised below:

#### *Classification and measurement of financial assets and financial liabilities*

The Group has applied the relevant transitional provisions in HKAS 39 with respect to the classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

Prior to 1st January, 2005, the Group classified and measured its debt and equity securities in accordance with the benchmark treatment of Statement of Standard Accounting Practice ("SSAP") 24 "Accounting for Investments in Securities". In accordance with SSAP 24, the Group's investments in debt and equity securities were classified as "held-to-maturity securities" or "other securities" as appropriate. "Held-to-maturity securities" were carried at amortised cost less any impairment losses, while "other securities" were measured at fair value, with unrealised gains or losses included in profit or loss. From 1st January, 2005 onwards, the Group classifies and measures its debt and equity securities in accordance with HKAS 39. In accordance with HKAS 39, "held-to-maturity securities" and other securities have been respectively classified as "held-to-maturity investments" and "held for trading investments" under the category of "investments at fair value through profit or loss". "Held-to-maturity investments" are measured at amortised cost using the effective interest method after initial recognition. "Investments at fair value through profit or loss" are carried at fair value, with changes in fair value recognised in profit or loss (*see note 3 for the financial impact*).

## 2. 會計政策之變動 (續)

### 採納新香港財務報告準則 (續)

#### 金融工具 (續)

計量。因實行香港會計準則第39號而產生之主要影響概述如下：

#### 金融資產及金融負債之界定

本集團已就香港會計準則第39號所界定之金融資產及金融負債範圍內，應用有關分類及計量之過渡條文。

過往，本集團根據會計實務準則第24號（「會計實務準則第24號」）的標準處理方法進行債務證券及股本證券之分類及計量。債務證券投資或股本證券投資適當地分類為「持有至到期日之證券」或「其他投資」。「持有至到期日之證券」按攤銷成本減減值虧損（如有）列賬，而「其他投資」則按公平值計量，當中之未實現收益或虧損列入損益表。自二零零五年一月一日開始，本集團按香港會計準則第39號將債務證券及股本證券分類及計量。「持有至到期日之證券」及「其他投資」已重新指定為於「按公平值計入損益表之投資」類別中的「持有至到期日之投資」及「持有用作買賣投資」。「持有至到期日之投資」採用實際利息方法按攤銷成本計量。「按公平值計入損益表之投資」按公平值計量，當中之公平值變動於損益表內確認。（見附註3之財務影響）

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## 2. CHANGE IN ACCOUNTING POLICIES

*(Continued)*

### Adoption of Hong Kong Financial Reporting Standards *(Continued)*

#### *Financial Instruments (Continued)*

#### *Financial assets and liabilities other than debt and equity securities*

From 1st January, 2005 onwards, the Group classifies and measures its financial assets and liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. Under HKAS 39, financial assets are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables” or “held-to-maturity financial assets”. Financial liabilities are generally classified as “financial liabilities at fair value through profit or loss” or “other financial liabilities”. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition.

#### *Business Combinations*

In the current year, the Group has applied HKFRS 3 “Business Combinations” which is effective for business combinations for which the agreement date is on or after 1st January, 2005 and in relation to goodwill existed on 1st January, 2005.

Previously, goodwill, which arose on acquisitions prior to 1st January, 2001, was held in reserves. The Group has applied the relevant transitional provisions in HKFRS 3, whereby goodwill previously recognised in reserves has been transferred to the Group’s retained profits on 1st January, 2005. Goodwill arising on acquisitions on or after 1st January, 2005 is measured at cost less accumulated impairment loss (if any) after initial recognition. Goodwill is not amortised but is tested for impairment at least annually (*see note 3 for the financial impact*).

## 2. 會計政策之變動 (續)

### 採納新香港財務報告準則 (續)

#### 金融工具 (續)

#### 債務及股本證券以外之金融資產及負債

自二零零五年一月一日起，本集團根據香港會計準則第39號對其債務及股本證券以外之金融資產(以往在會計實務準則第24號涵蓋範圍以外)進行分類及計量。根據香港會計準則第39號，金融資產可劃分為「按公允價值計入損益賬之金融資產」、「可出售金融資產」、「貸款及應收賬款」或「持有至到期日之金融資產」。金融負債重新指定為「按公平價值計入損益表之金額負債」或「其他金融負債」。其他金融負債採用實際利息方法按攤銷成本計量。

#### 業務合併

於本年度，本集團已應用香港財務報告準則第3號「業務合併」，該準則適用於協議日期為二零零五年一月一日或之後之業務合併及存在於二零零五年一月一日之商譽。

過往，二零零一年一月一日前之收購所產生商譽會計入儲備，而於二零零一年一月一日或之後之收購所產生商譽則撥充資本及按其估計可使用年期攤銷。本集團已應用香港財務報告準則第3號之有關過渡條文。早前於儲備確認之商譽已於二零零五年一月一日轉入本集團之留存溢利。於二零零五年一月一日後進行之收購所產生商譽按成本減經初始確認後累計減值虧損(如有)。商譽攤銷不會作撥備，而任何商譽將最少每年進行減值測試。(見附註3之財務影響)



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### 2. CHANGE IN ACCOUNTING POLICIES

*(Continued)*

#### Adoption of Hong Kong Financial Reporting Standards *(Continued)*

##### *Share-based Payments*

In the current year, the Group has applied HKFRS 2 "Share-based Payment". The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of the share options granted by the Company to directors and employees, determined at the date of grant of the share options over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effects of these share options until they were exercised. In relation to share options granted before 1st January, 2005, the Group has not applied HKFRS 2 to share options granted on or before 7th November, 2002 and share options that were granted after 7th November, 2002 and had vested before 1st January, 2005 in accordance with the relevant transitional provisions. No share option was granted in the current year.

### 2. 會計政策之變動 (續)

#### 採納新香港財務報告準則 (續)

##### 股權支付

於本年度，本集團已應用香港財務報告準則第2號「股權支付」。香港財務報告準則第2號對本集團之主要影響乃關乎本公司董事及僱員購股權於授出日期釐定之公平值，須於歸屬期內支銷。於應用香港財務報告準則第2號前，本集團僅於購股權行使後始確認其財務影響。就於二零零五年一月一日前授出之購股權，本集團並無就於二零零二年十一月七日或之前授出之購股權應用香港財務報告準則第2號，而於二零零二年十一月七日後授出並於二零零五年一月一日前歸屬之購股權則根據有關過渡條文。年內並無授出購股權。

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### 3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in the accounting policies described in note 2 above on the profit for the current and the prior years are as follows:

### 3. 會計政策變動之影響概要

以上附註2提及之會計政策變動，對本年度及以前年度之溢利影響如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Decrease (increase) in depreciation charge on property, plant and equipment	物業、廠房及設備折舊開支減少(增加)	2,872	(258)
Increase in amortisation of prepaid lease payments for land	預付土地租金攤銷增加	(832)	(832)
Decrease in revaluation of property, plant and equipment reversed to income statement	撥回收益表之物業、廠房及設備重估減少	—	(509)
Increase in gain on fair value changes of properties	物業公平值變動收益增加	1,182	—
Increase in deferred tax charges relating to investment properties	有關投資物業之遞延稅項開支增加	(595)	(455)
(Increase) decrease in deferred tax charges relating to property, plant and equipment	有關物業、廠房及設備之遞延稅項開支(增加)減少	(338)	227
Increase in loss on fair value changes of financial assets	金融資產公平值變動虧損增加	(3,376)	—
Increase in yield on held-to-maturity investments	持有至到期日之投資收益增加	564	—
Decrease in profit for the year	本年度溢利減少	(523)	(1,827)



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### 3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

*(Continued)*

Analysis of decrease in profit for the year by line items is presented as follows:

### 3. 會計政策變動之影響概要 (續)

本年度溢利減少按項目劃分之分析呈列如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Decrease (increase) in cost of sales	銷售成本減少(增加)	778	(758)
Decrease on revaluation of properties	物業重估增值減少	—	(509)
Increase in gain on fair value changes of investment properties	投資物業公平值變動收益增加	1,182	—
Increase in loss on fair value changes of financial assets	金融資產公平值變動虧損增加	(3,376)	—
Increase in other income	其他收入增加	564	—
Decrease (increase) in administrative expenses	行政費用減少(增加)	1,262	(332)
Increase (decrease) in profit before tax	稅前溢利增加(減少)	410	(1,599)
Increase in income tax expense	稅務開支增加	(933)	(228)
Decrease in profit for the year	本年度溢利減少	(523)	(1,827)

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### 3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

(Continued)

The cumulative effect of the changes in accounting policies on balance sheet items at 31st December, 2004 and 1st January, 2005 are summarised below:

### 3. 會計政策變動之影響概要 (續)

於二零零四年十二月三十一日及二零零五年一月一日之資產負債表項目採納新香港財務報告準則之累計影響概述如下：

	At 31st December, 2004 (as originally stated) 於 二零零四年 十二月 三十一日 (如原先所列) HK\$'000 千港元	Effects of adoption of 採納下列各項之影響 the cost model for PP&E 物業、 廠房及設備 之成本模式 HK\$'000 千港元	HK(SIC) 21 香港 會計 準則 第17號 HK\$'000 千港元	Interpretation 21 香港 會計 準則 第21號 HK\$'000 千港元	At 31st December, 2004 (as restated) 於 二零零四年 十二月 三十一日 (重列) HK\$'000 千港元	Effects of adoption of 採納下列各項之影響 HKFRS 3 香港 財務報告 準則第3號 HK\$'000 千港元	HKAS 39 香港 會計準則 第39號 HK\$'000 千港元	At 1st January, 2005 (as restated) 於 二零零五年 一月一日 (重列) HK\$'000 千港元
<b>Balance sheet items</b>	<b>資產負債表項目</b>							
<b>Non-current Assets</b>	<b>非流動資產</b>							
Property, plant and equipment	物業、廠房及設備	236,311	(48,958)	(40,696)	—	146,657	—	146,657
Prepaid lease payments for land	預付土地租金	—	—	39,864	—	39,864	—	39,864
Investments in securities	證券投資	63,578	—	—	—	63,578	(63,578)	—
Held-to-maturity investments	持有至到期日之投資	—	—	—	—	—	64,258	64,258
Long-term bank deposits	長期銀行存款	31,200	—	—	—	31,200	(884)	30,316
Deferred tax assets	遞延稅項資產	5,084	(421)	—	—	4,663	—	4,663
<b>Current Assets</b>	<b>流動資產</b>							
Investments in securities	證券投資	10,211	—	—	—	10,211	(10,211)	—
Held-to-maturity investments	持有至到期日之投資	—	—	—	—	—	9,971	9,971
Held for trading investments	持有用作買賣投資	—	—	—	—	—	240	240
Prepaid lease payments for land	預付土地租金	—	—	832	—	832	—	832
<b>Non-current Liabilities</b>	<b>非流動負債</b>							
Deferred tax liabilities	遞延稅項負債	(8,621)	6,234	—	(1,063)	(3,450)	—	(3,450)
<b>Total effects on assets and liabilities</b>	<b>資產及負債之總影響</b>	<b>337,763</b>	<b>(43,145)</b>	<b>—</b>	<b>(1,063)</b>	<b>293,555</b>	<b>—</b>	<b>(204)</b>
Retained profits (note)	留存溢利 (附註)	351,333	(4,349)	—	(1,063)	345,921	(5,720)	(204)
Asset revaluation reserve	資產重估儲備	38,796	(38,796)	—	—	—	—	—
Goodwill reserve	商譽儲備	(5,720)	—	—	—	(5,720)	5,720	—
<b>Total effects on equity</b>	<b>股本之總影響</b>	<b>384,409</b>	<b>(43,145)</b>	<b>—</b>	<b>(1,063)</b>	<b>340,201</b>	<b>—</b>	<b>(204)</b>

Note: The amount of retained profits at 31st December, 2004, as originally stated, includes the dividend reserve of HK\$26,020,000 previously presented as a separate item in reserves.

附註：於二零零四年十二月三十一日之留存溢利款項(如原先所列)包括以往於儲備內呈列為獨立項目之股息儲備26,020,000港元。

The above changes in accounting policies have resulted in a decrease in asset revaluation reserve and retained profits at 1st January, 2004 of HK\$8,260,000 and HK\$3,585,000, respectively.

上述會計政策變動導致於二零零四年一月一日之資產重估儲備及留存溢利分別減少8,260,000港元及3,585,000港元。

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### 3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

*(Continued)*

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new HKFRSs will have no material impact on the financial statements of the Group.

HKAS 1 (Amendment)	Capital disclosures <sup>1</sup>
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures <sup>2</sup>
HKAS 21 (Amendment)	Net investment in a foreign operation <sup>2</sup>
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions <sup>2</sup>
HKAS 39 (Amendment)	The fair value option <sup>2</sup>
HKAS 39 & HKFRS 4 (Amendments)	Financial guarantee contracts <sup>2</sup>
HKFRS 6	Exploration for and evaluation of mineral resources <sup>2</sup>
HKFRS 7	Financial instruments: Disclosures <sup>1</sup>
HK(IFRIC) — INT 4	Determining whether an arrangement contains a lease <sup>2</sup>
HK(IFRIC) — INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds <sup>2</sup>
HK(IFRIC) — INT 6	Liabilities arising from participating in a specific market — waste electrical and electronic equipment <sup>3</sup>
HK(IFRIC) — INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies <sup>4</sup>

### 3. 會計政策變動之影響概要 (續)

本集團並無提早使用下列未生效的會計準則，集團董事預料該新會計準則對本集團的財務報表沒有重大影響。

香港會計準則第1號 (經修訂)	資本披露 <sup>1</sup>
香港會計準則第19號 (經修訂)	僱員福利 — 精算損益、集團計劃及披露 <sup>2</sup>
香港會計準則第21號 (經修訂)	境外業務之投資淨額 <sup>2</sup>
香港會計準則第39號 (經修訂)	預測集團內部交易之現金流量對沖會計法 <sup>2</sup>
香港會計準則第39號 (經修訂)	公平價值法之選擇 <sup>2</sup>
香港會計準則第39號 及香港財務報告準則 第4號(經修訂)	財務承擔合約 <sup>2</sup>
香港財務報告準則第6號	勘探及評估礦物資源 <sup>2</sup>
香港財務報告準則第7號	金融工具：披露 <sup>1</sup>
香港(國際財務報告 詮釋委員會) — 詮釋第4號	釐定安排是否包括租賃 <sup>2</sup>
香港(國際財務報告 詮釋委員會) — 詮釋第5號	來自關閉、恢復及環境修復基金的權益 <sup>2</sup>
香港(國際財務報告 詮釋委員會) — 詮釋第6號	參與特定市場 — 電力及電子設備廢料所引發之責任承擔 <sup>3</sup>
香港(國際財務報告 詮釋委員會) — 詮釋第7號	根據香港會計準則第29號惡性通貨膨脹經濟下之財務報告採用重列法 <sup>4</sup>

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### 3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

*(Continued)*

- 1 Effective for annual periods beginning on or after 1st January, 2007.
- 2 Effective for annual periods beginning on or after 1st January, 2006.
- 3 Effective for annual periods beginning on or after 1st December, 2005.
- 4 Effective for annual periods beginning on or after 1st March, 2006.

### 4. CHANGES OF ACCOUNTING ESTIMATES

In previous years, plant and machinery were depreciated over 5 years and moulds and tools were depreciated over 3 years. With effect from 1st October, 2005, plant and machinery are to be depreciated over 5 to 8 years and moulds and tools are to be depreciated over 3 to 5 years, this change reflects the Group's experience with respect to the useful lives of these assets. The change in depreciation rates has resulted in a decrease in the depreciation charge for the year by approximately HK\$3,500,000. The change in accounting estimates will have an effect on the depreciation charges of the future period, however, it is impracticable to estimate with certainty the amount of that effect.

### 5. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

### 3. 會計政策變動之影響概要 (續)

- 1 於二零零七年一月一日或其後開始的會計期間適用。
- 2 於二零零六年一月一日或其後開始的會計期間適用。
- 3 於二零零五年十二月一日或其後開始的會計期間適用。
- 4 於二零零六年三月一日或其後開始的會計期間適用。

### 4. 會計估量的改變

於過往年度設備及機器的折舊為五年，模具的折舊為三年，根據本集團對該等資產可使用年期之經驗；由二零零五年十月一日起設備及機器的折舊改為五至八年而模具的折舊會改為三至五年，而由於該折舊年期的變動，會影響本年度的折舊支出減少約3,500,000港元。會計估量的改變會對以後年度造成影響，但現在對此影響尚不能作出肯定之評估。

### 5. 主要會計政策

綜合財務報告乃根據香港會計師公會所頒佈之香港財務報告準則編製。此外，綜合財務報告載有香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露事項。

誠如下列會計政策所述，綜合財務報告乃按歷史成本基準編製，惟若干物業及金融工具按公平值計算則除外。

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### 5. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st December each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intercompany transactions and balances within the Group have been eliminated on consolidation.

#### Goodwill

##### *Goodwill arising on acquisitions prior to 1st January, 2005*

Goodwill arising on an acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

Goodwill previously held in reserves, which arose on acquisitions prior to 1st January, 2001, has been transferred to retained profits on adoption of HKFRS3.

#### Investment Properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

### 5. 主要會計政策 (續)

#### 綜合賬目基準

綜合財務報表包括本公司及其附屬公司每年截至十二月三十一日止之財務報表。

於本年度購入或售出之附屬公司業績由其收購生效日期起或截至出售生效日期止(如適用)列入綜合收益表內。

本集團內各公司之間所有重大交易及往來結餘於綜合賬目時抵銷。

#### 商譽

##### *於二零零五年一月一日前因收購而增加的商譽*

因綜合賬目所產生之商譽指收購成本超過本集團於收購當日所佔附屬公司可辨認之資產與負債公平值之差額。

因採納香港財務報告準則第3號，於二零零一年前因收購所產生並計入儲備之商譽以轉移至累計溢利。

#### 投資物業

於初始確認時，投資物業按成本計算，包括任何直接應佔支出。於初始確認後，投資物業採用公平值模式計算。投資物業之公平值變動所產生之損益計入產生期間內之損益表。

For the year ended 31st December, 2005

截至二零零五年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### Investment Properties *(Continued)*

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the period in which the item is derecognised.

#### Property, Plant and Equipment

Property, plant and equipment, other than factory under construction which is stated at cost less any accumulated impairment loss, are stated at cost less accumulated depreciation and any impairment loss. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the period in which it is incurred.

Depreciation is provided to write off the cost of items of property, plant and equipment, other than factory under construction, over their estimated useful lives using the straight-line method.

During the year, management reassessed the useful lives of the Group's property, plant and equipment. As a result, commencing from 1st October, 2005, items of plant and machinery and moulds and tools which were previously depreciated over their estimated useful lives of 5 years and 3 years respectively, are depreciated over 5 to 8 years and 3 to 5 years respectively.

### 5. 主要會計政策 (續)

#### 投資物業 (續)

投資物業於出售後或投資物業永久不再使用或預期出售之物業不會產生未來經濟利益時不再確認。不再確認資產後產生之任何損益(按該資產之出售所得款項淨額及賬面值間之差額計算)於該項目不再確認之期間計入綜合損益表。

#### 物業、廠房及設備

物業、廠房及設備(除在建廠房按成本減累計減值虧損外)乃按成本減累計折舊及減值虧損列賬。資產之成本值,包括其購買價及使該項資產達至現時營運狀態和地點以用於其擬定用途之任何直接應佔成本。物業、廠房及設備於運作後所產生之支出,包括保養費及維修之費用乃記入當期收益表內。

折舊乃按物業、廠房及設備(除在建廠房外)之估計可用年限以直線法撇銷成本值。

於本年內,管理層重新評估本集團之物業、廠房及設備可使用年期。因此,由二零零五年十月一日起設備及機器以及模具分別由五年及三年改為五至八年及三至五年。



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### 5. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### Property, Plant and Equipment *(Continued)*

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

#### Inventories

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

#### Research and Development Expenditure

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

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

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

### 5. 主要會計政策 (續)

#### 物業、廠房及設備 (續)

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時不再確認。不再確認資產產生之任何損益(按該項目之出售所得款項淨額及賬面值間之差額計算)於不再確認該項目之期間計入綜合損益表。

#### 存貨

存貨按成本或可變現淨值兩者中較低者入賬。成本以先入先出法計算。

#### 研究及發展費用

研究費用將於產生期間列作開支。

因發展費用產生之內部無形資產僅會於預期清楚界定之項目所產生之發展成本將可透過日後商業活動而收回時確認入賬。有關資產將以直線法按其預計可使用年期攤銷和以成本價減去累積攤銷和減值虧損(如有)。

倘並無內部無形資產可確認入賬，則發展開支將於產生期間列作開支。

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截至二零零五年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### Impairment

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

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

#### Financial Instruments

##### *Financial assets*

The Group's financial assets are classified as financial assets at fair value through profit or loss, held-to-maturity investments and loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. The accounting policies adopted in respect of each category of financial assets are set out below.

### 5. 主要會計政策 (續)

#### 減值

於每一結算日，本集團審閱其資產之賬面值，釐定是否有跡象顯示該等資產會有所減值。倘資產估計之變現值低於賬面值，則會將資產賬面值降至變現值。減值虧損發生時即時確認為費用。

倘其後減值虧損逆轉，則會將資產之賬面值計入經修訂之估計變現值，惟已增加之賬面值不得超過假設資產於過往年度並無減值虧損而計算之賬面值。減值虧損逆轉即時確認為收入。

#### 金融工具

##### *財務資產*

本集團之財務資產歸入，包括於損益表按公平值計算之財務資產持有至到期日之投資及貸款及應收款。金融資產一般買賣按交易日基準確認及剔除確認。一般買賣指於市場規定或慣例確立之期限內交付資產之金融資產購買或銷售所採納之與各類財務資產有關之會計政策乃載於下文。

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### 5. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

**Financial Instruments** *(Continued)*

**Financial assets** *(Continued)*

*Financial assets at fair value through profit or loss*

The Group's long-term bank deposits and held for trading investments are designated and classified as financial assets at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

*Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. At each balance sheet date subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed on initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 5. 主要會計政策 (續)

**金融工具 (續)**

**財務資產 (續)**

*於損益表按公平值計算之財務資產*

本集團之長期銀行存款及持有作買賣投資於初次確認時被指定為按公平值計入損益之財務資產。於初步確認後之各結算日，於損益表按公平值計算之財務資產乃按公平值計量，而公平值之變動在彼等產生之期間內即時直接在損益表中確認。

*持有至到期日之投資*

非衍生金融資產，有固定或可以確定的支付金額及固定的到期時間，而且管理層有肯定的意向及能力，可以持有直至到期日為止，則列為持至到期日之投資。於首次確認後的每一個結算日，持有至到期日之投資採用實際利率法按攤銷成本減任何減值虧損而列賬。如有客觀證據顯示資產有減值，減值虧損需於收益表中確認。減值虧損計算是資產之賬面值及於首次確認後以實際利率將估計現金流量折算至現值的差異。倘其後因客觀事件導致投資變現值增加，減值虧損可逆轉，惟增加之賬面值，不得超過假設資產於過往年度並無減值虧損而計算之賬面值。

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### 5. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

**Financial Instruments** *(Continued)*

**Financial assets** *(Continued)*

**Loans and receivables**

Loans and receivables (including trade and other receivable, bills receivable and bank balances) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**Financial liabilities and equity instruments**

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 5. 主要會計政策 (續)

**金融工具 (續)**

**財務資產 (續)**

**貸款及應收賬款**

貸款及應收賬款(包括貿易及其他應收款項、應收票據及銀行存款)為附帶固定或待定付款之非衍生金融資產，且並無在活躍市場報價。於初次確認後各結算日，貸款及應收賬款採用實際利率法按攤銷成本，減任何已識別減值虧損列賬。倘有客觀證據證明資產出現減值，則於損益確認減值虧損，並按資產賬面值與按原實際利率折算之估計未來現金流量現值之間差額計量。當資產之變現值增加可客觀地與確認減值後發生之事件聯繫，則減值虧損於其後期間撥回，惟於撥回減值日期之資產賬面值不得超過假設並無確認減值之原有攤銷成本。

**金融負債及股本工具**

由集團旗下實體發行之金融負債及股本工具，按所訂立合約安排性質以及金融負債及股本工具之定義分類。

股本工具為證明集團資產剩餘權益(經扣除其所有負債)之任何合約。由本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

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### 5. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

**Financial Instruments** *(Continued)*

**Financial liabilities and equity instruments** *(Continued)*

The Group's financial liabilities (including trade and other payables) are subsequently measured at amortised cost, using the effective interest method after initial recognition.

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### *The Group as lessor*

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

#### *The Group as lessee*

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

#### Retirement Benefit Costs

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

### 5. 主要會計政策 (續)

**金融工具 (續)**

**金融負債及股本工具 (續)**

本集團財務負債(包括貿易及其他應付款項)於首次確認後採用實際利率法按已攤銷成本計量。

#### 租賃

凡租賃之條款規定擁有權所附帶之一切風險及報酬實質上轉移至承租人者，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

#### **本集團作為出租人**

經營租賃之租金收入乃按相關租賃年期以直線法於損益表確認。於協商及安排經營租賃時引致之初步直接成本乃加至租賃資產之賬面值，並按租賃年期以直線法確認作一項支出。

#### **本集團作為承租人**

根據經營租賃之應付租金乃按相關租賃年期以直線法於損益表扣除。因訂立一項經營租賃作為獎勵之已收及應收福利乃以直線法按租賃年期確認作租金支出減少。

#### 退休福利成本

支付退休福利計劃之款項，於到期時計入為開支。

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### 5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

### 5. 主要會計政策 (續)

#### 稅項

所得稅開支指現時應付稅項及遞延稅項。

現時應付稅項乃按年內應課稅溢利計算。應課稅溢利與收益表中所報溢利淨額不同，乃由於前者不包括在其他年度應課稅或可扣稅收入或開支，並且不包括收益表內從未課稅或扣稅之項目。本集團即期稅項負債按於結算日已頒佈或實際上已頒佈稅率計算。

遞延稅項為就綜合財務報表資產及負債賬面值及計算應課稅溢利相應稅基差額而須支付或收回之稅項，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅暫時性差額確認，而遞延稅項資產乃按可能出現可利用暫時性差異扣稅之應課稅溢利時提撥。若於一項交易中，因商譽或因業務合併以外原因初始確認其他資產及負債而引致之暫時性差異既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃按因於附屬公司之投資而引致之應課稅臨時差額而確認，惟若本集團可控制之臨時差額對沖及臨時差額有可能未必於可見將來返還之情況除外。



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### 5. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### Taxation *(Continued)*

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 asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

#### Foreign Currencies

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

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

### 5. 主要會計政策 (續)

#### 稅項 (續)

遞延稅項資產之賬面值於每個結算日作檢討，並在沒可能於會有足夠應課稅溢利恢復全部或部分資產價值時作調減。

遞延稅項乃按預期於負債清償或資產變現期間適用之稅率計算。遞延稅項於收益表中扣除或計入收益表，惟倘遞延稅項直接在股本權益中扣除或計入股本權益之情況除外(在此情況下遞延稅項亦會於股本權益中處理)。

#### 外幣

於編製各個別集團實體之財務報告時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率換算為功能貨幣(即該實體經營所在主要經濟地區之貨幣)記賬。於各結算日，以外幣定值之貨幣項目均按結算日之適用匯率重新換算。按歷史成本計算之以外幣列值非貨幣項目不予重新換算。

結算貨幣項目及換算貨幣項目所產生滙兌差額，於該等差額產生期間之損益確認。

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### 5. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### Foreign Currencies *(Continued)*

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

#### Borrowing Costs

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

#### Revenue Recognition

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

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

### 5. 主要會計政策 (續)

#### 外幣 (續)

就呈列綜合財務報告而言，本集團海外經營業務之資產及負債乃按於結算日之適用匯率換算為本公司之列賬貨幣，而其他收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於換算當日之適用匯率。所產生之滙兌差額（如有）乃確認作權益之獨立部份（滙兌儲備）。該等滙兌差額乃於海外業務被出售之期間內於損益表內確認。

#### 借貸成本

所有借貸成本確認為費用支出，並包括在發生期間的綜合收益表中。

#### 收入確認

貨品銷售於貨品付運及擁有權轉讓時確認。

來自金融資產之利息收入參考未償還本金及適用實際利率按時間比例計算。適用實際利率指在金融資產預期可使用年期實際折算估計未來現金收入至其賬面淨值之比率。

投資之股息收入於股東有權收取款項時確認。

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### 6. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumption concerning the future and other key sources of estimation uncertainty at the balance sheet date 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:

#### Estimated useful lives of property, plant and equipment

The Group determines the estimated useful lives of property, plant and equipment and their related depreciation charges. When useful lives of property, plant and equipment are different from that previously estimated, the depreciation charges for future periods will be adjusted accordingly.

#### Impairment loss on property, plant and equipment

The property, plant and equipment of the Group are reviewed by management for possible impairment when events or changes in operating environment indicate that the carrying amounts of such assets may not be fully recoverable. In determining the recoverable amounts of these assets, expected cash flows to be generated by the assets are discounted to their present value, which involves significant level of judgment relating to sales volume, selling prices and manufacturing and other operating cost. When a decline in an asset's recoverable amount has occurred, the carrying amount is reduced to its estimated recoverable amount.

### 6. 不確定估計之主要來源

有關未來的主要假設及不確定估計之主要來源須對下一個財政年度資產及負債賬面值作出重大調整之重大風險如下：

#### 物業、廠房及設備之估計可用年限

本集團訂定物業、廠房及設備之估計可用年限及有關的折舊支出。當可用年限與之前估計有不同，未來之折舊會相應調整。

#### 物業、廠房及設備之減值虧損

倘有事項及經營環境改變而顯示物業、廠房及設備的賬面值不能完全收回，本集團之管理層會審閱該些資產的可能減值。於訂定該些資產之可回收金額，需考慮並對其銷售量、售價、生產及其他經營成本作出重大判斷，從而估計現金流量並將之折算至其現值。倘資產之可回收金額下跌，其帳面值應減少至其估計之可回收金額。

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### 6. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Impairment loss on trade and other receivables

The Group regularly conducts assessments on possible losses resulting from the inability of customers to settle the amounts due to the Group. The assessment is based, inter alia, on the age of the debt and the credit-worthiness of the customer. If the financial condition of the customers deteriorates, the amount of allowance for doubtful recovery of receivables would be higher than that provided for in the financial statements.

#### Impairment loss on inventories

Included in the consolidated balance sheet at 31st December, 2005 are inventories of HK\$139,981,000 which are carried at the lower of cost and net realisable value. Management conducts assessments on the net realisable value of inventories by reference to their age, obsolescence, estimated net selling price and other economic conditions of the markets in which the Group's customers operate. If the actual selling prices of inventories are substantially less than expected due to an adverse market condition or other factors, impairment loss on inventories may result.

#### Deferred tax assets

As at 31st December, 2005, deferred tax assets of HK\$4,501,000 in relation to unused tax losses and other deductible temporary differences have been recognised in the consolidated balance sheet. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a reversal of the deferred tax assets may arise, which would be recognised in the consolidated income statement for the period in which such a reversal takes place.

### 6. 不確定估計之主要來源 (續)

#### 貿易及其他應收款項之減值虧損

本集團對因客戶不能償還應欠本集團之金額所導致之可能損失，會作定期評估。該評估是根據欠款之帳齡及客戶之信用。如客戶之財務狀況變壞，可回收有問題之應收款撥備會較在財務報表所撥備之為高。

#### 存貨之減值

記於截至二零零五年十二月三十一日之綜合資產負債表的存貨金額為139,981,000港元；這些存貨按成本或可變現淨值兩者中較低者入帳。管理層評估存貨之可變現淨值是根據其帳齡、過時、估計售價淨額及集團客戶經營之市場的其他經濟現況。若果存貨之實際售價因不良市場狀況或其他因素導致重大地少於估計的，存貨之減值虧損可能會出現。

#### 遞延稅項資產

於二零零五年十二月三十一日，有關未使用之稅項虧損及其他暫時性差異扣稅已於綜合資產負債表確認之金額為4,501,000港元。遞延稅項資產之可變現性主要依賴未來是否有足夠之溢利或應課稅暫時性差額。假設實際之未來溢利少於估計，遞延稅項資產可能會返還，而該返還會於該期間之綜合收益表中確認。

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### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include investments in securities and other financial assets, trade and other receivables, bills receivable, bank balances and cash, and trade and other payables. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Credit Risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31st December, 2005 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated balance sheet. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful recovery of receivables estimated by management based on the age of the debts their knowledge of customers' credit-worthiness, management's prior experience and their assessment of the current economic environment. Management reviews the recoverable amounts of significant trade receivables regularly to ensure adequate allowances for doubtful recovery are recognised if considered appropriate.

The Group's concentration of credit risk by geographical locations is mainly in North America and Europe, with exposure spread over a number of counterparties and customers.

The credit risk on the Group's liquid funds, unlisted bonds and long-term bank deposits is limited because the majority of the counterparties are banks or corporations with high credit standing.

### 7. 財務風險管理目標及政策

本集團之主要金融工具包括證券投資及其他金融資產、貿易及其他應收款、應收票據、銀行結存及現金及貿易及其他付款。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時及有效地採取適當之措施。

#### 信貸風險

於二零零五年十二月三十一日，本集團就訂約方未能履行其責任而按各類別已確認金融資產面對之最高信貸風險，為綜合資產負債表所述該等資產之賬面值。集團之信貸風險基本源於貿易應收款項。該金額列示於資產負債表是減去管理層根據帳齡、對客戶信用之理解、以前之經驗及現時之經濟環境所作的可回收有問題之應收款撥備。管理層會定時審閱重大應收款項之可回收金額，從而確保有足夠之可回收有問題之應收款撥備。

本集團按地區劃分之信貸風險集中於北美洲及歐洲，有關之風險分散於一些客戶及有關團體。

本集團之流動資金，非上市的債券及長期銀行存款之信貸風險有限，由於對方均為較高信貸地位之銀行或機構。

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### 7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Market risk

##### (i) Foreign exchange risk

The Group's financial assets and financial liabilities are substantially denominated in Hong Kong dollar or United States dollar which is pegged to the Hong Kong dollar. Accordingly, the management considers the foreign exchange risk to the Group is not significant.

##### (ii) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing financial assets. Interest bearing financial assets are mainly held-to-maturity investments and long-term bank deposits which are long term in nature. As the held-to-maturity investments and long-term bank deposits are respectively arranged at fixed rates and variable rates on a predetermined basis over the period, thus exposing the Group to both fair value interest rate risk and cash flow interest rate risk. Management monitors interest rate risk exposure and will consider hedging significant interest rate exposure should the need arises.

### 7. 財務風險管理目標及政策 (續)

#### 市場風險

##### (i) 外幣換算風險

本集團金融資產及金融負債主要以港元及港元與之掛鈎的美元作結算的。因此，管理層認為外幣換貨風險對本集團並不顯著。

##### (ii) 利率風險

本集團之附息金融資產，如利息改變會帶來利率風險。附息金融資產主要為長期性質的持有至到期日之投資及長期銀行存款。由於持有至到期日之投資及長期銀行存款分別為固定利息和預定期間的浮動利息，因此本集團會冒有公平值利率風險及現金流量利率風險，管理層會監察有關之利率風險，並會考慮於必要時對沖重大利率風險。



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### 8. BUSINESS AND GEOGRAPHICAL SEGMENTS

#### Business Segments

The Group is principally engaged in the design, manufacture and sales of toys. Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers during the year. The businesses based upon which the Group reports its primary segment information are as follows:

Own Brand — Manufacture of toys designed/developed by the Group and sold under the Group's brand name or the labels of licensors

OEM/ODM — Manufacture of toys with design originated from customers and where the toolings are owned by customers

Moulds — Manufacture of moulds for sale to customers

Segment information about these businesses is presented below.

### 8. 業務及地區分類

#### 業務分類

本集團之主要業務為設計、製造及銷售玩具。營業額指年內本集團售貨予外間客戶已收取及應收取之款項淨額。本集團以主要分類資料呈報之業務如下：

自設品牌 — 製造由本集團設計／開發之玩具，並以本集團品牌或客戶商標銷售。

OEM/ODM — 製造有關設計由客戶提供而有關生產工具由客戶擁有之玩具。

工模 — 製造供售予客戶之工模。

有關該等業務之分類資料載於下文。

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### 8. BUSINESS AND GEOGRAPHICAL SEGMENTS *(Continued)*

### 8. 業務及地區分類 (續)

#### Results and Revenue

#### 業績及收入

Year ended 31st December, 2005

截至二零零五年十二月三十一日止年度

		Own Brand 自設品牌 HK\$'000 千港元	OEM/ ODM HK\$'000 千港元	Moulds 工模 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>TURNOVER</b>	<b>營業額</b>				
External sales	對外銷售	459,231	79,282	1,175	539,688
<b>RESULT</b>	<b>業績</b>				
Segment result	分類業績	67,275	8,732	85	76,092
Interest and other income	利息及其他收入				8,619
Gain on fair value changes of investment properties	投資物業公平值變動之收益				3,400
Loss on fair value changes of financial assets	金融資產公平值變動之虧損				(2,383)
Unallocated corporate expenses	未經分配之集團費用				(39,239)
Finance costs	財務費用				(445)
Profit before tax	稅前溢利				46,044
Income tax expense	稅務開支				(5,169)
Profit for the year attributable to shareholders	本年股東應佔溢利				40,875

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截至二零零五年十二月三十一日止年度

### 8. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

#### Consolidated Assets and Liabilities

At 31st December, 2005

### 8. 業務及地區分類 (續)

#### 綜合資產及負債

於二零零五年十二月三十一日

		Own Brand 自設品牌 HK\$'000 千港元	OEM/ ODM HK\$'000 千港元	Moulds 工模 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>				
Segment assets	分類資產	164,204	29,910	1,345	195,459
Investment properties	投資物業				10,900
Held-to-maturity investments	持有至到期日 之投資				63,139
Held for trading investments	持有用作買賣 投資				161
Other unallocated corporate assets	未經分配之 集團資產				298,071
Consolidated total assets	綜合總資產				567,730
<b>LIABILITIES</b>	<b>負債</b>				
Segment liabilities	分類負債	11,042	7,762	728	19,532
Unallocated corporate liabilities	未經分配之 集團負債				56,500
Consolidated total liabilities	綜合總負債				76,032

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## 綜合財務報表附註

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For the year ended 31st December, 2005

截至二零零五年十二月三十一日止年度

### 8. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

### 8. 業務及地區分類 (續)

Other Information

其他資料

Year ended 31st December, 2005

截至二零零五年十二月三十一日止年度

		Own Brand 自設品牌 HK\$'000 千港元	OEM/ ODM HK\$'000 千港元	Moulds 工模 HK\$'000 千港元	Unallocated 未經分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
ASSETS	資產					
Capital additions	資本增加					
— Property, plant and equipment	— 物業、廠房及設備	15,129	—	160	46,078	61,367
Depreciation and amortisation	物業、廠房及設備折舊	29,069	2,421	383	761	32,634
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	3	—	—	5	8

### Results and Revenue

### 業績及收入

Year ended 31st December, 2004

截至二零零四年十二月三十一日止年度

		Own Brand 自設品牌 HK\$'000 千港元	OEM/ ODM HK\$'000 千港元	Moulds 工模 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
TURNOVER	營業額				
External sales	對外銷售	522,215	59,595	1,275	583,085
RESULT	業績				
Segment result	分類業績	79,235	5,703	122	85,060
Interest and other income	利息及其他收入				9,189
Increase on revaluation of investment properties	重估投資物業增加				3,100
Unallocated corporate expenses	未經分配之集團費用				(38,911)
Finance costs	財務費用				(4)
Profit before tax	稅前溢利				58,434
Income tax expense	稅務開支				(6,352)
Profit for the year attributable to shareholders	本年股東應佔溢利				52,082

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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For the year ended 31st December, 2005

截至二零零五年十二月三十一日止年度

### 8. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

### 8. 業務及地區分類 (續)

#### Consolidated Assets and Liabilities

#### 綜合資產及負債

At 31st December, 2004

於二零零四年十二月三十一日

		Own Brand 自設品牌 HK\$'000 千港元	OEM/ ODM HK\$'000 千港元	Moulds 工模 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>				
Segment assets	分類資產	157,537	27,607	1,572	186,716
Investment properties	投資物業				7,500
Investments in securities	證券投資				73,789
Other unallocated corporate assets	其他未經分配之集團資產				350,731
Consolidated total assets	綜合總資產				618,736
<b>LIABILITIES</b>	<b>負債</b>				
Segment liabilities	分類負債	17,954	2,513	493	20,960
Unallocated corporate liabilities	未經分配之集團負債				55,207
Consolidated total liabilities	綜合總負債				76,167

#### Other Information

#### 其他資料

Year ended 31st December, 2004

截至二零零四年十二月三十一日止年度

		Own Brand 自設品牌 HK\$'000 千港元	OEM/ ODM HK\$'000 千港元	Moulds 工模 HK\$'000 千港元	Unallocated 未經分配 HK\$'000 千港元	Total 綜合 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>					
Capital additions	資本增加	15,811	—	7	6,878	22,696
— Property, plant and equipment	— 物業、廠房及設備					
Depreciation and amortisation	折舊及攤銷	36,837	3,077	622	2,247	42,783
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	—	—	317	317

For the year ended 31st December, 2005

截至二零零五年十二月三十一日止年度

### 8. BUSINESS AND GEOGRAPHICAL SEGMENTS *(Continued)*

#### Geographical Segments

The marketing activities of the Group's products is substantially carried out in Hong Kong while the Group's manufacturing activities are carried out in other regions in the People's Republic of China (the "PRC").

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
North America	北美洲		
United States of America	美國	201,452	233,351
Canada	加拿大	51,232	37,356
Europe	歐洲	212,512	230,671
Asia	亞洲	27,011	34,145
Other locations	其他地區	47,481	47,562
		<b>539,688</b>	<b>583,085</b>

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

		Carrying amounts of segment assets 分類資產之賬面值		Additions to property, plant and equipment 物業、廠房及設備添置	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Hong Kong	香港	168,474	239,757	1,201	524
The PRC	中國	309,569	287,765	60,141	21,899
Other locations	其他地區	89,687	91,214	25	273
		<b>567,730</b>	<b>618,736</b>	<b>61,367</b>	<b>22,696</b>

### 8. 業務及地區分類 (續)

#### 地區分類

本集團之大部份產品於香港銷售，而本集團之生產業務均於中華人民共和國（「中國」）的其他地區進行。

本集團銷售按地區市場分類（不根據原產地釐定）之分析提供如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
North America	北美洲		
United States of America	美國	201,452	233,351
Canada	加拿大	51,232	37,356
Europe	歐洲	212,512	230,671
Asia	亞洲	27,011	34,145
Other locations	其他地區	47,481	47,562
		<b>539,688</b>	<b>583,085</b>

分類資產賬面值以及物業、廠房及設備添置按資產之所屬地區分析如下：

		Carrying amounts of segment assets 分類資產之賬面值		Additions to property, plant and equipment 物業、廠房及設備添置	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Hong Kong	香港	168,474	239,757	1,201	524
The PRC	中國	309,569	287,765	60,141	21,899
Other locations	其他地區	89,687	91,214	25	273
		<b>567,730</b>	<b>618,736</b>	<b>61,367</b>	<b>22,696</b>

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### 9. OTHER INCOME

### 9. 其他收入

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Other income includes:	其他經營收入包括：		
Interest on bank balances	銀行存款利息	226	1,785
Yield on held-to-maturity investments/securities	持有至到期日投資／證券回報	3,934	5,404
Dividends from listed securities	上市證券之股息收入	—	11
Rentals from investment properties	投資物業之租金收入	391	376
PRC tax incentive (note)	中國稅務優惠(附註)	2,767	—

Note:

The PRC tax incentive represents part of the income tax paid by certain PRC subsidiaries refunded by the PRC government as an incentive for re-investment of the profits of these subsidiaries.

附註：

中國稅務優惠代表中國政府鼓勵集團中國子公司將溢利轉作投資，而將部份已付的企業所得稅退回。

### 10. FINANCE COSTS

### 10. 財務費用

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest on bank loans wholly repayable within one year	於一年內償還之銀行借款之利息	361	—
Interest on bank overdrafts	銀行透支之利息	84	4
		445	4



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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For the year ended 31st December, 2005

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### 11. PROFIT BEFORE TAX

### 11. 稅前溢利

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit before tax has been arrived at after charging (crediting):	稅前溢利已扣除(計入)下列項目:		
Auditors' remuneration	核數師酬金	1,100	989
Amortisation of prepaid lease payments for land	預付土地租金攤銷	832	832
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	31,802	41,951
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收入)虧損	(8)	317
Research and development expenditure	研究及發展成本	8,815	9,482
Staff costs including directors' remuneration (note)	包括董事酬金之職工成本(附註)	111,277	111,358
Net realised gain on dealing securities	證券買賣之收益淨額	—	(105)
Net loss from change in fair value of held for trading investments	持有用作買賣投資公平值變動之淨虧損	79	—
Net unrealised holding gain on other securities	持有其他證券的未實現收益淨額	—	(65)
Net exchange loss	滙差虧損淨額	2,258	41

Note:

The staff costs disclosed above include the Group's contributions to retirement benefit schemes amounted to HK\$3,743,000 (2004: HK\$2,486,000).

附註:

上述職工成本包括僱主對退休福利計劃作出之供款3,743,000港元(二零零四年: 2,486,000港元)。



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截至二零零五年十二月三十一日止年度

### 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

#### (b) Employees' Emoluments

The emoluments of the five highest paid employees which included three (2004: four) directors of the Company, details of which are set out above. The emoluments of the remaining two (2004: one) individuals were as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Salaries, allowances and benefits-in-kind	底薪、津貼及其他實物利益	1,459	655
Performance related incentive payments	按工作表現獎金	820	570
Contributions to retirement benefit schemes	退休福利計劃之供款	36	—
		<b>2,315</b>	<b>1,225</b>

The emoluments of each of these two (2004: one) individual(s) in the Group during the year were within the band of HK\$1,000,001 to HK\$1,500,000.

### 12. 董事及高級職員酬金 (續)

#### (b) 職員酬金

五名最高薪職員包括三名(二零零四年: 四名)董事, 其酬金詳情如下:

於本年內本集團有兩名(二零零四年: 一名)職員酬金在1,000,001港元至1,500,000港元組別內。

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### 13. INCOME TAX EXPENSE

### 13. 稅務開支

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Current tax	本年度稅項		
Hong Kong	香港	1,173	3,997
The PRC	中國	3,370	3,056
		4,543	7,053
(Over) underprovision	(超額) 不足撥備		
Hong Kong	香港	(283)	(445)
The PRC	中國	12	95
Other jurisdictions	其他司法地區	—	4
		(271)	(346)
Deferred taxation (note 29)	本年度遞延稅項 (附註29)		
Current year		897	(355)
		5,169	6,352

Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profit for the year.

香港利得稅乃根據年內估計應課稅溢利按稅率17.5% (二零零四年：17.5%) 計算。

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

其他司法地區所產生之稅項乃按有關司法地區實行之稅率計算。

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## 綜合財務報表附註

For the year ended 31st December, 2005

截至二零零五年十二月三十一日止年度

### 13. INCOME TAX EXPENSE (Continued)

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

### 13. 稅務開支 (續)

本年度稅務開支與收益表內之溢利對賬詳情如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit before tax	除稅前溢利	46,044	58,434
Tax at the domestic income tax rate of 17.5% (2004: 17.5%)	按本地利得稅稅率17.5% (二零零四年：17.5%) 計算之稅項	8,058	10,226
Tax effect of expenses not deductible	不可扣減開支之稅務影響	1,077	111
Tax effect of income not taxable	免稅收入之稅務影響	(1,221)	(1,493)
Tax effect of profit not chargeable to tax (note)	免稅溢利之稅務影響 (附註)	(1,127)	(2,139)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法地區經營之 附屬公司之不同稅率影響	(3,038)	(2,224)
Tax effect of deferred tax assets not recognised	未確認遞延稅項資產之影響	2,272	1,768
Utilisation of deferred tax assets previously not recognised	實現前期未確認遞延稅 項資產之影響	(51)	(493)
Overprovision in respect of prior year	過往年度超額撥備	(271)	(346)
Others	其他	(530)	942
Income tax expense for the year	本年度之稅務開支	5,169	6,352

Note:

The profits of certain subsidiaries are subject to Hong Kong Profits Tax on a 50:50 apportionment basis.

附註：

若干附屬公司之溢利享有減半徵收香港利得稅。

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### 14. DIVIDENDS

### 14. 股息

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interim dividend paid: HK2 cents (2004: HK3 cents) per ordinary share	已付中期股息每股：2港仙 (二零零四年：3港仙)	6,686	11,151
Final dividend proposed HK6 cents (2004: HK7 cents) per ordinary share	建議末期股息每股：6港仙 (二零零四年：7港仙)	19,975	26,020
Additional prior year's dividend paid on subsequent issue of shares	前期結算日後增發股份 須多付之股息	—	354
		<b>26,661</b>	<b>37,525</b>

The final dividend of HK6 cents per ordinary share, totalling HK\$19,975,000 has been proposed by the directors and are subject to approval by the shareholders in general meeting.

董事會建議派發之末期股息每股6港仙合共19,975,000港元，需待即將舉行之股東週年大會上之股東批准。

The amounts of final dividend proposed are calculated based on the number of shares in issue as at the date of approval of these financial statements.

末期建議股息款項乃按照於本財務報表批准發行當日之股份數目計算。

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### 15. EARNINGS PER SHARE

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

### 15. 每股溢利

基本及攤薄每股溢利之計算乃根據：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Earnings for the purposes of basic and diluted earnings per share	藉以計算基本及攤薄後每股溢利之溢利	40,875	52,082
		Number of shares 股份數目	
		'000 千股	'000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	藉以計算基本每股溢利之普通股加權平均數	360,548	370,971
Effect of dilutive potential shares in respect of share options	有關購股權於普通股之潛在攤薄影響	173	757
Weighted average number of ordinary shares for the purpose of diluted earnings per share	藉以計算攤薄後每股溢利之普通股加權平均數	360,721	371,728

The following table shows the impact on basic and diluted earnings per share as a result of the changes in accounting policies as described in note 2.

下表顯示因附註2所述之會計政策變動對每股基本及攤薄盈利構成之影響。

		2005 二零零五年 HK Cents 港仙	2004 二零零四年 HK Cents 港仙
Reported figure before adjustments	調整前呈報之數字	11.5	14.5
Adjustments arising from changes in accounting policies (note 3)	會計政策變動產生之調整 (附註3)	(0.2)	(0.5)
Restated	重列	11.3	14.0



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## 16. PROPERTY, PLANT AND EQUIPMENT

## 16. 物業、廠房及設備

		Land and buildings 土地及樓宇 HK\$'000 千港元	Factory under construction 在建廠房 HK\$'000 千港元	Plant and machinery 設備 及機器 HK\$'000 千港元	Moulds and tools 模具 及工具 HK\$'000 千港元	Leasehold improvements, furniture, fixtures and equipment 裝修、 傢俬、裝 置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>COST</b>	<b>按成本值</b>							
At 1st January, 2004	於二零零四年一月一日							
— as originally stated	— 原列	148,300	—	128,048	123,601	57,865	6,844	464,658
— effects of changes in accounting policies (note 3)	— 會計政策變動之影響 (附註3)	(18,681)	—	—	—	—	—	(18,681)
— as restated	— 重列	129,619	—	128,048	123,601	57,865	6,844	445,977
Additions	添置	—	3,719	1,826	15,538	915	698	22,696
Disposals	出售	—	—	(410)	(23)	(1,858)	(901)	(3,192)
At 31st December, 2004	於二零零四年十二月三十一日	129,619	3,719	129,464	139,116	56,922	6,641	465,481
Additions	添置	—	41,502	2,437	15,104	1,745	579	61,367
Disposals	出售	—	—	—	—	(157)	—	(157)
At 31st December, 2005	於二零零五年十二月三十一日	129,619	45,221	131,901	154,220	58,510	7,220	526,691
<b>DEPRECIATION</b>	<b>折舊</b>							
At 1st January, 2004	於二零零四年一月一日							
— as originally stated	— 原列	—	—	93,754	112,303	37,188	6,071	249,316
— effects of changes in accounting policies (note 3)	— 會計政策變動之影響 (附註3)	30,359	—	—	—	—	—	30,359
— as restated	— 重列	30,359	—	93,754	112,303	37,188	6,071	279,675
Provided for the year	本年度準備	6,996	—	14,903	12,762	6,773	517	41,951
Eliminated on disposals	出售時撇銷	—	—	(365)	(9)	(1,536)	(892)	(2,802)
At 31st December, 2004	於二零零四年十二月三十一日	37,355	—	108,292	125,056	42,425	5,696	318,824
Provided for the year	本年度準備	5,028	—	7,700	12,783	5,734	557	31,802
Eliminated on disposals	出售時撇銷	—	—	—	—	(154)	—	(154)
At 31st December, 2005	於二零零五年十二月三十一日	42,383	—	115,992	137,839	48,005	6,253	350,472
<b>CARRYING VALUES</b>	<b>賬面值</b>							
At 31st December, 2005	於二零零五年十二月三十一日	87,236	45,221	15,909	16,381	10,505	967	176,219
At 31st December, 2004	於二零零四年十二月三十一日	92,264	3,719	21,172	14,060	14,497	945	146,657

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### 16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The above items of property, plant and equipment, other than factory under construction, are depreciated on a straight-line basis at the following rates per annum:

Category of assets	Estimated useful lives
Buildings	20 to 25 years or over the lease term of the land on which the building is situated, if shorter
Plant and machinery	5 to 8 years
Moulds and tools	3 to 5 years
Other tangible fixed assets	4 to 5 years

An analysis of the carrying value of the Group's properties is set out below:

### 16. 物業、廠房及設備 (續)

除在建廠房外，以上物業、廠房及設備以直線法每年按以下利率撇銷成本值：

資產類別	估計可用年限
樓宇	二十至二十五年或按土地租約年期，兩者之較短者
設備及機器	五至八年
模具及工具	三至五年
其他有形固定資產	四至五年

本集團物業之賬面淨值分析如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Buildings situated on leasehold interest in land	按土地租用權之租約樓宇		
In Hong Kong	香港		
under long lease	— 長期租約	10,039	10,290
under medium-term lease	— 中期租約	643	248
In the PRC	中國		
under medium-term lease	— 中期租約	76,554	81,726
		87,236	92,264
Factory under construction on leasehold interest in land	按土地租用權之在建廠房		
In the PRC	中國		
under medium-term lease	— 中期租約	45,221	3,719
		132,457	95,983

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### 17. PREPAID LEASE PAYMENTS FOR LAND

The Group's prepaid lease payments for land comprise land use rights in the PRC and leasehold land situated in Hong Kong which are held under medium-term leases as follows:

### 17. 預付土地租金

本集團預付土地租金包括以中期租約之中國土地使用權及香港租約土地如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Leasehold land	租約土地		
In the PRC	中國	28,331	24,989
In Hong Kong	香港	15,372	15,707
		<b>43,703</b>	<b>40,696</b>
Analysed for reporting purposes as:	作報告用途之分析：		
Non-current	非流動	42,723	39,864
Current	流動	980	832
		<b>43,703</b>	<b>40,696</b>

### 18. INVESTMENT PROPERTIES

### 18. 投資物業

In Hong Kong on long lease  
於香港並以長期租約持有

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
<b>FAIR VALUE</b>	<b>公平值</b>		
At beginning of the year	於年初	7,500	4,400
Surplus on revaluation recognised in the consolidated income statement	重估盈餘於綜合收益表中確認	—	3,100
Increase in fair value recognised in the consolidated income statement	公平值增加於綜合收益表中確認	3,400	—
At end of the year	於年終	<b>10,900</b>	<b>7,500</b>

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### 18. INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties at 31st December, 2005, have been arrived at on the basis of a valuation carried out on that date by RHL Appraisal Ltd., independent qualified professional valuers not connected with the Group with appropriate qualifications and recent experiences in valuation of similar properties in the relevant locations. The valuation report was issued by RHL Appraisal Ltd., represented by its director who is a member of the Institute of Valuers. The valuation, which conformed to Hong Kong Institute of Surveyors Valuation Standards on Properties, was arrived at by reference to market evidence of transaction prices for similar properties, gave rise to an increase of HK\$3,400,000 (2004: HK\$3,100,000) which has been accounted for in the consolidated income statement.

All of the Group's leasehold interest in land held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

All of the Group's investment properties are rented out under operating leases.

### 19. INVESTMENTS IN SECURITIES

Investments in securities as at 31st December, 2004 are set out below. Upon the application of HKAS 39 on 1st January, 2005, investment in securities of HK\$73,549,000 and HK\$240,000 were reclassified to held-to-maturity investments and held for trading investments respectively.

### 18. 投資物業 (續)

公平值之投資物業於二零零五年十二月三十一日由一獨立物業估值師行，永利行評值顧問有限公司，按現有經驗及相關地區之相近物業評估。有關估值報告由永利行評值顧問有限公司為估值師公會成員之董事代表發出。有關估值與香港測量師公會之估值標準一致並由類似物業之市場成交價計算得出。重估產生之增值3,400,000港元(二零零四年：3,100,000)已在撥入綜合收益表內。

所有本集團之土地租用權，用作賺取租金收入或以資產增值為目的，均按公平值入賬及以投資物業列示。

所有本集團之投資物業已按經營租約租出。

### 19. 證券投資

於二零零四年十二月三十一日的證券投資於以下列示。於二零零五年一月一日，因採納香港會計實務準則第39號，73,549,000港元及240,000港元的證券投資分別分類至持有至到期日之投資及持有用作買賣投資。

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### 19. INVESTMENTS IN SECURITIES (Continued) 19. 證券投資 (續)

		2004 二零零四年 HK\$'000 千港元
Held-to-maturity securities	持有至到期日的證券	
Unlisted bonds	非上市的債券	73,549
Other equity securities	其他資本證券	
Listed in Hong Kong	於香港上市	240
		73,789
Less: Securities included in current assets	減：包括在流動資產之證券	(10,211)
		63,578
Market value of listed securities	上市證券市值	240

### 20. HELD-TO-MATURITY INVESTMENTS

Upon the application of HKAS 39 on 1st January, 2005, investments in unlisted bonds of HK\$73,549,000 were reclassified to held-to-maturity investments.

### 20. 持有至到期日之投資

於二零零五年一月一日，因採納香港會計實務準則第39號，73,549,000港元的非上市債券分類至持有至到期日之投資。

		2005 二零零五年 HK\$'000 千港元
Unlisted bonds	非上市的債券	63,139
Less: Included in current assets	減：包括在流動資產	(10,089)
		53,050

The unlisted bonds carry fixed interest rates maturing within 5 years. The effective interest rates on the bonds range from 2.76% to 6.17%. The fair value of the unlisted bonds at 31st December, 2005 amounted to HK\$62,000,000, determined by reference to prices quoted by financial institutions.

非上市的債券附有固定利率及於5年內到期。債券的實際利率由2.76%至6.17%。根據金融機構之報價，於二零零五年十二月三十一日，該些非上市的債券的公平值為62,000,000港元。

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### 21. HELD FOR TRADING INVESTMENTS

Upon the application of HKAS 39 on 1st January, 2005, investments in listed securities of HK\$240,000 were reclassified to held for trading investments.

Equity securities listed in Hong Kong	於香港上市之股本證券	161
Market value of listed securities	上市證券市值	161

The fair value of the Group's held for trading investments at the balance sheet date was determined based on the quoted market bid prices available on the relevant exchanges.

### 22. LONG-TERM BANK DEPOSITS

The deposits represent US dollar deposits placed with banks with an aggregate principal amount of US\$4,000,000 (2004: US\$4,000,000) which carry interests chargeable at certain pre-determined rates less London Interbank Offered Rate. The bank deposits will mature from 2009 to 2013 or earlier, if the interest income accrued on the deposits reaches certain specified amount. Such deposits are designated as financial assets at fair value through profit or loss.

The loss on fair value changes of financial assets of the year amounting to HK\$2,383,000 (2004: Nil) has been arrived at after including the interest income on these bank deposits of HK\$1,139,000.

The directors consider the carrying amount of these bank deposits approximates their fair value, based on the amounts quoted by financial institutions.

### 23. BANK BALANCES AND CASH

Bank balances and cash comprise short-term bank deposits carrying interests at prevailing market interest rates or fixed interest rates ranging from 1.71% to 4.00% (2004: 0.30% to 2.20%).

The directors consider the carrying amount of bank balances and cash approximates their fair value.

### 21. 持有用作買賣投資

於二零零五年一月一日，因採納香港會計實務準則第39號，240,000港元的上市證券投資分類至持有用作買賣投資。

2005  
二零零五年  
HK\$'000  
千港元

Equity securities listed in Hong Kong	於香港上市之股本證券	161
Market value of listed securities	上市證券市值	161

於資產負債表日，集團的持有用作買賣投資的公平值以其有關的交易所所報的市場價格訂定。

### 22. 長期銀行存款

該存款代表存於銀行之美元存款，合共本金4,000,000美元（二零零四年：4,000,000美元）。該存款附有利息，以事前議定之利率減去倫敦銀行同業拆息。銀行存款會於二零零九至二零一三年期間到期，倘利息達至某一特定金額，可提早到期。該存款定為按公平值計入損益表之投資之金融資產。

本年度的金融資產公平值轉變引至的虧損為2,383,000港元（二零零四：無）並已包括在銀行存款利息1,139,000港元。

根據金融機構之報價，董事認為該銀行存款之賬面值與公平相若。

### 23. 銀行結存及現金

銀行結存及現金包括附有由1.71%至4.00%（二零零四年：0.3%至2.20%）現時市場利率或固定利率之短期銀行存款。

董事認為銀行存款及現金之賬表值與公平值相若。

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### 24. INVENTORIES

### 24. 存貨

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Raw materials	原料	37,272	29,747
Work in progress	在製品	57,801	45,886
Finished goods	製成品	44,908	50,659
		<b>139,981</b>	<b>126,292</b>

### 25. TRADE AND OTHER RECEIVABLES

### 25. 貿易及其他應收款項

The Group allows a credit period of 30 to 90 days to its trade customers.

本集團一般給予客戶三十天至九十天信貸期。

The aging analysis of the Group's trade receivables is set out below:

本集團貿易應收款項之賬齡分析如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade receivables, aged	貿易應收款項		
0 — 30 days	0至30天	12,526	9,458
31 — 60 days	31至60天	10,130	10,178
61 — 90 days	61至90天	14,004	11,501
Over 90 days	90天以上	8,357	7,178
		<b>45,017</b>	<b>38,315</b>
Other receivables	其他應收款項	4,136	954
		<b>49,153</b>	<b>39,269</b>

The directors consider the carrying amount of trade and other receivables approximates their fair value.

董事認為貿易及其他應收款項之賬面值與其公平值相若。



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### 26. BILLS RECEIVABLES

The aging analysis of the Group's bills receivables is set out below:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 — 30 days	0至30天	5,592	6,293
31 — 60 days	31至60天	1,642	2,711
61 — 90 days	61至90天	2,464	10,243
Over 90 days	90天以上	1,583	2,375
		11,281	21,622

The directors consider the carrying amount of the bills receivables approximates their fair value.

### 26. 應收票據

應收票據之帳齡如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 — 30 days	0至30天	5,592	6,293
31 — 60 days	31至60天	1,642	2,711
61 — 90 days	61至90天	2,464	10,243
Over 90 days	90天以上	1,583	2,375
		11,281	21,622

董事認為應收票據之賬面值與其公平值相若。

### 27. TRADE AND OTHER PAYABLES

The aging analysis of the Group's trade payables is set out below:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade payables, aged	貿易應付款項		
0 — 30 days	0至30天	12,380	11,295
31 — 60 days	31至60天	7,192	7,214
61 — 90 days	61至90天	1,664	2,063
Over 90 days	90天以上	368	400
		21,604	20,972
Other payables	其他應付款項	12,651	13,779
		34,255	34,751

The directors consider the carrying amount of the trade and other payables approximates their fair value.

### 27. 貿易及其他應付款項

本集團貿易應付款項之賬齡分析如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade payables, aged	貿易應付款項		
0 — 30 days	0至30天	12,380	11,295
31 — 60 days	31至60天	7,192	7,214
61 — 90 days	61至90天	1,664	2,063
Over 90 days	90天以上	368	400
		21,604	20,972
Other payables	其他應付款項	12,651	13,779
		34,255	34,751

董事認為貿易及其他應付款項之賬面值與其公平值相若。

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### 28. SHARE CAPITAL

### 28. 股本

		Number of shares		Nominal value	
		股份數目		面值	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		'000	'000	HK\$'000	HK\$'000
		千	千	千港元	千港元
Ordinary shares of HK\$0.1 each Authorised	每股面值0.1港元之普通股法定	800,000	800,000	80,000	80,000
Issued and fully paid: At beginning of the year	已發行及繳足：年初	371,712	367,412	37,171	36,741
Issued pursuant to exercise of share options	依據行使購股權發行之股本	—	4,400	—	440
Repurchased and cancelled	贖回及註銷	(37,746)	(100)	(3,774)	(10)
At end of the year	年終	333,966	371,712	33,397	37,171

#### Repurchase of Own Shares

During the year, the Company entered into an agreement for the off-market repurchase of 37,000,000 issued shares of the Company from one of the Company's shareholders, Walbeck International Limited, at an aggregate consideration of HK\$57,720,000 in cash, representing HK\$1.56 per share.

In addition, the Company also repurchased ordinary shares of the Company on the Stock Exchange, all of which have been cancelled upon purchase.

#### 購回股份

於本年度內，本公司與其一股東——Walbeck International Limited 達成協議，以每股1.56港元，合共57,720,000港元於場外回購本公司37,000,000股已發行股份。

另外，本公司亦在香港聯合交易所有限公司回購本公司之普通股，所有購回之股份已被註銷。

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**28. SHARE CAPITAL** (Continued)**Repurchase of Own Shares** (Continued)

Particulars of the shares repurchased are as follows:

Month	月份	Number of ordinary shares of HK\$0.10 each 每股0.10港元之 普通股股份數目 '000	Purchase price 購買價格		Total consideration paid 總代價 HK\$'000 港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
2005	2005年				
May	五月	420	1.71	1.62	711
September	九月	37,000	1.56	1.56	57,720
October	十月	150	1.27	1.26	190
November	十一月	96	1.22	1.22	117
December	十二月	80	1.23	1.23	98
		37,746			58,836

The repurchases on the Stock Exchange were effected by the directors pursuant to the mandate from shareholders, with a view to benefiting shareholders as a whole by the enhancement of the earnings per share of the Company.

Other than above, none of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

**28. 股本** (續)**購回股份** (續)

股份購回詳情如下：

該等於聯交所購回乃董事會根據股東授權而執行，目的為提高本公司每股盈利，從而整體上使股東受益。

除以上所述，於本年度內本公司任何附屬公司概無購買、出售或贖回本公司任何上市證券。

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### 28. SHARE CAPITAL (Continued)

#### Share Option Scheme

The Company's share option scheme (the scheme) was adopted on 21st December, 1995 for the primary purpose of providing incentives to directors and eligible employees, and had expired on 20th December, 2005. Under the Scheme, options had been granted to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The following table discloses details of the Company's share options and movements in such holdings:

### 28. 股本 (續)

#### 購股權計劃

本公司於一九九五年十二月二十一日採納購股權計劃(「計劃」)，主要目的為向董事及合資格僱員提供獎勵，計劃已於二零零五年十二月二十日屆滿。根據計劃，本公司董事會可向合資格僱員(包括本公司及其附屬公司之董事)授予購股權。

下表披露本公司購股權，以及購股權持有情況變動之詳情：

Granted to 授予	Date of grant 授予日期	Exercisable period 行使期	Subscription price per share 每股認購價 HK\$ 港元	Number of shares under options granted 授予購股權涉及之股份數目		
				Outstanding at 1st January, 2005 於二零零五年 一月一日 尚未行使	Movements during the year Exercised 年內變動 行使	Outstanding at 31st December, 2005 於二零零五年 十二月三十一日 尚未行使
Directors 董事	2nd January, 2002 二零零二年一月二日	1st January, 2004 — 31st December, 2013 二零零四年一月一日至 二零一三年十二月三十一日	1.1	600,000	—	600,000

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## 28. SHARE CAPITAL (Continued)

## Share Option Scheme (Continued)

Granted to 授予	Date of grant 授予日期	Exercisable period 行使期	Subscription price per share 每股認購價 HK\$ 港元	Number of shares under options granted 授予購股權涉及之股份數目		
				Outstanding at 1st January, 2004 於二零零四年 一月一日 尚未行使	Movements during the year 2004 年內變動 行使	Outstanding at 31st December, 2004 於二零零四年 十二月三十一日 尚未行使
Directors 董事	2nd January, 2002 二零零二年一月二日	1st January, 2004 — 31st December, 2013 二零零四年一月一日至 二零一三年十二月三十一日	1.1	1,300,000	(700,000)	600,000
Employees 僱員	2nd January, 2002 二零零二年一月二日	1st January, 2004 — 31st December, 2013 二零零四年一月一日至 二零一三年十二月三十一日	1.1	3,700,000	(3,700,000)	—
				5,000,000	(4,400,000)	600,000

No options were granted, cancelled, lapsed or forfeited during the year ended 31st December, 2005 and 2004.

By the application of the transitional provisions in HKFRS 2, the financial impact of the share options granted is not recorded in the consolidated balance sheet until such time when the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded 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 issued is recorded by the Company in the share premium account. Options which lapsed or are cancelled or forfeited prior to their exercise date are deleted from the register of outstanding options.

## 28. 股本 (續)

## 購股權計劃 (續)

Granted to 授予	Date of grant 授予日期	Exercisable period 行使期	Subscription price per share 每股認購價 HK\$ 港元	Number of shares under options granted 授予購股權涉及之股份數目		
				Outstanding at 1st January, 2004 於二零零四年 一月一日 尚未行使	Movements during the year 2004 年內變動 行使	Outstanding at 31st December, 2004 於二零零四年 十二月三十一日 尚未行使
Directors 董事	2nd January, 2002 二零零二年一月二日	1st January, 2004 — 31st December, 2013 二零零四年一月一日至 二零一三年十二月三十一日	1.1	1,300,000	(700,000)	600,000
Employees 僱員	2nd January, 2002 二零零二年一月二日	1st January, 2004 — 31st December, 2013 二零零四年一月一日至 二零一三年十二月三十一日	1.1	3,700,000	(3,700,000)	—
				5,000,000	(4,400,000)	600,000

截至二零零四年及二零零五年十二月三十一日止，並無購股權授予、取消、失效或撤回。

根據香港會計準則第2號的過渡條文，已授予之購股權的財務影響並沒有在綜合資產負債表記錄，直至行使該購股權；及並沒有就有關授予購股權價值的開支於綜合收益表中確認。於行使購股權時，發行之股份會以面值記錄為本公司之額外股本，行使價與面值之溢價則會記錄於公司的股份溢價帳內。於行使日前，如有購股權失效或取消或撤回，該購股權會於未行使購股權記錄刪除。

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### 29. DEFERRED TAX ASSETS (LIABILITIES)

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

### 29. 遞延稅項資產(負債)

以下為本集團確認之主要遞延稅項資產及負債及於現行與之前年度之變動：

		Revaluation of properties 物業重估 HK\$'000 千港元	Accelerated tax depreciation 加速 稅項折舊 HK\$'000 千港元	Unrealised profit on intra-group transfer of assets 集團內資 產轉移之 未變現溢利 HK\$'000 千港元	Other temporary differences 其他 暫時差異 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1st January, 2004	於二零零四年一月一日					
— as originally stated	— 原列	(1,238)	(1,909)	3,794	976	1,623
— effects of changes in accounting policies (note 3)	— 會計政策 變動之影響 (附註3)	1,238	(2,003)	—	—	(765)
— as restated	— 重列	—	(3,912)	3,794	976	858
Credit (charge) to income for the year	於本年度收入中 計入(扣除)	—	1,013	(342)	(316)	355
At 31st December, 2004	於二零零四年 十二月三十一日	—	(2,899)	3,452	660	1,213
Credit (charge) to income for the year	於本年度收入中 計入(扣除)	—	8	(1,302)	397	(897)
At 31st December, 2005	於二零零五年 十二月三十一日	—	(2,891)	2,150	1,057	316
					2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產				4,501	4,663
Deferred tax liabilities	遞延稅項負債				(4,185)	(3,450)
					316	1,213

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### 29. DEFERRED TAX ASSETS (LIABILITIES)

*(Continued)*

At 31st December, 2005, the Group had unused tax losses of HK\$38,060,000 (2004: HK\$24,483,000) available for offset against future profits. Deferred tax assets have been recognised in respect of HK\$3,293,000 (2004: HK\$1,856,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$34,767,000 (HK\$22,627,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$23,118,000 (2004: HK\$18,653,000) that will expire from 2006 to 2025. Other unused tax losses may be carried forward indefinitely.

At 31st December, 2005, the Group had deductible temporary differences of HK\$53,415,000 (2004: HK\$66,242,000). Deferred tax assets have been recognised in respect of HK\$17,079,000 (2004: HK\$26,521,000) of such deductible temporary differences. No deferred tax assets have been recognised in respect of the remaining HK\$36,336,000 (2004: HK\$39,721,000) due to the unpredictability of future profit streams.

### 30. RETIREMENT BENEFIT PLANS

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Scheme Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Ordinance. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

The ORSO Scheme is funded by monthly contributions from both employees and the Group, calculated at 5% of the employee's basic salary.

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by the employees.

### 29. 遞延稅項資產(負債) (續)

於二零零五年十二月三十一日，本集團未使用稅項虧損用以抵銷未來溢利為38,060,000港元(二零零四年：24,483,000港元)。就該稅務虧損之已確認之遞延稅項資產為3,293,000港元(二零零四年：1,856,000港元)。餘下的34,767,000港元(二零零四年：22,627,000港元)，由於不能確定其未來溢利之趨勢，故此並沒有確認為遞延稅項資產。其中包括在未確認之稅務虧損23,118,000港元(二零零四年：18,653,000港元)將於二零零六年至二零二五年到期；其他未使用稅項虧損可無限期結轉。

於二零零五年十二月三十一日，本集團可扣減之暫時差異為53,415,000港元(二零零四年：66,242,000港元)。就該可扣減之暫時差異已確認之遞延稅項資產為17,079,000港元(二零零四年：26,521,000港元)。由於不可預知其未來溢利趨勢，故此餘下的36,336,000港元(二零零四年：39,721,000港元)可扣減之暫時差異並沒有確認為遞延稅項資產。

### 30. 退休福利計劃

本集團參與已向職業退休計劃條例(「職業退休計劃」)登記之定額供款計劃以及根據強制性公積金計劃條例成立之強制性公積金計劃(「強積金計劃」)。該等計劃之資產與本集團的資產分開持有，存放於信託人控制之基金內。

職業退休計劃由僱員與本集團各按僱員基本薪金之5%作出每月供款而運作。

就強積金計劃成員而言，本集團按有關薪酬成本之5%向強積金計劃作出供款，供款額與僱員相同。



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### 30. RETIREMENT BENEFIT PLANS (Continued)

According to the relevant laws and regulations in the PRC, the subsidiaries in the PRC are required to contribute a certain percentage of the salaries and wages of their employees to the retirement benefit schemes to fund the retirement benefits of their employees.

Where there are employees who left the ORSO Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions. No forfeited contributions were utilised in this manner during the year. At 31st December, 2005, there were no forfeited employer's contributions available to reduce the contributions payable in future years (2004: Nil).

### 31. OPERATING LEASES

The Group as Lessee

### 30. 退休福利計劃 (續)

根據中國之有關法規，中國附屬公司須將薪金及工資的若干百分比用作退休福利計劃供款，以提供僱員的退休福利。

倘若僱員於供款全數歸於彼等所有前離開職業退休計劃，沒收之供款會作扣減本集團之應付供款。於本年度內，並無沒收供款用於此用途。於二零零五年十二月三十一日，並無已沒收的僱主供款可用於扣減未來的應付供款（二零零四年：無）。

### 31. 經營租約

本集團為承租人

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Lease payments paid under operating leases in respect of land and buildings	根據土地及樓宇經營租約已付之租金	2,296	3,177

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### 31. OPERATING LEASES (Continued)

#### The Group as Lessee (Continued)

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

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內	2,604	2,285
In the second to fifth year inclusive	第二至五年 (包括首尾兩年)	5,395	1,381
		7,999	3,666

Operating lease payments represent rentals payable by the Group for overseas offices and warehouses. Leases are negotiated for an average term of two to three years and rentals are fixed during such period.

#### The Group as Lessor

Property rental income earned during the year was HK\$391,000 (2004: HK\$376,000). The properties held have committed tenants for two years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內	213	391
In the second to fifth year inclusive	第二至五年 (包括首尾兩年)	—	228
		213	619

### 31. 經營租約 (續)

#### 本集團為承租人 (續)

於結算日，本集團根據將於下列期限屆滿之樓宇不可撤銷經營租約之日後最低租金承擔如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	2,604	2,285
In the second to fifth year inclusive	5,395	1,381
	7,999	3,666

經營租約租金指本集團就海外辦公室及貨倉應付之租金。租約均按平均租期兩至三年磋商，而於上述期間之租金均屬固定。

#### 本集團為出租人

年內賺取之物業租金收入為391,000港元(二零零四年：376,000港元)。該等所持物業由租客承租，而租期為兩年。

於結算日，本集團與租客訂立合約，其日後最低租金如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	213	391
In the second to fifth year inclusive	—	228
	213	619

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### 32. CAPITAL COMMITMENTS

### 32. 資本承擔

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for	12,808	22,619

### 33. MATERIAL RELATED PARTY TRANSACTIONS

### 33. 重大關聯交易

The emoluments of key management are presented in note 12.

主要管理人員之薪酬於附註12列示。

### 34. COMPANY'S BALANCE SHEET

### 34. 公司資產負債表

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
<b>Non-current Assets</b>		
Investments in subsidiaries	107,146	107,146
Amount due from a subsidiary	—	169,720
	107,146	276,866
<b>Current Assets</b>		
Amounts due from subsidiaries	172,226	63,285
Deposits and prepayments	225	220
Tax recoverable	193	—
Bank balances and cash	1	53
	172,645	63,558
<b>Current Liabilities</b>		
Creditors and accruals	223	258
Tax liabilities	—	164
	223	422
<b>Net Current Assets</b>	172,422	63,136
	279,568	340,002
<b>Capital and Reserves</b>		
Share capital	33,397	37,171
Share premium	98,757	133,902
Capital redemption reserve	5,902	2,128
Contributed surplus	100,635	100,635
Retained profits	40,877	66,166
	279,568	340,002

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### 35. PARTICULARS OF SUBSIDIARIES

Details of the principal subsidiaries at 31st December, 2005 which are operating in the place in which they are incorporated or registered, unless otherwise indicated, are as follows:

### 35. 附屬公司詳情

以下為於二零零五年十二月三十一日主要附屬公司之詳情，除特別註明外，該等附屬公司之經營地點為其註冊成立或登記地點：

Name of subsidiary 附屬公司名稱	Place/ country of incorporation or registration 註冊成立/ 登記地點/國家	Paid-up issued/ registered capital 已發行股本/ 註冊資本	Principal activities 主要業務
<b>Wholly-owned subsidiary directly held:</b> 直接全資擁有附屬公司：			
RBI International Investment Limited <sup>(i)</sup>	British Virgin Islands 英屬處女群島	Ordinary US\$30,000 普通股 30,000美元	Investment holding and trading of securities 投資控股及證券買賣
<b>Wholly-owned subsidiaries indirectly held:</b> 間接全資擁有附屬公司：			
Dongguan Tai Fat Toy Factory Ltd. (a foreign wholly-owned enterprise) 東莞大發玩具廠有限公司 (全資外商投資企業)	The PRC 中國	Registered HK\$36,800,000 註冊資本 36,800,000港元	Manufacture and sale of toys 製造及銷售玩具
Dongguan Tungfat Toy Factory Co. Ltd. (a foreign wholly-owned enterprise) 東莞東發玩具廠有限公司 (全資外商投資企業)	The PRC 中國	Registered HK\$55,670,000 註冊資本 55,670,000港元	Manufacture and sale of toys 製造及銷售玩具
Motormax Industries (Heyuan) Ltd. (a foreign wholly-owned enterprise) 駿發實業(河源)有限公司 (全資外商投資企業)	The PRC 中國	Registered HK\$30,000,000 註冊資本 30,000,000港元	Manufacture and sale of toys 製造及銷售玩具
Motormax Toy Factory Limited 駿發玩具廠有限公司	Hong Kong 香港	Ordinary HK\$100,000 普通股 100,000港元	Trading of toys 買賣玩具

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 35. PARTICULARS OF SUBSIDIARIES (Continued)

## 35. 附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place/ country of incorporation or registration 註冊成立/ 登記地點/國家	Paid-up issued/ registered capital 已發行股本/ 註冊資本	Principal activities 主要業務
Wholly-owned subsidiaries indirectly held: (Continued) 間接全資擁有附屬公司：(續)			
RBI Industries (Shenzhen) Co. Ltd. (a foreign wholly-owned enterprise) 紅發實業(深圳)有限公司 (全資外商投資企業)	The PRC 中國	Registered HK\$46,000,000 註冊資本 46,000,000港元	Manufacture and sale of toys 製造及銷售玩具
RBI Toys Inc.	United States of America 美國	Common Stock US\$10,000 普通股 10,000美元	Trading of toys 買賣玩具
Red Box Toy Factory Limited 紅盒玩具廠有限公司	Hong Kong 香港	Ordinary HK\$1,000 Non-voting deferred <sup>(iii)</sup> HK\$12,000,000 普通股 1,000港元 無投票權遞延股 <sup>(iii)</sup> 12,000,000港元	Design, trading and marketing of toys and investment holding 設計、買賣與 經銷玩具及 投資控股
Tai Fat Toy Factory (China) Limited <sup>(iii)</sup> 大發玩具廠(中國)有限公司 <sup>(iii)</sup>	Hong Kong 香港	Ordinary HK\$2,900,000 Non-voting deferred <sup>(iii)</sup> HK\$5,100,000 普通股 2,900,000港元 無投票權遞延股 <sup>(iii)</sup> 5,100,000港元	Manufacture and sale of toys 製造及銷售 玩具

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### 35. PARTICULARS OF SUBSIDIARIES *(Continued)*

- (i) Operating principally in Hong Kong.
- (ii) Operating principally in the PRC.
- (iii) The non-voting deferred shares, which are held by RBI International Investment Limited, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meetings of the respective companies or to participate in any distributions on winding up.

None of the subsidiaries had any debt securities outstanding during the year and at the end of the year.

### 35. 附屬公司詳情 (續)

- (i) 主要於香港經營
- (ii) 主要於中國經營
- (iii) 該等無投票權遞延股份由 RBI International Investment Limited 持有，持有此等股份實質上並無權收取有關公司之股息，亦無權接收有關公司之任何股東大會之通告或出席有關大會或於會上投票，而在公司清盤時，亦無權享有任何分派。

附屬公司於年內及年終概無任何債務股本。