

I GENERAL INFORMATION

Ngai Hing Hong Company Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in manufacturing and trading of plastic materials, pigments, colorants, compounded plastic resins, engineering plastic products and PVC compounds.

The Company is a limited liability company incorporated in the Bermuda Islands. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These consolidated accounts are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These consolidated accounts have been approved for issue by the Board of Directors on 16th October 2006.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated accounts are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated accounts have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated accounts have been prepared under the historical cost convention, as modified by the revaluation of investments properties, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated accounts in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the consolidated accounts, are disclosed in note 4.

1 一般資料

毅興行有限公司(「本公司」)及其子公司(統稱「本集團」)主要從事塑膠原料、色粉、着色劑、混料、工程塑料及PVC膠粒之製造及買賣。

本公司是於百慕達註冊之一間有限責任公司。公司註冊地址為 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司之股票已於香港聯合交易所有限公司之主版上市。

除非已另外列明，本綜合賬目乃以港幣千元(千港元)列示。本綜合賬目已於二零零六年十月十六日被董事局批准。

2 主要會計政策概要

下文載有編製此等財務報表所採納之主要會計政策。除非另有所指，此等政策已於呈列之所有年度貫徹採用。

2.1 編製基準

此等財務報表乃按照香港財務報告準則(「香港財務報告準則」)編製。財務報表根據歷史成本慣例編製，並以重估後之投資物業、金融資產及金融負債(包括衍生工具)，按公平值列賬並在損益表內處理。

編製符合香港財務報告準則之財務報表須利用若干重大會計估計，並需要管理層在採納本集團之會計政策時作出判斷。涉及非常複雜判斷之領域，或假設及估計對綜合財務報表而言屬重大之領域均於附註4披露。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

In the current year, the Group adopted the new/revised HKFRS below, which are relevant to its operations. Last year's comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
香港會計準則第1號	財務報表的呈報
HKAS 2	Inventories
香港會計準則第2號	存貨
HKAS 7	Cash Flow Statements
香港會計準則第7號	現金流量表
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
香港會計準則第8號	會計政策、會計估計假設變更及錯誤更正
HKAS 10	Events after the Balance Sheet Date
香港會計準則第10號	結算日後事項
HKAS 16	Property, Plant and Equipment
香港會計準則第16號	物業、廠房及設備
HKAS 17	Leases
香港會計準則第17號	租賃
HKAS 21	The Effects of Changes in Foreign Exchange Rates
香港會計準則第21號	外幣匯率變動的影響
HKAS 23	Borrowing Costs
香港會計準則第23號	借貸費用
HKAS 24	Related Party Disclosures
香港會計準則第24號	關連人士披露
HKAS 27	Consolidated and Separate Financial Statements
香港會計準則第27號	綜合及獨立財務報表
HKAS 32	Financial Instruments: Disclosures and Presentation
香港會計準則第32號	金融工具：披露及呈報
HKAS 33	Earnings per Share
香港會計準則第33號	每股盈利
HKAS 36	Impairment of Assets
香港會計準則第36號	資產減值
HKAS 39	Financial Instruments: Recognition and Measurement
香港會計準則第39號	金融工具：確認及計量
HKAS 39(Amendment)	Transitional and Initial Recognition of Financial Assets and Financial Liabilities
香港會計準則第39號（經修訂）	金融資產及金融負債之過渡及首次確認

2 主要會計政策概要 (續)

2.1 編製基準 (續)

於本年度本集團已採用了下列與本集團業務相關的新增／經修訂香港財務報告準則。去年的比較數字已根據有關規定作出修訂。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

HKAS 40	Investment Property
香港會計準則第40號	投資物業
HKAS-Int 15	Operating Leases – Incentives
香港會計準則—詮釋第15號	經營租賃—獎勵
HKAS-Int 21	Income Taxes – Recovery of Revalued Non-Depreciated Assets
香港會計準則—詮釋第21號	所得稅—收回經重估的不可折舊資產
HKFRS 2	Share-based Payments
香港財務報告準則第2號	以股權付款

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 21, 23, 24, 27, 33, 36 and HKAS-Int 15 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interest and other disclosures.
- HKASs 2, 7, 8, 10, 16, 23, 27, 33, 36 and HKAS-Int 15 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

2 主要會計政策概要(續)

2.1 編製基準(續)

採納新增／經修訂香港會計準則第1、2、7、8、10、16、21、23、24、27、33、36號及香港會計準則—詮釋第15號並不會對本集團的會計政策產生重大影響。概括如下：

- 香港會計準則第1號影響對少數股東權益和其他披露的呈報。
- 香港會計準則第2、7、8、10、16、23、27、33、36號及香港會計準則—詮釋第15號並不會對本集團政策產生重大影響。
- 香港會計準則第21號對本集團政策並無重大影響。本集團已按照經修訂準則的指引將集團各公司的功能貨幣重新估值。
- 香港會計準則第24號影響對關連人士的定義以及其他關連人士披露的呈報。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

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

The adoption of HKASs 32 and 39 has resulted in the recognition of derivative financial instruments at fair value.

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

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

2 主要會計政策概要 (續)

2.1 編製基準 (續)

採納經修訂香港會計準則第17號後，租賃土地及土地使用權乃從物業、廠房及設備重新分類至經營租賃。為取得租賃土地及土地使用權而預付的款項乃按直線法於租賃期內攤銷而費用計入損益表，倘發生減值，則減值亦計入損益表。而在以前年度，租賃土地及土地使用權乃按成本減累計折舊及累計減值虧損後列示。

採納香港會計準則第32號和第39號後導致衍生金融工具以公平值列賬。

採納經修訂香港會計準則第40號導致有關投資物業的會計政策有所更改，其公平價值的變動乃計入損益表列作其他收入／支出的一部分。於以往年度，公平價值之增加乃計入投資物業的重估儲備，公平價值之減少先抵減過往年度重估增值後再以費用形式計入損益表。

採納經修訂香港會計準則－詮釋第21號導致有關計算重估投資物業所產生遞延稅項負債的會計政策有所更改。該遞延稅項負債乃按透過使用該資產所實現的賬面值回報所引致的稅務影響計算。於以往年度，該資產的賬面值回報乃預期透過出售實現。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 30th June 2005, the provision of share options to employees did not result in an expense in the profit and loss account. Effective on 1st July 2005, the Group expenses the cost of share options in the profit and loss account. As a transitional provision, the cost of share options granted after 7th November 2002 and had not yet vested on 1st July 2005 was expensed retrospectively in the profit and loss account of the respective periods.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All standards adopted by the Group require retrospective application other than:

- HKAS 16 – the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only to future transactions;
- HKAS 39 – does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis;
- HKAS 40 – since the Group has adopted the fair value model, there is no requirement for the Group to restate the comparative information, any adjustment should be made to the retained earnings as at 1st July 2005, including the reclassification of any amount held in revaluation surplus for investment properties;

2 主要會計政策概要 (續)

2.1 編製基準 (續)

採納香港財務報告準則第2號導致有關以股權付款的會計政策有所更改。截至二零零五年六月三十日，授予僱員購股權並未於損益表中計入開支。自二零零五年七月一日起，本集團須將購股權的成本計入損益表。根據過渡條文，於二零零二年十一月七日授出而於二零零五年七月一日尚未到期可供行使的購股權的成本須要作追溯調整，並在相關期間的損益表內列作開支。

所有會計政策變更均按照相關準則的過渡條文執行，而本集團所採納的所有會計準則均須追溯應用，惟以下準則除外：

- 香港會計準則第16號 – 在交換資產交易中購入物業、廠房及設備項目的初步計量，僅就未來交易按公平價值列賬，毋須追溯；
- 香港會計準則第39號 – 禁止以此準則確認、註銷及計算金融資產及負債作追溯調整；
- 香港會計準則第40號 – 由於本集團採納公平價值模式，因此本集團不需要重列比較數據。任何修改列入二零零五年七月一日之保留溢利，包括存於投資物業重估儲備重新分類之任何金額；

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

- HKAS-Int 15 – does not require the recognition of incentives for leases beginning before 1st July 2005; and
 - HKFRS 2 – only retrospective application for all equity instruments granted after 7th November 2002 and not vested at 1st July 2005.
- (i) The adoption of revised HKAS 17 resulted in a decrease in retained earnings at 1st July 2004 by approximately HK\$1,130,000. The details of the adjustments to the balance sheets at 30th June 2005 and 30th June 2006, profit and loss accounts for the year ended 30th June 2005 and 2006 are as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Decrease in property, plant and equipment	物業、廠房及設備減少	(17,297)	(16,170)
Increase in leasehold land and land use rights	租賃土地及土地使用權增加	16,177	15,054
Decrease in retained earnings	保留溢利減少	(1,120)	(1,116)

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Increase/(decrease) in administrative expenses	行政支出增加／(減少)	4	(14)

2 主要會計政策概要 (續)

2.1 編製基準 (續)

- 香港會計準則—詮釋第15號—沒有要求將於二零零五年七月一日前開始之租賃獎勵作出確認；及
 - 香港財務報告準則第2號—追溯效力僅適用於二零零二年十一月七日授出而於二零零五年七月一日尚未到期行使的所有股權工具。
- (ii) 採納經修訂香港會計準則第17號導致二零零四年七月一日的保留溢利減少約1,130,000港元。於二零零五年六月三十日及二零零六年六月三十日之資產負債表及截至二零零五年及二零零六年六月三十日止年度之損益表之調整如下：

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

- (ii) The adoption of HKAS 39 resulted in an increase in retained earning at 1st July 2005 by approximately HK\$2,109,000. The details of the adjustments to the balance sheet at 30th June 2006 and profit and loss account for the year ended 30th June 2006 are as follows:

		2006 HK\$'000 千港元
Increase in derivative financial instruments (liabilities)	衍生金融工具（負債）增加	27
Increase in trade and bills receivables	貿易應收款及應收票據增加	4,549
Increase in collateralised bank advances	抵押化的銀行墊款增加	4,549
Decrease in retained earnings	保留溢利減少	(27)
		2006 HK\$'000 千港元
Increase in administrative expenses	行政支出增加	2,136

- (iii) The adoption of HKAS 40 resulted in the following adjustments to the balance sheet at 30th June 2006:

		2006 HK\$'000 千港元
Decrease in investment properties revaluation reserve	投資物業 重估儲備減少	(3,600)
Increase in retained earnings at 1st July 2005	於二零零五年七月一日之保留溢利增加	3,600

2 主要會計政策概要（續）

2.1 編製基準（續）

- (ii) 採納香港會計準則第39號導致二零零五年七月一日的保留溢利增加約2,109,000港元。於二零零六年六月三十日之資產負債表及截至二零零六年六月三十日止年度之損益表之調整如下：

- (iii) 採納香港會計準則第40號導致於二零零六年六月三十日之資產負債表作出下列調整：

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(iv) The adoption of HKFRS 2 resulted in a decrease in retained earnings at 1st July 2004 by approximately HK\$4,644,000. The details of the adjustments to the balance sheets at 30th June 2005 and 2006, profit and loss accounts for the year ended 30th June 2005 and 2006 are as follows:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Increase in share option reserve	購股權儲備增加	7,777	6,809
Decrease in retained earnings	保留溢利減少	(7,777)	(6,809)
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Increase in administrative expenses	行政支出增加	968	2,165

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(iv) 採納香港財務報告準則第2號導致於二零零四年七月一日的保留溢利減少約4,644,000港元。於二零零五年及二零零六年六月三十日之資產負債表及截至二零零五年及二零零六年六月三十日止年度之損益表之調整詳列如下：

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for accounting periods beginning on or after the effective date as described below, as follows:

New HKFRS or interpretations 新香港財務報告準則或詮釋	Effective date 生效日期	Description 描述
HKAS 1 (Amendment) 香港會計準則第一號 (經修訂)	1 January 2007 二零零七年一月一日	Capital Disclosure 資本披露
HKAS 19 (Amendment) 香港會計準則第十九號 (經修訂)	1 January 2006 二零零六年一月一日	Actuarial gains and losses, group plans and disclosures 精算盈虧、集團計劃及披露
HKAS 21 (Amendment) 香港會計準則第二十一號 (經修訂)	1 January 2006 二零零六年一月一日	Net investment in a foreign operation 海外業務之投資淨額
HKAS 39 & HKFRS 4 (Amendment) 香港會計準則第三十九號及 香港財務報告準則第四號 (經修訂)	1 January 2006 二零零六年一月一日	Financial guarantee contracts 金融擔保合約
HKAS 39 (Amendment) 香港會計準則第三十九號 (經修訂)	1 January 2006 二零零六年一月一日	Cash flow hedge accounting of forecast intragroup transactions 預測集團間交易之現金流量對沖會計法
HKAS 39 (Amendment) 香港會計準則第三十九號 (經修訂)	1 January 2006 二零零六年一月一日	The fair value option 公平值選擇
HKFRS 1 (Amendment) 香港財務報告準則第一號 (經修訂)	1 January 2006 二零零六年一月一日	First-time adoption of Hong Kong Financial Reporting Standards 首次採納香港財務報告準則
HKFRS 6 香港財務報告準則第六號	1 January 2006 二零零六年一月一日	Exploration for and Evaluation of Mineral Resources 礦產資源勘探及評估
HKFRS 7 香港財務報告準則第七號	1 January 2007 二零零七年一月一日	Financial instruments: Disclosures 金融工具：披露
HKFRS-Int 4 香港財務報告準則－詮釋第四號	1 January 2006 二零零六年一月一日	Determining whether an arrangement contains a lease 釐定安排是否存在租賃
HKFRS-Int 5 香港財務報告準則－詮釋第五號	1 January 2006 二零零六年一月一日	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds 終止營運、復原及環境修復基金產生權益之權利
HK(IFRIC)-Int 6 香港國際財務報告－詮釋委員會 詮釋第六號	1 December 2005 二零零五年十二月一日	Liabilities arising from participating in a specific market – waste electrical and electronic equipment 參與特定市場－廢棄電力及電子設備之責任
HK(IFRIC)-Int 7 香港國際財務報告－詮釋委員會 詮釋第七號	1 March 2006 二零零六年三月一日	Applying the restatement approach under HKAS 29 financial reporting in hyperinflationary economies 根據香港會計準則第二十九號惡性通脹經濟之財務報告採用重列法

2 主要會計政策概要 (續)

2.1 編製基準 (續)

尚未生效之準則、詮釋及已頒佈準則之修訂

下文載有須強制於下述生效日期或之後開始之會計期間採用的若干新訂準則、詮釋及已頒佈現行準則之修訂：

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

The Group is in the process of making an assessment of the impact of these new standards, amendments and interpretations but is not yet in a position to quantify the impact of these new standards, amendments and interpretations on its results of operations and financial position.

2.2 Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 30th June 2006.

Subsidiaries are those entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

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

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

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

2 主要會計政策概要(續)

2.1 編製基準(續)

本集團正就此等準則、詮釋或修訂對本集團之財務報表影響進行評估，惟現在未能量化此等準則、詮釋或修訂對本集團業績及財務狀況的影響。

2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截至二零零六年六月三十日止之財務報表。

凡本集團有權規管其財務及營運政策，一般附帶超過半數以上投票權之股權的所有實體，均為附屬公司。

附屬公司在控制權轉移至本集團當日全面綜合入賬，並在控制權終止當日起停止綜合入賬。

集團內公司間的交易、交易結餘及未變現收益予以對銷。未變現虧損亦予以對銷，惟視為所轉讓資產減值之減值跡象。附屬公司的會計政策已作出必要更改，以確保與本集團採納的會計政策一致。

在本公司之資產負債表內，於附屬公司之投資乃按成本值減去累計減值虧損列賬。附屬公司之業績由本公司按已收及應收股息入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss.

2 主要會計政策概要 (續)

2.3 分部報告

業務分部指從事提供產品或服務的一組資產及業務，而該組資產及業務的風險及回報有別於其他業務分部。地區分部指在某一特定經濟環境下從事提供產品或服務的分部，其產品或服務的風險及回報與在其他經濟環境經營的分部不同。

2.4 外幣換算

(a) 功能和列賬貨幣

本集團旗下各實體的財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣計量（「功能貨幣」）。綜合財務報表以港元呈列，而港元為本公司的功能貨幣及列賬貨幣。

(b) 交易及結餘

外幣交易按交易當日適用的匯率換算為功能貨幣。因結算此等交易及將外幣計值的貨幣資產和負債以年終匯率換算所產生的匯兌收益及虧損均於損益表確認。

非貨幣項目（例如按公平值列賬並在損益表內處理之股本工具）之換算差額按公平值盈虧之部分呈列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Foreign currency translation (Cont'd)

(c) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each profit and loss account are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

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

2 主要會計政策概要(續)

2.4 外幣換算(續)

(c) 集團旗下公司

集團旗下所有實體(全部均非採用高通脹經濟體系的貨幣)的功能貨幣倘有別於列賬貨幣,其業績及財政狀況須按如下方式兌換為列賬貨幣:

- (i) 各資產負債表所列的資產及負債按該資產負債表的日期之收市匯率換算;
- (ii) 各損益表所列的收入及支出按平均匯率換算,除非此平均匯率不足以合理地概括反映交易日期適用匯率的累計影響,在此情況下,收入及支出將按交易日期的匯率換算;及
- (iii) 所有由此產生的匯兌差額確認為權益的一個獨立組成項目。

在綜合財務報表時,因換算海外實體之淨投資所產生之匯兌差額均列入股東權益。當出售一項海外業務時,該等匯兌差額於損益表確認為出售盈虧之一部分。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Buildings	2% - 2.5%
- Leasehold improvements	20%
- Machinery and equipment	12.5%
- Furniture, fixtures and office equipment	20%
- Motor vehicles	20%
- Tools and moulds	20%

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss account.

2 主要會計政策概要 (續)

2.5 物業、廠房及設備

物業、廠房和設備乃按歷史成本減折舊和減值虧損入賬。歷史成本包括收購有關項目直接應佔之開支。

其後之成本計入資產之賬面值，或僅在與該項目有關之未來經濟利益將流入本集團及該項目之成本可被可靠地計量時(如適用)確認為個別資產。所有其他維修及保養乃在產生之財務期間於損益表中列為開支。

物業、廠房及設備之折舊按估計可使用年期將成本或重估金額以直線法分攤至殘值計算如下：

- 樓宇	2% - 2.5%
- 租賃物業裝修	20%
- 機器及設備	12.5%
- 傢俬、裝置及辦公室設備	20%
- 汽車	20%
- 工具及模具	20%

資產之殘值及可使用年期在每個結算日審閱及在適當時調整。

倘資產之賬面值高於其估計可收回款項，資產之賬面值乃隨即撇減至其可收回款項。

出售之盈虧按所得款項與賬面值之比較釐定，並計入損益表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

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

After initial recognition, investment property is carried at fair value. Fair value is determined based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset by independent external professional valuers.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the accounts.

2 主要會計政策概要 (續)

2.6 投資物業

持作長期租金收益或資本增值或兩者兼備且並非集團旗下各公司所佔用之物業歸類為投資物業。

投資物業包括以經營租賃持有之土地及以融資租賃持有之建築物。

以經營租賃持有之土地倘符合投資物業之其餘定義，均以投資物業形式入賬及呈報。有關之經營租賃則以融資租賃方式入賬。

投資物業總額最初以其成本(包括相關交易成本)計算。

在首次入賬後，投資物業總額按公平價值入賬呈報。公平價值乃以活躍市場價格為基礎，於必要時就指定資產之性質、地點或狀況由獨立之評估師作出調整。

投資物業之公平價值應反映(其中包括)現時租賃之租金收入及以現時市況預計日後租賃取得之租金收入。

同時，公平價值應反映有關物業之任何預期現金流出。此等現金流出部份確認為一項負債，包括與投資物業之土地相關之融資租賃負債；其餘現金流出(包括或然租賃付款)則不計入財務報表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Investment properties (Cont'd)

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

Changes in fair values are recognised in the profit and loss account.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the profit and loss account.

2 主要會計政策概要 (續)

2.6 投資物業 (續)

日後支出如能帶來未來經濟利益流入本集團且該項支出能可靠地計量時，才可計入該項資產之賬面價值。所有其他維修及保養成本於其產生之財政期間之損益表內支銷。

公平價值之變動計入損益表。

倘投資物業轉作自用，該物業將重新分類為物業、廠房及設備，以重新分類日期之公平價值作為成本列賬。建設中或發展中以供未來用作投資物業之物業，列作物業、廠房及設備，並以成本列賬，直至建設或發展工作完成，將重新分類為投資物業，其後以投資物業處理入賬。

倘物業、廠房及設備各項因用途改變而成為投資物業，該等物業於轉變當日之賬面值與公平價值之差額，將根據香港會計準則第16號於權益內確認為物業、廠房及設備重估儲備。然而，倘公平價值增值抵銷過往減值虧損，則該項增值將於損益表內列賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted average method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 主要會計政策概要 (續)

2.7 非金融資產之減值

無特定使用期限的資產毋須作攤銷處理，但此等資產每年均須要作至少一次減值評估。如有任何跡象顯示出現耗蝕，本集團亦會評估該資產的減值情況。至於須攤銷的資產，如有任何跡象顯示出現耗蝕，本集團將評估該資產的減值情況。減值虧損為資產賬面值超越其可收回價值的數額。可收回價值為資產公平價值減出售成本後的價值，與其使用價值之間的較高者。為評估資產減值，資產按可獨立地確認其現金流量(現金產生單位)的最小單位劃分。出現減值之非金融資產(商譽除外)於每個報告日期審閱有否可能出現減值回撥。

2.8 存貨

存貨乃按成本或可變現淨值兩者中之較低者列賬。成本值乃按加權平均法計算。製成品之成本包括原料、直接勞工成本、其他直接成本及相關之生產間接開支(基於正常運作能力)，惟不包括借貸成本。可變現淨值乃根據正常營業狀況下估計銷售所得款項減估計銷售支出而釐定。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

2.11 Share capital

Ordinary shares are classified as equity.

2 主要會計政策概要 (續)

2.9 貿易應收款及其他應收款

貿易應收款及其他應收款初步按公平值確認，其後則以實際利息法按攤銷成本扣除減值撥備計量。倘有客觀證據顯示本集團將無法按照應收款之原有條款收回款項時，即就貿易應收款及其他應收款設定減值撥備。債務人出現嚴重財政困難（使其可能清盤或財務重組者）、無力償款或拖欠賬款，均被視為貿易應收款及其他應收款之減值跡象。撥備金額為資產賬面值與按實際利率貼現的估計未來現金流量之現值兩者之差額。撥備金額在損益表內確認入賬。

2.10 現金及現金等額

現金及現金等額包括手頭現金及銀行活期存款。

2.11 股本

普通股分類為權益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Borrowings

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are charged to the profit and loss account in the period in which they are incurred.

2.14 Employee benefits

(i) Employee leave entitlements

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

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

2 主要會計政策概要 (續)

2.12 借貸

借貸最初乃按公平價值(扣除已產生的交易成本)確認。交易成本為直接歸屬予財務資產或財務負債的購買、發行或出售的相關成本，其中包括付予代理、顧問、經紀及交易商的費用和佣金、規管機構和證券交易所所收取的費用，以及轉讓稅和關稅。借貸其後計入攤銷成本後列賬，如扣除交易成本之後的收益和贖回價值出現差額，則於借貸期內以實際利率法在損益表內確認。

除非本集團有權無條件將債務結算日期遞延至結算日後至少十二個月，否則借貸將被劃分為流動負債。

2.13 借貸成本

凡直接與購置、興建或生產某項資產(該資產必須經過頗長時間籌備以作預定用途或出售)有關之借貸成本，均資本化為資產之部份成本。所有其他借貸成本均於產生之期內在損益表中支銷。

2.14 僱員福利

(i) 僱員假期權益

僱員年假之權利於僱員應享有時確認。估計截至結算日因僱員提供服務而結欠之年假已予撥備。

僱員之病假及分娩假期不作確認，直至僱員正式休假為止。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Employee benefits (Cont'd)

(ii) Profit sharing and bonus plans

The expected cost of profit sharing and bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for profit sharing and bonus plans are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(iii) Pension obligations

The Group participates in several defined contribution retirement benefit schemes. A defined contribution plan is a retirement benefit scheme under which the Group pays contributions, on a mandatory, contractual or voluntary basis, into a separate entity. The schemes are generally funded through payments to insurance companies or state/trustee-administered funds. The Group has no further payment obligations once the contributions have been paid. It has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employment costs when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

2 主要會計政策概要 (續)

2.14 僱員福利 (續)

(ii) 溢利分享及花紅計劃

當本集團因僱員提供服務而即時導致法律或推定負債，而有關負債可予可靠地估計時，則溢利分享及支付花紅之預期成本予以確認為負債。

溢利分享及花紅計劃之負債預期於十二個月內支付，並按清償時預期支付之數額計算。

(iii) 退休金承擔

本集團參與若干定額供款退休福利計劃。定額供款計劃為一項退休福利計劃，據此，本集團按強制、合約或自願基準向獨立實體作出供款。該等計劃一般透過向保險公司或國家／受託人管理基金付款而獲取資金。本集團一旦支付供款，則沒有其他付款責任。倘基金並無足夠資產向所有僱員支付涉及僱員於本期間及過往期間提供服務之福利，本集團亦無法定或推定責任進一步支付供款。

供款於到期時確認為員工成本，並扣減已沒收之僱員(供款全面歸屬前脫離計劃者)供款。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Employee benefits (Cont'd)

(iv) Share based compensation benefits

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2 主要會計政策概要(續)

2.14 僱員福利(續)

(iv) 以股份為基準之報酬福利

本集團營運以股票支付的股份報酬計劃。以授出購股權交換之所獲僱員服務公平值乃確認為開支。在歸屬期內，開支總額乃參考所授出購股權之公平值後釐定，惟當中並不包括不可計價之歸屬條件(例如盈利能力及銷售增長目標)。不可計價之歸屬條件乃列入預期將予授出之購股權數目時之假設。於各結算日，實體覆核預期可予行使之購股權數目。覆核原假設之影響(如有)乃於損益表內確認，而相應調整即於權益賬中確認。

購股權獲行使後，所得款項於扣除直接應計交易費用後計入股本(面值部份)及股份溢價。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.15 Deferred income tax

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

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

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

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2 主要會計政策概要 (續)

2.15 遞延所得稅

遞延所得稅乃採用負債法就資產及負債之稅基與其於綜合財務報表賬面值之暫時差額作出全面撥備。然而，倘若於初步確認一項交易（業務合併除外）之資產或負債所產生之遞延所得稅於交易時不會對會計或應課稅溢利或虧損造成影響，則該等遞延所得稅並不會列賬。遞延所得稅乃根據於結算日已經制定或大致上已制定，且預期相關之遞延所得稅資產變現或遞延所得稅負債清償時適用之稅率（及法例）釐定。

遞延所得稅資產之確認以日後可能產生動用暫時差額備抵之應課稅溢利之情況為限。

遞延所得稅按投資附屬公司所產生之暫時差額作出撥備，惟暫時差額撥回之時間如可由本集團加以控制及暫時差額於可見之未來可能不會撥回者除外。

2.16 撥備

撥備於本集團因過去事件而導致現時之法律或推定負債，並可能導致資源流出以清償該項負債時確認，惟須能夠對該負債金額作出可靠估計。對未來營運之虧損並不會作出撥備。

倘出現若干類似責任，償還有關責任所需之資源流出的可能性，乃經考慮責任總體類別後釐定。即使同一責任類別之任何一個項目之資源流出可能性不大，仍須確認撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.17 Derivative financial instruments

From 1st July 2004 to 30th June 2005:

The derivative financial instruments were previously recorded as off balance sheet items. The actual gains or losses realised upon settlement were included in the profit and loss account on maturity.

From 1st July 2005 onwards:

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. As the Group's derivative contracts do not qualify for hedge accounting, changes in the fair value of these derivative contracts are recognised immediately in the profit and loss account.

2.18 Revenue Recognition

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

(i) *Sales of goods*

Sales of goods are recognised when products have been delivered to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(ii) *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method.

(iii) *Rental income*

Rental income is recognised on a straight-line basis over the rental period.

2 主要會計政策概要 (續)

2.17 衍生金融工具

由二零零四年七月一日至二零零五年六月三十日：

衍生金融工具先前為資產負債表以外項目。結算時變現之實際收益或虧損於到期日計入損益表內。

由二零零五年七月一日起：

衍生工具初步按衍生工具合約訂立日期之公平值確認，其後按其公平值重新計量。確認所得盈虧之方法，取決於衍生工具是否被指定為對沖工具，倘被指定為對沖工具，則取決於所對沖項目之性質。由於本集團訂立之衍生工具並不符合對沖會計處理，該等衍生工具之公平值變動即時於損益表確認。

2.18 收益確認

收益包括於本集團日常業務過程中銷售貨品及服務之已收或應收代價的公平值，扣除退貨及折扣，以及對銷與本集團進行之銷售。收益按以下方式確認：

(i) *銷售貨品*

集團向客戶出售產品，並向客戶交付產品而客戶接收有關產品，且合理確保相關應收賬款之可收回程度時，銷售貨品方予以確認。

(ii) *利息收入*

利息收入依據實際利率法按時間比例確認。

(iii) *租金收入*

租金收入乃按直線法於租賃期內入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.19 Leases

(i) Operating lease

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

(ii) Finance lease

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

2.20 Dividend distribution

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

2 主要會計政策概要 (續)

2.19 租賃

(i) 經營租賃

經營租賃是指擁有資產之風險及回報實質上全部由出租公司保留之租賃。根據經營租賃作出之付款在扣除自出租公司收取之任何獎勵金後，於租賃期內以直線法在損益表中支銷。

(ii) 融資租賃

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

2.20 股息分派

分派予本公司股權持有人之股息於本公司股權持有人批准有關股息之期間，在本集團之財務報表內確認為負債。

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and interest-rate risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

(a) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Mainland China Renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in operations in Mainland China.

To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group enters into forward currency contracts to reduce foreign exchange risk.

(b) Credit risk

The carrying amount of trade receivable included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets. The Group has put in place policies to ensure that sales of products are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the Directors are of the opinion that adequate provision for uncollectible trade receivable has been made in the consolidated accounts.

(c) Liquidity risk

The Group has been prudent in liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of available credit facilities. The management aims to maintain flexibility in funding by keeping credit lines available.

3 財務風險管理

3.1 財務風險因素

本集團之業務承受多種財務風險：兌換風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理政策集中關注難以預測之金融市場，並致力於將對本集團財務表現造成潛在不利影響減至最低。本集團使用衍生金融工具對沖若干風險。

(a) 外幣風險

本集團承擔因使用多項外幣所產生的外幣風險，主要有關於美元及人民幣。外幣風險來自未來商業交易、確認資產與負債及外地經營的投資淨值。

為管理來自未來商業交易及確認資產與負債的外匯風險，本集團訂立期貨合同減低外幣風險。

(b) 信貸風險

綜合資產負債表所列之貿易應收款賬面值反映本集團財務資產之最高信貸風險。本集團已制訂政策，以確保僅向信貸紀錄良好之客戶銷售產品，而本集團亦會定期評估客戶之信貸狀況。本集團過往未收回之應收貨款及其他應收款項並無超出有關撥備額，而董事認為，綜合財務報表中已就不可收回之應收賬款作出充份撥備。

(c) 流動資金風險

本集團透過保持充足的現金和充分利用市場獲提供信用額度融資的能力實施審慎的流動資金風險管理。管理層將通過銀行信貸額度以保持資金的流動性。

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(d) Interest-rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk arises from bank borrowings. As at 30th June 2006, borrowings were primarily at floating rates.

3.2 Fair value estimation

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Income taxes

The Group is subject to income taxes in Hong Kong and the Mainland China. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(d) 利率風險

由於本集團並無重大的計息資產，本集團的收入和經營現金流量基本上不受市場利率變動影響。

本集團的利率風險來自銀行借貸。於二零零六年六月三十日，本集團借款大部份是浮動借款。

3.2 公平值估計

貿易應收款及貿易應付款之面值減估計信貸調整乃假設為與其公平價值相若。作為披露用途，財務負債之公平價值乃按本集團就類似金融工具可得按當時市場利率將日後約定現金流量貼現而估計。

4 重大會計估計及判斷

本集團就未來作出估計及假設。產生的估計根據定義多不與有關實際結果相同。於下一財政年度有重大風險造成資產與負債賬面值重大調整的估計及假設於下文闡述。

(a) 所得稅

本集團於香港及中國須繳付所得稅。於釐定各地之所得稅撥備時須作出重大判斷。日常業務運作過程中有大量交易及計算於業務過程中不能作最終釐定。倘有關事宜之最終評稅結果有異於最初記錄之數額，則有關差額會影響到釐定有關數額之期間之所得稅及遞延稅項撥備。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

(b) *Estimate of fair value of investment properties*

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences; and
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

(c) *Estimated provision for doubtful debts*

The Group makes provision for doubtful debts based on an assessment of the recoverability of bills receivable and accounts receivable. Provisions are applied to bills receivable and accounts receivable where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of bills receivable and accounts receivable and doubtful debt expenses in the period in which such estimate has been changed.

(d) *Estimated write-downs of inventories to net realisable value*

The Group writes down inventories to net realisable value based on an assessment of the realisability of inventories. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the period in which such estimate has been changed.

4 重大會計估計及判斷 (續)

(b) *估計投資物業之公平價值*

公平價值之最佳憑證為同類租約及其他合約於活躍市場所提供之最新價格。倘若缺乏此方面資料，本集團則按合理公平價值估計幅度釐定有關金額。在作出判斷時，本集團考慮多方面資料，其中包括：

- (i) 不同性質、狀況或地點(或受不同租約或其他合約規限)之物業當時在活躍市場上之最新價格(須就各項差異作出調整)；及
- (ii) 於交投較淡靜之市場中相類似物業之近期價格，並作出調整以反映自交易日期以來經濟環境之任何變動對該等價格之影響。

(c) *估計呆賬撥備*

本集團根據對應收票據及應收貨款可收回程度之評估作出呆賬撥備。一旦事件發生或情況改變顯示餘額可能未能收回時，則就應收票據及應收貨款作出撥備。識別呆賬有賴於判斷及估計。當預期之金額與原定估計有差異時，則該差異將會於估計改變的期間內，調整應收票據及應收貨款的賬面值及呆賬開支。

(d) *撇減存貨至可變現淨值之估計*

本集團根據存貨變現性之評估撇減存貨至可變現淨值。一旦事件發生或情況改變顯示存貨結餘可能未能變現時將被記錄為撇減。識別撇減需要作出判斷及估計。當預期之金額與原定估計有差異時，則該差異將會於估計改變之期間內，分別影響存貨之賬面值及存貨之撇減。

5 TURNOVER AND SEGMENT INFORMATION

The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the trading and manufacturing of plastic materials, pigments, colorants, compounded plastic resins, engineering plastic products and PVC compounds.

5 營業額及分部資料

本公司主要業務為投資控股，其附屬公司之主要業務為塑膠原料、色粉、着色劑、混料、工程塑料和PVC膠粒之買賣及製造。

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額		
Sale of goods, net of returns and discounts	銷售貨品（扣除退貨及折扣）	1,332,120	1,243,849

An analysis of the Group's turnover and results for the year ended 30th June 2006 by geographical segment is as follows:

截至二零零六年六月三十日止年度本集團之營業額及業績按地區分析如下：

		2006			
		Hong Kong 香港	The People's Republic of China excluding Hong Kong ("the PRC") 中華人民共和國 (不包括香港) ("中國")	Elimination 抵銷	Group 集團
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Turnover	營業額	1,168,550	268,922	(105,352)	1,332,120
Segment results	分部業績	14,286	(130)		14,156
Unallocated costs	未分配成本				(3,078)
Profit before taxation	除稅前溢利				11,078
Taxation	稅項				(3,509)
Profit after taxation	除稅後溢利				7,569
Minority interests	少數股東權益				(487)
Profit attributable to equity holders of the Company	公司股東應佔溢利				7,082

5 TURNOVER AND SEGMENT INFORMATION (Cont'd)

The segment assets and liabilities at 30th June 2006 and other segment information for the year ended are as follows:

5 營業額及分部資料 (續)

於二零零六年六月三十日之分部資產及負債及截至該日止年度之其他分部資料如下：

		Hong Kong 香港 HK\$'000 千港元	2006 The PRC 中國 HK\$'000 千港元	Group 集團 HK\$'000 千港元
Segment assets	分部資產	407,134	236,104	643,238
Unallocated assets	未分配資產			2,311
Total assets	總資產			645,549
Segment liabilities	分部負債	198,091	90,082	288,173
Unallocated liabilities	未分配負債			9,128
Total liabilities	總負債			297,301
Other information:	其它資料：			
Capital expenditure	資本支出	5,430	5,113	10,543
Depreciation of property, plant and equipment	物業、廠房及 設備之折舊	6,725	8,140	14,865
Amortisation of leasehold land and land use rights	租賃土地及 土地使用權 之攤銷	260	155	415

5 TURNOVER AND SEGMENT INFORMATION (Cont'd)

An analysis of the Group's turnover and results for the year ended 30th June 2005 by geographical segment is as follows:

		2005			
		Hong Kong 香港 HK\$'000 千港元 (Restated) (重列)	The PRC 中國 HK\$'000 千港元 (Restated) (重列)	Elimination 抵銷 HK\$'000 千港元	Group 集團 HK\$'000 千港元 (Restated) (重列)
Turnover	營業額	1,112,254	243,684	(112,089)	1,243,849
Segment results	分部業績	26,263	(2,886)		23,377
Unallocated costs	未分配成本				(2,073)
Profit before taxation	除稅前溢利				21,304
Taxation	稅項				(4,973)
Profit after taxation	除稅後溢利				16,331
Minority interests	少數股東權益				(1,380)
Profit attributable to equity holders of the Company	公司股東應佔溢利				14,951

5 營業額及分部資料 (續)

截至二零零五年六月三十日止年度本集團之營業額及業績按地區分析如下：

5 TURNOVER AND SEGMENT INFORMATION (Cont'd)

The segment assets and liabilities at 30th June 2005 and other segment information for the year ended are as follows:

		2005		
		Hong Kong	The PRC	Group
		香港	中國	集團
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
		(Restated)	(Restated)	(Restated)
		(重列)	(重列)	(重列)
Segment assets	分部資產	438,735	237,561	676,296
Unallocated assets	未分配資產			2,898
Total assets	總資產			679,194
Segment liabilities	分部負債	231,847	96,491	328,338
Unallocated liabilities	未分配負債			11,585
Total liabilities	總負債			339,923
Other information:	其它資料:			
Capital expenditure	資本支出	7,359	16,160	23,519
Amortisation of leasehold land and land use rights	租賃土地及土地使用權之攤銷	167	150	317
Depreciation of property, plant and equipment	物業、廠房及設備折舊	8,520	6,125	14,645
Write-off of property, plant and equipment	物業、廠房及設備撇賬	2,122	—	2,122
Provision for slow moving inventories	滯銷存貨撥備	195	3,575	3,770

Turnover and segment results are presented based on the operating locations of group companies. Unallocated costs represent corporate expenses.

All the Group's turnover and operating profit are attributable to the manufacturing and trading of plastic products and accordingly no analysis of the Group's turnover and contribution to operating profit by business segment is provided.

5 營業額及分部資料 (續)

於二零零五年六月三十日之分部資產及負債及截至該日止年度之其他分部資料如下：

		2005		
		Hong Kong	The PRC	Group
		香港	中國	集團
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
		(Restated)	(Restated)	(Restated)
		(重列)	(重列)	(重列)
Segment assets	分部資產	438,735	237,561	676,296
Unallocated assets	未分配資產			2,898
Total assets	總資產			679,194
Segment liabilities	分部負債	231,847	96,491	328,338
Unallocated liabilities	未分配負債			11,585
Total liabilities	總負債			339,923
Other information:	其它資料:			
Capital expenditure	資本支出	7,359	16,160	23,519
Amortisation of leasehold land and land use rights	租賃土地及土地使用權之攤銷	167	150	317
Depreciation of property, plant and equipment	物業、廠房及設備折舊	8,520	6,125	14,645
Write-off of property, plant and equipment	物業、廠房及設備撇賬	2,122	—	2,122
Provision for slow moving inventories	滯銷存貨撥備	195	3,575	3,770

營業額及分部業績按照集團公司所在地區計算。未分配成本指企業開支。

本集團所有之營業額及經營溢利皆源於塑料製品之製造及買賣，所以並沒有提供按主要業務劃分營業額及經營溢利之分析。

6 OTHER GAINS

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Rental income	租金收入	1,094	1,056
Interest income	利息收入	304	42
Fair value gain on investment properties	投資物業的公平值收益	220	—
		1,618	1,098

6 其他收益

7 EXPENSES BY NATURE

Expenses included in cost of sales, distribution costs and administrative expenses are analysed as follows:

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Crediting	計入		
Write-back of provision for slow moving inventories	滯銷存貨撥備之回撥	1,051	—
Charging	扣除		
Depreciation:	折舊：		
Owned property, plant and equipment	自置物業、廠房及設備	10,280	11,129
Leased property, plant and equipment	租賃物業、廠房及設備	4,585	3,516
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	415	317
Write-off of property, plant and equipment	物業、廠房及設備撇賬	—	2,122
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	32	41
Staff costs, including directors' emoluments (note 13)	員工成本（包括董事酬金）（附註13）	67,837	69,662
Operating lease rentals in respect of land and buildings	土地及樓宇之經營租賃租金	7,262	7,093
Fair value loss on derivative financial instruments – forward foreign exchange contracts: not qualifying as hedges	衍生金融工具之公平值損失 – 外匯遠期合約：不合對沖資格	2,136	—
Auditors' remuneration	核數師酬金	1,015	981
Provision for slow moving inventories	滯銷存貨撥備	—	3,770
Cost of inventories sold	出售存貨成本	1,144,642	1,048,505

7 按性質劃分之開支

計入銷售成本、分銷成本及行政支出之開支分析如下：

8 FINANCE COSTS

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank borrowings wholly repayable within five years	需於五年內全數償還之銀行借貸之利息	8,704	5,491
Interest element of finance leases	融資租賃利息部份	1,085	634
		9,789	6,125

9 TAXATION

(a) Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the year. Taxation on profits of PRC subsidiaries has been calculated on the estimated assessable profit for the year at the rates of taxation as applicable to the local subsidiaries.

The amount of taxation charged to the consolidated profit and loss account represents:

8 財務費用

9 稅項

(a) 香港利得稅乃根據年內估計應課稅溢利按稅率百分之十七點五(二零零五年：百分之十七點五)計算撥備。國內所得稅乃根據國內經營之附屬公司年內之估計應課稅溢利按該等附屬公司所在地之適用稅率計算撥備。

綜合損益表之稅項支出為：

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Current taxation:	本年度稅項：		
Hong Kong profits tax	香港利得稅	2,619	5,758
The PRC income tax	中國所得稅	943	561
Overprovision in previous years	以往年度超額撥備	(211)	(151)
		3,351	6,168
Deferred taxation (note 27)	遞延稅項 (附註 27)	158	(1,195)
		3,509	4,973

9 TAXATION (Cont'd)

- (b) Taxation in the balance sheet represents the amount of Hong Kong profits tax and the PRC income tax provided for the current and previous years less the amounts of provisional profits tax paid.
- (c) The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Profit before taxation	除稅前溢利	11,078	21,304
Calculated at a taxation rate of 17.5%	按稅率 17.5% 計算之稅項	1,939	3,728
Effect of different taxation rates in the PRC	中國不同稅率之影響	(236)	(414)
Income not subject to taxation	無須課稅之收入	(283)	(237)
Expenses not deductible for taxation purposes	不可扣稅之支出	2,255	1,917
(Over)/under provision in prior years	以往年度 (超額撥備) / 撥備不足	(211)	(151)
Others	其他	45	130
Taxation charge	稅項支出	3,509	4,973

9 稅項 (續)

- (b) 資產負債表內之稅項乃指本集團本年度及以往年度香港利得稅及中國所得稅撥備減去已繳納之暫繳稅款之數額。
- (c) 本集團有關除稅前溢利之稅項與假若採用香港之稅率而計算之理論稅額之差額如下：

10 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Included in the profit attributable to the equity holders of the Company is profit of HK\$12,462,000 (2005: HK\$6,967,000) which is dealt with in the Company's own accounts.

11 DIVIDENDS

Interim, paid, of HK1.0 cent (2005: HK 1.0 cent) per ordinary share	已派中期股息每股 1.0 港仙 (二零零五年：1.0 港仙)		
Final, proposed, of HK 1.0 cent (2005: HK 1.0 cent) per ordinary share (note)	擬派末期股息每股 1.0 港仙 (二零零五年：1.0 港仙) (附註)		

Note:

At a meeting held on 16th October 2006, the Directors proposed a final dividend of HK1.0 cent per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts.

10 公司股東應佔溢利

計入本公司賬目之公司股東應佔溢利為 12,462,000 港元 (二零零五年：6,967,000 港元)。

11 股息

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Interim, paid, of HK1.0 cent (2005: HK 1.0 cent) per ordinary share	3,600	3,000
Final, proposed, of HK 1.0 cent (2005: HK 1.0 cent) per ordinary share (note)	3,600	3,600
	7,200	6,600

附註：

於二零零六年十月十六日舉行之會議上，董事建議派發末期股息每股 1.0 港仙。此項擬派股息並無於本賬目中列作應付股息。

12 EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Profit attributable to equity holders of the Company	公司股東應佔溢利	7,082	14,951
Weighted average number of ordinary shares in issue	年內已發行普通股之加權平均數	360,000,000	302,958,904
Basic earnings per share (HK cents)	每股基本盈利 (港仙)	1.97	4.93

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares which is the share options granted. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

There were no dilutive earning per share for the years ended 30th June 2005 and 2006. The exercise of the outstanding share options would be anti-dilutive for the years ended 30th June 2005 and 2006.

12 每股盈利

基本

每股基本盈利乃按公司股東應佔溢利除以年內已發行普通股之加權平均數計算。

	2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Profit attributable to equity holders of the Company	7,082	14,951
Weighted average number of ordinary shares in issue	360,000,000	302,958,904
Basic earnings per share (HK cents)	1.97	4.93

攤薄

每股攤薄盈利乃以假設因轉換一切潛在攤薄普通股而調整之已發行股份加權平均數計算。本公司有一類潛在攤薄普通股，乃授予僱員之購股權。就購股權而言，計算乃為釐定可按公平值(按本公司股份之平均年度市價釐定)購入之股份數目，以未行使購股權所附認購權之貨幣款項為基準。按上文所計算之股份數目，與假設於行使購股權後已發行之股份數目相比。

於截至二零零五年及二零零六年六月三十日止年度均無每股攤薄盈利。於截至二零零五及二零零六年六月三十日止年度，行使未行使之購股權具反攤薄影響。

13 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

13 員工成本(包括董事酬金)

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Wages, salaries and other allowances	工資、薪酬及其他津貼	64,180	64,605
Pension costs	退休金成本	2,689	2,892
Share-based compensations	以股份支付的酬金	968	2,165
		67,837	69,662

The Group participates in the mandatory provident fund scheme (the "MPF Scheme") with effect from 1st December 2000, which is a defined contribution scheme.

Under the MPF Scheme, contributions amounting to 5% of the employee's relevant income (plus cashable allowances), as defined in the MPF Ordinance, are respectively made by the Group and the employees. The contributions are fully and immediately vested in the employees as accrued benefits once they are paid to the approved trustee of the MPF Scheme.

The Group contributes to certain defined contribution schemes for its employees in the PRC. Contributions are made at a certain percentage of the basic salary of employees.

自二零零零年十二月一日開始，本集團參與了強制性公積金計劃（「強積金計劃」）（乃一界定供款計劃）。

根據強積金計劃，本集團及僱員分別根據強積金條例之規定按僱員有關入息百分之五作出供款。有關之供款一旦向強積金計劃之核准信託人支付後，立即全部列作有關僱員之累算權益。

本集團為其中國僱員，按僱員基本薪金若干百分比，向若干界定供款計劃供款。

14 DIRECTORS' AND SENIOR MANAGERMENTS' EMOLUMENTS

(a) Directors' emoluments

The remuneration of every Director for the year ended 30th June 2006 is set out below:

Name of Director 董事名稱	Fees 袍金 HK\$'000 千港元	Salaries, other allowances and benefits in kind 薪酬、 其他津貼及 實物利益	Discretionary bonuses 自行酌定 的花紅	Employer's contribution to pension scheme 僱主對退休金 之供款	Share-based compensation 股份報酬	Total 總額 HK\$'000 千港元
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Executive Directors 執行董事						
Mr HUI Sai Chung 許世聰先生	650	2,674	—	255	87	3,666
Mr HUI Kwok Kwong 許國光先生	650	2,674	—	255	87	3,666
Dr WONG Chi Ying, Anthony 黃子鑾博士	—	1,885	—	94	87	2,066
Mr LAI Kam Wah 黎錦華先生	—	1,885	—	64	87	2,036
Mr CHING Yu Lung 程如龍先生	—	1,391	—	70	87	1,548
Madam LIU Sau Lai 廖秀麗女士	—	1,326	—	114	87	1,527
Independent Non- Executive Directors 獨立 非執行董事						
Mr HO Wai Chi, Paul 何偉志先生	150	—	—	—	—	150
Mr FONG Pong Hing 方邦興先生	100	—	—	—	—	100
Mr CHAN Dit Lung 陳秩龍先生	100	—	—	—	—	100
Total 總額	1,650	11,835	—	852	522	14,859

No emoluments have been paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year.

14 董事及高層管理人員之酬金

(a) 董事酬金

截至二零零六年六月三十日止年度每位董事之酬金如下：

本集團並無向董事支付酬金作為促使加入本集團或加入本集團時之獎金或作為失去職位之賠償。

14 DIRECTORS' AND SENIOR MANagements' EMOLUMENTS (Cont'd)

(a) Directors' emoluments (Cont'd)

The remuneration of every Director for the year ended 30th June 2005 is set out below:

Name of Director 董事名稱	Fees 袍金 HK\$'000 千港元	Salaries, other allowances and benefits in kind 薪酬、 其他津貼及 實物利益	Discretionary bonuses 自行酌定 的花紅	Employer's contribution to pension scheme 僱主對退休金 之供款	Share-based compensation 股份報酬	Total 總額 HK\$'000 千港元
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive Directors 執行董事						
Mr HUI Sai Chung 許世聰先生	150	2,554	—	253	103	3,060
Mr HUI Kwok Kwong 許國光先生	150	2,554	—	253	103	3,060
Dr WONG Chi Ying, Anthony 黃子鑿博士	—	1,712	—	91	103	1,906
Mr LAI Kam Wah 黎錦華先生	—	1,712	—	61	103	1,876
Mr CHING Yu Lung 程如龍先生	—	1,218	—	66	103	1,387
Madam LIU Sau Lai 廖秀麗女士	—	1,202	—	94	103	1,399
Independent Non- Executive Directors 獨立 非執行董事						
Mr HO Wai Chi, Paul 何偉志先生	100	—	—	—	—	100
Mr FONG Pong Hing 方邦興先生	100	—	—	—	—	100
Mr CHAN Dit Lung 陳秩龍先生	76	—	—	—	—	76
Total 總額	576	10,952	—	818	618	12,964

No Directors waived any emoluments during the years ended 30 June 2006 and 2005.

14 董事及高層管理人員之酬金 (續)

(a) 董事酬金 (續)

截至二零零五年六月三十日止年度
每位董事之酬金如下：

截至二零零六年及二零零五年六月
三十日止年度，並無董事放棄彼等
之酬金。

14 DIRECTORS' AND SENIOR MANAGERMENTS' EMOLUMENTS (Cont'd)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include five (2005: three) Directors whose emoluments are disclosed in the analysis presented above. The emoluments payable to the two individuals in last year were as follows:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Salaries, other allowances and benefits in kind	薪酬、其他津貼及實物利益	—	2,670
Discretionary bonus	酌情花紅	—	960
Pension costs	退休金成本	—	160
Share-based compensations	以股份支付的酬金	—	274
		—	4,064

The emoluments of the afore-mentioned two individuals fell within the band of HK\$2,000,001 to HK\$2,500,000. The emoluments represented the amount paid to or receivable by the individuals in last year. No emoluments were paid to the individuals as an inducement to join the Group or as compensation for loss of office.

14 董事及高層管理人員之酬金 (續)

(b) 五名最高薪酬人士

本年度內，在五名最高薪酬人士中，五位(二零零五年：三位)為董事，其酬金已於上文呈列之分析中披露，最高薪酬兩位人士於上年度之薪酬詳情如下：

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Salaries, other allowances and benefits in kind	薪酬、其他津貼及實物利益	—	2,670
Discretionary bonus	酌情花紅	—	960
Pension costs	退休金成本	—	160
Share-based compensations	以股份支付的酬金	—	274
		—	4,064

上述兩位人士之酬金歸入二百萬零一港元至二百五十萬港元之範圍內。該等酬金乃指該等人士於上年度已收或應收款額。並無向上述人士支付酬金作為促使加入本集團或作為失去職位之賠償。

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Properties under Buildings 樓宇	Leasehold improvements 租賃物業裝修	Machinery and equipment 機器及設備	Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備	Motor vehicles 汽車	Tools and moulds 工具及模具	Total 總額	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1 July 2004	於二零零四年七月一日								
Cost	成本	68,002	105	10,588	141,945	20,836	9,485	3,737	254,698
Accumulated depreciation	累計折舊	(11,594)	—	(4,193)	(97,600)	(15,966)	(6,625)	(3,007)	(138,985)
Net book amount	賬面淨值	56,408	105	6,395	44,345	4,870	2,860	730	115,713
Year ended 30th June 2005	截至二零零五年 六月三十日止年度								
Opening net book amount	期初賬面淨值	56,408	105	6,395	44,345	4,870	2,860	730	115,713
Additions	增加	533	—	553	20,612	1,197	172	281	23,348
Reclassification	重新分類	(155)	(77)	—	—	—	—	—	(232)
Disposals/write-off	出售/撇賬	—	—	(1,989)	(4,809)	(280)	—	—	(7,078)
Depreciation for the year	年內折舊	(1,557)	—	(1,884)	(8,283)	(1,698)	(954)	(269)	(14,645)
Closing net book amount	期終賬面淨值	55,229	28	3,075	51,865	4,089	2,078	742	117,106

15 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

15 物業、廠房及設備 (續)

		Buildings	Properties under development	Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Tools and moulds	Total
		樓宇	建築中物業	租賃物業裝修	機器及設備	傢俬、裝置及 辦公室設備	汽車	工具及模具	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 July 2005	於二零零五年七月一日								
Cost	成本	68,203	28	7,260	155,340	17,165	8,862	4,017	260,875
Accumulated depreciation	累計折舊	(12,974)	—	(4,185)	(103,475)	(13,076)	(6,784)	(3,275)	(143,769)
Net book amount	賬面淨值	55,229	28	3,075	51,865	4,089	2,078	742	117,106
Year ended 30th June 2006	截至二零零六年 六月三十日止年度								
Opening net book amount	期初賬面淨值	55,229	28	3,075	51,865	4,089	2,078	742	117,106
Exchange differences	滙兌差額	1,793	—	9	869	187	35	—	2,893
Additions	增加	1,485	72	469	4,862	1,249	1,018	66	9,221
Reclassification	重新分類	—	(28)	—	—	—	—	—	(28)
Disposals/write-off	出售/撇賬	—	—	—	—	(42)	—	—	(42)
Depreciation for the year	年內折舊	(1,581)	—	(989)	(9,498)	(1,668)	(990)	(139)	(14,865)
Closing net book amount	期終賬面淨值	56,926	72	2,564	48,098	3,815	2,141	669	114,285
At 30th June 2006	於二零零六年六月三十日								
Cost	成本	71,771	72	7,669	156,822	17,979	9,539	3,476	267,328
Accumulated depreciation	累計折舊	(14,845)	—	(5,105)	(108,724)	(14,164)	(7,398)	(2,807)	(153,043)
Net book amount	賬面淨值	56,926	72	2,564	48,098	3,815	2,141	669	114,285

15 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (a) Depreciation expense of HK\$10,923,000 (2005: HK\$10,808,000) has been included in cost of sales, HK\$539,000 (2005: HK\$509,000) in distribution cost and HK\$3,403,000 (2005: HK\$3,328,000) in administrative expenses.
- (b) As at 30th June 2006, the cost and accumulated depreciation of property, plant and equipment held by the Group under finance leases amounted to approximately HK\$37,403,000 (2005: HK\$36,921,000) and HK\$11,444,000 (2005: HK\$6,161,000) respectively.
- (c) As at 30th June 2006, the net book value of property, plant and equipment pledged as security for the Group's banking facilities amounted to approximately HK\$3,535,000 (2005: HK\$3,734,000).

15 物業、廠房及設備 (續)

- (a) 折舊費用10,923,000港元(二零零五年: 10,808,000港元)已包括在銷售成本, 539,000港元(二零零五年: 509,000港元)已包括在分銷成本及3,403,000港元(二零零五年: 3,328,000港元)已包括在行政支出。
- (b) 於二零零六年六月三十日, 本集團根據融資租賃持有之物業、廠房及設備之成本及累計折舊分別約為37,403,000港元(二零零五年: 36,921,000港元)及11,444,000港元(二零零五年: 6,161,000港元)。
- (c) 於二零零六年六月三十日, 本集團賬面淨值總額約3,535,000港元(二零零五年: 3,734,000港元)之物業、廠房及設備已抵押予銀行, 為本集團取得銀行信貸。

16 LEASEHOLD LAND AND LAND USE RIGHTS

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

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
In Hong Kong, held on:	在香港持有：		
Leasehold land between 10 to 50 years	十年至五十年之租賃土地	7,425	7,606
In PRC, held on:	在中國持有：		
Land use rights between 10 to 50 years	十年至五十年之土地使用權	8,752	7,448
		16,177	15,054

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Opening balance	期初結餘	15,054	15,788
Additions	增加	1,322	171
Exchange differences	滙兌差額	216	—
Reclassification	重新分類	—	(588)
Amortisation	攤銷	(415)	(317)
Closing balance	期終結餘	16,177	15,054

As at 30th June 2006, the net book value of leasehold land and land use rights pledged as security for the Group's banking facilities amounted to approximately HK\$2,499,000 (2005: HK\$2,737,000).

16 租賃土地及土地使用權

本集團於租賃土地及土地使用權之權益代表預付經營租賃款項，其賬面淨值分析如下：

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
In Hong Kong, held on:	在香港持有：		
Leasehold land between 10 to 50 years	十年至五十年之租賃土地	7,425	7,606
In PRC, held on:	在中國持有：		
Land use rights between 10 to 50 years	十年至五十年之土地使用權	8,752	7,448
		16,177	15,054

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Opening balance	期初結餘	15,054	15,788
Additions	增加	1,322	171
Exchange differences	滙兌差額	216	—
Reclassification	重新分類	—	(588)
Amortisation	攤銷	(415)	(317)
Closing balance	期終結餘	16,177	15,054

於二零零六年六月三十日，租賃土地及土地使用權賬面淨值約2,499,000港元（二零零五年：2,737,000港元）已抵押予銀行，為本集團取得銀行信貸。

17 INVESTMENT PROPERTIES

17 投資物業

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
At 1st July	於七月一日	12,040	10,745
Additions	增加	—	—
Increase in fair value	公平值增加	220	652
Reclassification	重新分類	—	643
At 30th June	於六月三十日	12,260	12,040

- (a) The investment properties were revalued at 30th June 2006 by Chung, Chan & Associates, an independent professional qualified valuer. Valuations were based on current prices in an active market.
- (a) 本集團全部投資物業於二零零六年六月三十日由獨立專業估值師行衡量行根據在活躍市場的當時價格釐定。
- (b) As at 30th June 2006, the net book value of investment properties pledged as security for the Group's banking facilities amounted to approximately HK\$4,560,000 (2005: HK\$4,480,000).
- (b) 於二零零六年六月三十日，投資物業賬面淨值約4,560,000港元(二零零五年：4,480,000港元)已抵押予銀行，為本集團取得銀行信貸。
- (c) The Group's interests in investment properties at their book values are analysed as follows:
- (c) 本集團於投資物業之權益之賬面值分析如下：

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
In Hong Kong, held on	在香港持有：		
Leases of between 10 to 50 years	十年至五十年之租賃	12,260	12,040

18 INVESTMENTS IN AND AMOUNTS DUE FROM SUBSIDIARIES

(a) Investments in subsidiaries

		Company 公司	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份，按成本	62,711	62,711

Particulars of the principal subsidiaries of the Company as at 30th June 2006 are set out in note 33 to the accounts.

(b) Amounts due from subsidiaries

The balance are unsecured, interest free and repayable on demand.

19 INVENTORIES

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Trading stocks	貿易業務存貨	59,659	70,019
Raw materials	原料	47,950	83,350
Finished goods	製成品	34,951	33,004
		142,560	186,373

The cost of inventories recognised as expenses and included in cost of goods sold amounted to approximately HK\$1,144,642,000 (2005: HK\$1,048,505,000).

18 應收附屬公司款及附屬公司投資

(a) 附屬公司投資

		Company 公司	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份，按成本	62,711	62,711

於二零零六年六月三十日，本公司之主要附屬公司詳情載於賬目附註33。

(b) 應收附屬公司款

該金額並無抵押、免息及隨時按要求歸還。

19 存貨

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Trading stocks	貿易業務存貨	59,659	70,019
Raw materials	原料	47,950	83,350
Finished goods	製成品	34,951	33,004
		142,560	186,373

約1,144,642,000港元（二零零五年：1,048,505,000港元）之存貨成本已確認為費用並包括在銷貨成本中。

20 TRADE AND BILLS RECEIVABLES

The aging analysis of trade and bills receivables is as follows:

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Below 90 days	0 - 90 日	241,940	241,259
91 - 180 days	91 - 180 日	29,837	29,746
Over 180 days	超過 180 日	9,612	4,433
		281,389	275,438

There was no concentration of credit risk with respect to trade and bills receivables as the Group has a large number of customers. The carrying value of the trade and bills receivables approximate their fair value.

The majority of the Group's sales are with credit terms of 30 to 90 days. The remaining amounts are on letter of credit or documents against payment.

A subsidiary of the Group transferred certain bills of exchange amounting to approximately HK\$4,549,000 to banks with recourse in exchange for cash during the year. The transactions have been accounted for as collateralised bank advances.

20 貿易應收款及應收票據

貿易應收款及應收票據之賬齡分析如下：

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Below 90 days	0 - 90 日	241,940	241,259
91 - 180 days	91 - 180 日	29,837	29,746
Over 180 days	超過 180 日	9,612	4,433
		281,389	275,438

由於本集團擁有大量之客戶，所以貿易應收款及應收票據並無信貸過份集中之風險。貿易應收款及應收票據之賬面值與其公本值相若。

本集團大部份銷售的信貸期為30至90日，其餘以信用狀或付款交單方式進行。

年內本集團將約4,549,000港元的附追索權之貼現票據轉讓予銀行以換取現金。有關交易已列為抵押化的銀行墊款。

21 TRADE PAYABLE

The aging analysis of trade payable is as follows:

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Below 90 days	0 - 90 日	91,646	99,615
91 - 180 days	91 - 180 日	1,334	823
Over 180 days	超過 180 日	876	1,574
		93,856	102,012

The carrying value of trade payable approximates its fair value.

21 貿易應付款

貿易應付款的賬齡分析如下：

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Below 90 days	0 - 90 日	91,646	99,615
91 - 180 days	91 - 180 日	1,334	823
Over 180 days	超過 180 日	876	1,574
		93,856	102,012

貿易應付款之賬面值與其公平值相若。

22 CASH AND CASH EQUIVALENTS

		Group 集團		Company 公司	
		2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cash at bank and in hand	銀行及手頭現金	62,187	55,019	79	257

Included in cash and cash equivalents of the Group as at 30th June 2006 were approximately HK\$18,642,000 (2005: approximately HK\$21,077,000) denominated in Renminbi. The conversion of these Renminbi denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

22 現金及現金等額

本集團於二零零六年六月三十日之現金及現金等額包括約18,642,000港元(二零零五年：約21,077,000港元)，乃以人民幣為貨幣單位。人民幣並非可自由兌換之貨幣。

23 DERIVATIVE FINANCIAL INSTRUMENTS

23 衍生金融工具

		Group 集團 2006	
		Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
Forward foreign exchange contracts – not qualifying as hedges	外滙遠期合約 – 不合對沖資格	—	27

24 SHARE CAPITAL

24 股本

		No. of shares 股份數目	HK\$'000 千港元
Authorised shares of HK\$0.10 each At 30th June 2005 and 2006	每股面值 0.10 港元之法定股本 於二零零五年及二零零六年六月三十日	800,000,000	80,000
Issued and fully paid shares of HK\$0.10 each At 1st July 2004	每股面值 0.10 港元之已發行及繳足股本 於二零零四年七月一日	300,000,000	30,000
Open offer issue of shares	公開發售股份	60,000,000	6,000
At 30th June 2005 and 2006	於二零零五年及二零零六年六月三十日	360,000,000	36,000

24 SHARE CAPITAL (Cont'd)

Pursuant to the share option scheme approved and adopted on 5th December 2002, the Board of Directors of the Company may offer eligible employees (including Executive Directors) rights to subscribe for shares of the Company (the "Share Option"). Movements in the number of Share Options outstanding during the year are as follows:

		Number of Shares Options 購股權數目	
		2006	2005
At the beginning of the year	年初	28,500,000	25,500,000
Grant	授出	—	3,000,000
At the end of the year	年末	28,500,000	28,500,000

Share Options outstanding at the end of the year have the following terms:

於年末尚未行使之購股權條款如下：

Expiry Date 到期日		Exercise price 行使價		Number of Share Options 購股權數目	
				2006	2005
Directors	董事				
– 1st May 2009	– 二零零九年五月一日	HK\$0.82	0.82 港元	18,000,000	18,000,000
Employees	僱員				
– 29th April 2009	– 二零零九年四月二十九日	HK\$0.82	0.82 港元	1,500,000	1,500,000
– 1st May 2009	– 二零零九年五月一日	HK\$0.82	0.82 港元	6,000,000	6,000,000
– 20th October 2010	– 二零一零年十月二十日	HK\$0.65	0.65 港元	3,000,000	3,000,000
				28,500,000	28,500,000

24 SHARE CAPITAL (Cont'd)

The fair values of options granted under the share option scheme determined using the Binomial Option Pricing Model were as follows:

24 股本 (續)

使用二項式期權定價模式釐定根據購股權計劃授出之購股權之公平值如下：

		30th April 2003 二零零三年 四月三十日	2nd May 2003 二零零三年 五月二日	21st October 2004 二零零四年 十月二十一日
Date of grant of share option 授出購股權日期				
Average fair value of share options at date of grant	於授出日期購股權之平均公平值	HK\$0.287 0.287 港元	HK\$0.286 0.286 港元	HK\$0.200 0.200 港元
Significant inputs into the valuation model:		估值模式之重大輸入數據：		
Exercise price	行使價	HK\$0.82 0.82 港元	HK\$0.82 0.82 港元	HK\$0.65 0.65 港元
Share price at grant date	於授出日期之股價	HK\$0.82 0.82 港元	HK\$0.82 0.82 港元	HK\$0.65 0.65 港元
Expected volatility	預期波幅	65% per annum 每年 65%	65% per annum 每年 65%	55% per annum 每年 55%
Risk-free interest rate	無風險利息率	2.84% per annum 每年 2.84%	2.72% per annum 每年 2.72%	2.59% per annum 每年 2.59%
Expected life of options	購股權之預期有效期	6 years 6 年	6 years 6 年	6 years 6 年
Expected dividend yield	預期股息回報	6% per annum 每年 6%	6% per annum 每年 6%	6% per annum 每年 6%

25 RESERVES

(a) The reserves of the Group and the Company at 30th June 2006 are analysed as follows:

		Group 集團		Company 公司	
		2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Retained earnings/ (accumulated losses)	保留溢利/ (累計虧損)	221,947	215,854	151	(5,111)
Proposed final dividend	建議末期股息	3,600	3,600	3,600	3,600
		225,547	219,454	3,751	(1,511)
Other reserves	其他儲備	75,722	73,623	127,899	126,931
Total reserves	總儲備	301,269	293,077	131,650	125,420

- (i) Included in other reserves of the Group was an amount of approximately HK\$408,000 (2005: HK\$408,000) capital reverse which represented the aggregate amount of the non-voting deferred shares of Ngai Hing Hong Plastic Materials Limited and the difference between the nominal amount of the share capital issued by the Company in exchange for the aggregate nominal amount of the share capital of the subsidiaries acquired pursuant to the group reorganisation in 1994 (the "Recognition").
- (ii) Included in other reserves of the Company was an amount of approximately HK\$62,511,000 (2005: HK\$62,511,000) contributed surplus which represented the difference between the consolidated shareholders' funds of Ngai Hing (International) Company Limited at the date on which the Reorganisation became effective and the nominal amount of the Company's shares issued under the Reorganisation. At Group level the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

25 儲備

(a) 於二零零六年六月三十日本集團及本公司之儲備分析如下：

- (i) 已包括於本集團的其他儲備中為約408,000港元(二零零五年:408,000港元)之資本儲備,乃毅興塑膠原料有限公司之無投票權遞延股份總值及於一九九四年本公司根據集團重組(「重組」)所發行之股本面值以交換所收購附屬公司之股本面值總額兩者之差額。
- (ii) 已包括於本公司的其他儲備為約62,511,000港元(二零零五年:62,511,000港元)之實繳盈餘,乃Ngai Hing (International) Company Limited於重組生效日期之綜合股東資金與本公司根據重組所發行之股份面值兩者之差額。本集團之實繳盈餘乃重新撥入有關附屬公司之儲備組合內。

25 RESERVES (Cont'd)

(b) Company

25 儲備 (續)

(b) 公司

		Other reserves 其他儲備			Retained earnings/ (accumulated losses) 保留溢利/ (累計虧損)	Total 總額
		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Share option reserves 購股權儲備 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 30th June 2005, as previously reported	於二零零五年六月三十日 承前滙報	57,611	62,511	—	5,298	125,420
Opening adjustment for the adoption of HKFRS 2	採納香港財務報告準則 第2號之期初調整	—	—	6,809	(6,809)	—
At 30th June 2005, as restated	於二零零五年六月三十日， 已重列	57,611	62,511	6,809	(1,511)	125,420
Profit for the year	本年溢利	—	—	—	12,462	12,462
Employee share options scheme: – value of employee services	僱員購股權計劃： 僱員服務價值	—	—	968	—	968
2004/2005 final dividends paid	支付二零零四/二零零五年度 末期股息	—	—	—	(3,600)	(3,600)
2005/2006 interim dividends paid	支付二零零五/二零零六年度 中期股息	—	—	—	(3,600)	(3,600)
At 30th June 2006	於二零零六年六月三十日	57,611	62,511	7,777	3,751	131,650
At 1st July 2004, as previously reported	於二零零四年七月一日 承前滙報	28,475	62,511	—	7,331	98,317
Opening adjustment for the adoption of HKFRS 2	採納香港財務報告準則 第2號之期初調整	—	—	4,644	(4,644)	—
At 1st July 2004, as restated	於二零零四年七月一日， 已重列	28,475	62,511	4,644	2,687	98,317
Premium arising on issue of shares	股份發行之溢價	30,000	—	—	—	30,000
Share issue expenses	股份發行費用	(864)	—	—	—	(864)
Profit for the year	本年溢利	—	—	—	4,802	4,802
Employee share options scheme: – value of employee services	僱員購股權計劃： 僱員服務價值	—	—	2,165	—	2,165
2003/2004 final dividends paid	支付二零零三/二零零四年度 末期股息	—	—	—	(6,000)	(6,000)
2004/2005 interim dividends paid	支付二零零四/二零零五年度 中期股息	—	—	—	(3,000)	(3,000)
At 30th June 2005	於二零零五年六月三十日	57,611	62,511	6,809	(1,511)	125,420

26 BORROWINGS

26 借貸

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Non-current	非流動		
Obligations under finance leases	融資租賃責任	10,216	17,765
Current	流動		
Obligations under finance leases – current portion	融資租賃責任—即期部份	7,699	7,488
Trust receipt loans – secured	信託收據貸款—有抵押	103,649	121,709
Short-term bank loans – secured	短期銀行貸款—有抵押	50,155	61,215
		161,503	190,412

The effective interest rates at the balance sheet date were as follows:

於結算日時之實際利率如下：

		2006			2005		
		HK\$	RMB	US\$	HK\$	RMB	US\$
		港元	人民幣	美元	港元	人民幣	美元
Obligations under finance leases	融資租賃 責任	5.34%	—	—	3.01%	—	—
Trust receipt loans	信託收據貸款	5.13%	—	—	2.27%	—	—
Short-term bank loans	短期銀行貸款	—	5.49%	5.14%	—	4.74%	3.86%

The carrying amounts of the borrowings approximate their fair value.

借款之賬面值與其公平值相若。

26 BORROWINGS (Cont'd)

The carrying amounts of the borrowings are denominated in the following currencies:

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong dollars	港元	121,564	146,962
Chinese Renminbi	人民幣	36,442	50,278
United States dollars	美元	13,713	10,937
		171,719	208,177

At 30th June 2006, the Group's finance lease liabilities were repayable as follows:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	8,568	8,254
Between 1 and 2 years	一至兩年內	6,665	8,254
Between 3 and 5 years	三至五年內	4,177	10,372
		19,410	26,880
Future finance charges on finance leases	融資租賃之未來財務費用	(1,495)	(1,627)
Present value of obligations under finance leases	融資租賃責任之現值	17,915	25,253

The present value of obligations under finance lease is as follows:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	7,699	7,488
Between 1 and 2 years	一至兩年內	6,253	7,755
Between 2 and 5 years	兩至五年內	3,963	10,010
		17,915	25,253

26 借貸 (續)

借款之賬面值乃以下列貨幣為單位：

於二零零六年六月三十日，本集團的融資租賃負債如下：

融資租賃責任之現值如下：

27 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5%.

The movement on the deferred tax liabilities/(assets) account is as follows:

		Group 集團		Company 公司	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
At 1st July	於七月一日	915	2,263	(94)	(172)
Deferred taxation charged/ (credited) to profit and loss account (note 9)	扣除／(計入)損益 表之遞延稅項 (附註9)	158	(1,195)	70	78
Deferred taxation credited to investment properties revaluation reserve	在投資物業重估儲備 計入之 遞延稅項	—	(153)	—	—
At 30th June	於六月三十日	1,073	915	(24)	(94)

Deferred income tax assets are recognised for tax losses carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable.

27 遞延稅項

遞延稅項採用負債法就短暫時差按主要稅率百分之十七點五作全數撥備。

遞延稅項負債／(資產)賬目之變動如下：

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作確認。

27 DEFERRED TAXATION (Cont'd)

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred tax liabilities - Group

		Accelerated taxation depreciation 加速稅務折舊	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
At 1st July	於七月一日	4,121	4,567
Credited to profit and loss account	已計入損益表	(440)	(293)
Credited to investment properties reevaluation reserve	已計入投資物業 重估儲備	—	(153)
At 30th June	於六月三十日	3,681	4,121

Deferred tax assets - Group

		遞延稅項資產－集團					
		Provision 準備		Tax losses 稅務虧損		Total 總額	
		2006	2005	2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1st July	於七月一日	547	75	2,659	2,229	3,206	2,304
Credited/ (charged) to profit and loss account	在損益表計入/ (扣除)	47	472	(645)	430	(598)	902
At 30th June	於六月三十日	594	547	2,014	2,659	2,608	3,206

27 遞延稅項 (續)

年內遞延稅項資產及負債之變動(與同一徵稅地區之結餘抵銷前)如下:

遞延稅項負債－集團

		Accelerated taxation depreciation 加速稅務折舊	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
At 1st July	於七月一日	4,121	4,567
Credited to profit and loss account	已計入損益表	(440)	(293)
Credited to investment properties reevaluation reserve	已計入投資物業 重估儲備	—	(153)
At 30th June	於六月三十日	3,681	4,121

27 DEFERRED TAXATION (Cont'd)

Deferred tax assets - Company

		Tax losses 稅務虧損	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
At 1st July	於七月一日	94	172
Charged to profit and loss account	已扣除損益賬	(70)	(78)
At 30th June	於六月三十日	24	94

		Group 集團		Company 公司	
		2006 HK\$ 港元	2005 HK\$ 港元	2006 HK\$ 港元	2005 HK\$ 港元
Deferred tax assets	遞延稅項資產	(2,056)	(2,360)	(24)	(94)
Deferred tax liabilities	遞延稅項負債	3,129	3,275	—	—
		1,073	915	(24)	(94)

28 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow/(outflow) from operations

28 綜合現金流量表附註

(a) 經營溢利與經營產生之現金流入／
(流出)淨額調節

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Operating profit	經營溢利	20,867	27,429
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14,865	14,645
Write-off of property, plant and equipment	物業、廠房及設備撇賬	—	2,122
Share option expenses	購股權費用	968	2,165
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	32	41
Amortisation of leasehold land and land use right	批租土地及土地使用權攤銷	415	317
Fair value loss from derivative financial instruments	衍生金融工具之公平值損失	2,136	—
Interest income	利息收入	(304)	(42)
Fair value gain on investment properties	投資物業的公平值收益	(220)	—
Operating profit before working capital changes	營運資金改變前之經營溢利	38,759	46,677
Decrease/(increase) in inventories	存貨之減少／(增加)	43,813	(67,520)
Increase in trade receivables, other receivables, prepayments and deposits	貿易應收款、 其他應收款、 預付款及按金之增加	(4,754)	(68,449)
(Decrease)/increase in trade payables, other payables and accruals	貿易應付款、其他應付款及 預提費用之(減少)／增加	(10,800)	30,616
Increase in collateralised bank advances	銀行貼現票據墊款之增加	4,549	—
Net cash inflow/(outflow) from operations	經營產生之現金 流入／(流出)淨額	71,567	(58,676)

28 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

(b) Major non-cash transactions

During the year the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of approximately HK\$483,000 (2005: approximately HK\$12,240,000).

29 COMMITMENTS

(a) Capital commitments

At 30th June 2006, the Group had the following capital commitments for property, plant and equipment:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Contracted but not provided for	已簽約但未撥備	6,251	1,429
Authorised but not contracted for	已授權但未簽約	—	—
		6,251	1,429

(b) Commitment under operating leases

At 30th June 2006, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Not later than one year	一年內	6,800	2,029
Later than one year and not later than five years	一年後但不遲於五年	12,399	5,155
Later than five years	第五年後	3,868	4,496
		23,067	11,680

28 綜合現金流量表附註(續)

(b) 不涉及現金之重大交易

本集團年內就租約生效時資本總值約483,000港元(二零零五年:約12,240,000港元)之資產訂立融資租賃協定。

29 承擔

(a) 資本承擔

於二零零六年六月三十日,本集團有於下列期間之有關物業、廠房及設備之資本承擔:

(b) 經營租賃承擔

於二零零六年六月三十日,本集團有於下列期間到期之有關土地及樓宇之不可撤銷經營租賃之未來最少租賃付款:

29 COMMITMENTS (Cont'd)

- (c) At 30th June 2006, the Group had maximum outstanding commitments in respect of forward contracts in order to hedge the Group's exposure in foreign currencies from its operations as follows:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Sell HK dollars for US dollars	沽港元以買入美元	886,964	836,267

30 CONTINGENT LIABILITIES

As at 30th June 2006, the Company and the Group had the following contingent liabilities:

- (a) Guarantee in respect of the due performance of a subsidiary under a contract manufacturing agreement to the extent of HK\$20,000,000 (2005: HK\$20,000,000);
- (b) Guarantees given to banks for banking facilities granted to its subsidiaries to the extent of approximately HK\$410,294,000 (2005: HK\$399,168,000); and

29 承擔 (續)

- (c) 為減低營運有關之外匯風險，本集團訂立外匯遠期合約。於二零零六年六月三十日，未結算之遠期合約之最高承擔如下：

30 或有負債

於二零零六年六月三十日，本公司及本集團之或有負債如下：

- (a) 本公司根據一項承包製造協議就一附屬公司之履約保證提供最高20,000,000港元（二零零五年：20,000,000港元）之擔保；
- (b) 本公司就其附屬公司之銀行信貸，向銀行提供最高約410,294,000港元（二零零五年：399,168,000港元）之擔保；及

30 CONTINGENT LIABILITIES (Cont'd)

(c) In April 2003, a customer (the "Customer") issued a Writ of Summons in the High Court of the Hong Kong Special Administrative Region (the "Proceedings") against a subsidiary of the Company (the "Subsidiary") and filed a Statement of Claim in June 2003 claiming against the Subsidiary for US\$589,590.53 (the "Claim") for losses and damages alleged to have been suffered by the Customer as a result of alleged breach of contract entered into between the Customer and the Subsidiary for goods sold by the Subsidiary to the Customer (the "Goods"). On basis of independent legal advice, the Subsidiary has (i) filed a defence and counterclaim to the Claim and (ii) taken out Third Party Proceedings against the company, which supplied the Goods to the Subsidiary for resale to the Customer (the "Third Party"). The Third Party has also taken out the Fourth Party Proceedings against the company, which supplied the Goods to the Third Party for resale to the Subsidiary. The trial of the Proceedings had completed on 27th September 2006 and the Judgment has yet to be delivered. Counsel for the Subsidiary has advised that the likely outcome of the Proceedings would be the Subsidiary either succeeds in defending the Claim and obtaining judgment on its counterclaim or if the Claim shall succeed, being indemnified by the Third Party. In such circumstances, the Directors are of the view that the Subsidiary is unlikely to suffer any loss for the Claim, therefore, no provision is considered necessary.

31 RELATED PARTY TRANSACTIONS

All Executive Directors of the Company are regarded as the key management of the Group and details of compensation paid to them are disclosed in note 14 to the accounts.

32 ULTIMATE HOLDING COMPANY

The Directors regard Good Benefit Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

30 或有負債 (續)

(c) 於二零零三年四月，一名客戶（「該客戶」）向本公司一家附屬公司（「該附屬公司」）於香港特別行政區高等法院發出傳訊令狀（「該法律程序」），並於二零零三年六月發出申索陳述書，指稱該附屬公司違反與該客戶簽訂之貨物買賣合同（「該貨物」）而申索589,590.53美元（「該申索」）之損失及賠償。根據獨立法律意見，該附屬公司已(i)就該申索發出抗辯及反申索書及(ii)向供應該貨物予該附屬公司以供轉售予該客戶之公司（「第三方」）進行第三方的法律程序。第三方亦已向供應該貨物予第三方以供轉售予該附屬公司之公司進行第四方的法律程序。該法律程序已於二零零六年九月二十七日完竣而判決有待宣告。該附屬公司的大律師意見為該法律程序的相當可能結果是該附屬公司成功抗辯及其反申索得直或若該申索成功，則獲得由第三方彌償。在有關情況下，本公司董事認為該附屬公司不大可能會因該索償而招致任何損失，故此無需作出撥備。

31 有關連人士交易

本公司所有執行董事均被視為本集團之重要管理人員，其詳細薪酬已於附註14披露。

32 最終控股公司

董事認為本公司最終控股公司為Good Benefit Limited（在英屬處女群島註冊成立之公司）。

33 PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries as at 30th June 2006:

Name 名稱	Place of incorporation or establishment/operation *kind of legal entity 註冊成立/ 成立及經營地點 * 法人類別	Issued and fully paid up share capital/ registered capital 已發行及 繳足股本/註冊資本	Principal activities 主要業務	Effective percentage of equity held indirectly by the Company 本公司間接持有 之實際股本百分比
Dongguan Ngai Hing Plastic Materials Ltd. 東莞毅興塑膠原料 有限公司	The PRC * wholly foreign- owned enterprise 中國 * 外商獨資企業	HK\$93,200,000 93,200,000 港元	Manufacture and sale of colorants and compounded plastic resins 製造及銷售着色劑及 着色合成樹脂	100
Hong Kong Colour Technology Limited 顏色專業有限公司	Hong Kong 香港	500,000 ordinary shares of HK\$1 each 500,000 普通股 每股1港元	Manufacture and trading of colorants and compounded plastic resins 製造及買賣着色劑及 着色合成樹脂	100
Ngai Hing Engineering Plastic Materials Limited 毅興工程塑料有限公司	Hong Kong 香港	2,000,000 ordinary shares of HK\$1 each 2,000,000 普通股 每股1港元	Manufacture, trading, marketing and promotion of engineering plastic products 製造、買賣、市場 推廣及推銷工程 塑膠產品	76.2

33 主要附屬公司

於二零零六年六月三十日，本公司之主要附屬公司如下：

33 PRINCIPAL SUBSIDIARIES (Cont'd)

33 主要附屬公司 (續)

Name 名稱	Place of incorporation or establishment/operation *kind of legal entity 註冊成立/ 成立及經營地點 * 法人類別	Issued and fully paid up share capital/ registered capital 已發行及 繳足股本/註冊資本	Principal activities 主要業務	Effective percentage of equity held indirectly by the Company 本公司間接持有 之實際股本百分比
Ngai Hing Engineering Plastics (Shanghai) Co., Ltd. 毅興工程塑料 (上海) 有限公司	The PRC * wholly foreign-owned enterprise 中國 * 外商獨資企業	US\$200,000 200,000 美元	Trading of engineering plastic products 買賣工程塑膠產品	76.2
Ngai Hing (GZFTZ) Trading Co., Ltd. 毅興(廣州保稅區) 貿易有限公司	The PRC * wholly foreign-owned enterprise 中國 * 外商獨資企業	US\$200,000 200,000 美元	Trading of plastic materials and pigments 買賣塑膠原料及色粉	100
Ngai Hing Trading (Tsing Tao) Co. Ltd 毅興貿易(青島) 有限公司	The PRC * wholly foreign-owned enterprise 中國 * 外商獨資企業	US\$100,000 100,000 美元	Trading of plastic materials and pigments 買賣塑膠 原料及色粉	100
Ngai Hing Engineering Plastic (Hong Kong) Limited 毅興工程塑料(香港) 有限公司	Hong Kong 香港	1,000,000 ordinary shares of HK\$1 each 1,000,000 普通股 每股 1 港元	Trading of engineering plastic products 買賣工程 塑膠產品	76.2
NHH International Trading Limited 毅興國際貿易 有限公司	Hong Kong 香港	2,000,000 ordinary shares of HK\$1 each 2,000,000 普通股 每股 1 港元	Trading of plastic materials and pigments 買賣塑膠 原料及色粉	60

33 PRINCIPAL SUBSIDIARIES (Cont'd)

Notes:

- (a) The holders of the non-voting deferred shares in Ngai Hing Hong Plastic Materials Limited ("NHH") shall not be entitled to any participation in the profits or surplus assets of NHH and they are not entitled to receive notice of or attend or vote at any general meeting of NHH in respect of their holdings of such deferred shares.

Ngai Hing (International) Company Limited has been granted an option by the holders of the non-voting deferred shares to acquire these shares for an aggregate cash consideration of HK\$4.

- (b) The above table includes the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.
- (c) The aggregate net assets of subsidiaries not audited by PricewaterhouseCoopers under statutory requirements amounted to approximately 25.9% (2005: 24.5%) of the Group's total net assets.

33 主要附屬公司 (續)

附註：

- (a) 毅興塑膠原料有限公司(「毅興」)無投票權遞延股份之持有人無權參與毅興之溢利或剩餘資產分派，亦無權就其持有之遞延股份收取毅興股東大會通告或出席毅興股東大會或於會上投票。

Ngai Hing (International) Company Limited以現金總代價4港元獲無投票權遞延股份持有人授出可購買該等股份之購股權。

- (b) 上表列出董事認為對本年度業績構成重要影響或構成本集團資產淨值之主要部分之本公司附屬公司。董事認為如載列其他附屬公司之詳情會令資料過於冗長。
- (c) 並非由香港羅兵咸永道會計師事務所法定審核之附屬公司之資產淨值總額佔本集團資產淨值總額約百分之二十五點九(二零零五年：百分之二十四點五)。