

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1 GENERAL INFORMATION

Carry Wealth Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) manufactures and trades garment products. The Group has production facilities in Indonesia, Lesotho, El Salvador and Mainland China.

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

The Company is listed on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors on 26th March, 2007.

1 一般資料

恒富控股有限公司（「本公司」）及其附屬公司（統稱為「本集團」）生產及買賣成衣產品。本集團於印尼、萊索托、薩爾瓦多及中國大陸均有生產設施。

本公司是一間於百慕達註冊成立的有限公司。註冊地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司於香港聯合交易所有限公司上市。

除另有說明外，此等綜合財務報表均以千港元為呈列單位（千港元）。

此等綜合財務報表已於二零零七年三月二十六日獲董事會批准刊發。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements 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 financial statements of Carry Wealth Holdings Limited have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, available-for-sale financial assets, financial assets and financial liabilities at fair value through profit or loss and investment properties, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 主要會計政策概要

編製此等綜合財務報表所採納之主要會計政策載於下文。除另有說明外，此等政策已於所有呈報年度貫徹應用。

2.1 編製基準

恒富控股有限公司之綜合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。綜合財務報表乃根據歷史成本法而編製，並就重估建築物、可供出售之金融資產、按公允值計入損益賬之金融資產與金融負債及以公允值列賬之投資物業而予以修訂。

根據香港財務報告準則，本財務報表之編製作出了若干關鍵會計估算。同時，在應用本公司會計政策之過程中，需要管理層行使其判斷。需要作出較多判斷或較為複雜之範疇，或有關假設及估計對綜合財務報表屬於重要之範疇，已於附註4披露。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(a) *Standards and interpretations to published standards that are not yet effective and have not been early adopted by the Group*

- HKFRS 7, Financial instruments: Disclosures (effective for annual periods beginning on or after 1st January, 2007), and the complementary Amendment to HKAS 1, Presentation of Financial Statements – Capital Disclosures (effective for annual periods beginning on or after 1st January, 2007). HKFRS 7 introduces new disclosures relating to financial instruments. This standard does not have any impact on the classification and valuation of the Group's financial instruments.
- HK(IFRIC)-Int 8, Scope of HKFRS 2 (effective for annual periods beginning on or after 1st May, 2006). HK(IFRIC)-Int 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of HKFRS 2. The Group will apply HK(IFRIC)-Int 8 from 1st January, 2007, but it is not expected to have any impact on the Group's consolidated financial statements; and

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(a) *尚未生效及未獲本集團提早採納之準則及已頒佈準則之詮釋*

- 香港財務報告準則第7號「金融工具：披露」（於二零零七年一月一日或之後開始之年度期間生效）及香港會計準則第1號「財務報表之呈報－資本披露」之補充修訂（於二零零七年一月一日或之後開始之年度期間生效）。香港財務報告準則第7號引入了有關金融工具之新披露規定。此項準則對本集團之金融工具之分類及估值概無任何影響。
- 香港（國際財務報告詮釋委員會）－詮釋第8號「香港財務報告準則第2號之範圍」（由二零零六年五月一日或之後開始之會計期間生效）。香港（國際財務報告詮釋委員會）－詮釋第8號規定凡涉及發行權益工具之交易－當中所收取之可識別代價低於所發行權益工具之公允值－必須確定其是否屬於香港財務報告準則第2號之範圍內。本集團將由二零零七年一月一日起應用香港（國際財務報告詮釋委員會）－詮釋第8號，但預期不會對本集團之綜合財務報表有任何影響；及

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(a) Standards and interpretations to published standards that are not yet effective and have not been early adopted by the Group (Continued)

- HK(IFRIC)-Int 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1st November, 2006). HK(IFRIC)-Int 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply HK(IFRIC)-Int 10 from 1st January, 2007, but it is not expected to have any impact on the Group's accounts.

(b) Interpretations to published standards that are not yet effective and not relevant for the Group's operations

- HK(IFRIC)-Int 7, Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies (effective from 1st March, 2006). HK(IFRIC)-Int 7 provides guidance on how to apply requirements of HKAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the group entities have a currency of a hyperinflationary economy as its functional currency, HK(IFRIC)-Int 7 is not relevant to the Group's operations; and

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(a) 尚未生效及未獲本集團提早採納之準則及已頒佈準則之詮釋 (續)

- 香港(國際財務報告詮釋委員會)－詮釋第10號「中期財務報告和減值」(由二零零六年十一月一日或之後開始之會計期間生效)。香港(國際財務報告詮釋委員會)－詮釋第10號禁止在中期期間確認按成本值列賬之商譽、權益工具之投資和財務資產投資之減值虧損，在之後之結算日撥回。本集團將由二零零七年一月一日起應用香港(國際財務報告詮釋委員會)－詮釋第10號，但預期不會對本集團之綜合財務報表有任何影響。

(b) 尚未生效且與本集團之業務無關之已頒佈準則之詮釋

- 香港(國際財務報告詮釋委員會)－詮釋第7號「應用香港會計準則第29號「嚴重通脹經濟中之財務報告」下之重列法」(由二零零六年三月一日起生效)。香港(國際財務報告詮釋委員會)－詮釋第7號提供了指引，說明若實體在某報告期間內確定其功能貨幣處於嚴重通脹之經濟中，而有關經濟體系在上一期間並無出現嚴重通脹，應如何應用香港會計準則第29號之規定。由於集團並無任何實體擁有處於嚴重通脹經濟體系之貨幣作為其功能貨幣，故此香港(國際財務報告詮釋委員會)－詮釋第7號與本集團之營運無關；及

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) Interpretations to published standards that are not yet effective and not relevant for the Group's operations (Continued)

- HK(IFRIC)-Int 9, Reassessment of embedded derivatives (effective for annual periods beginning on or after 1st June, 2006). HK (IFRIC)-Int 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. As none of the group entities have changed the terms of their contracts, HK (IFRIC)-Int 9 is not relevant to the Group's operations.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(b) 尚未生效且與本集團之業務無關之已頒佈準則之詮釋 (續)

- 香港 (國際財務報告詮釋委員會) – 詮釋第9號「重新評估嵌入式衍生工具」 (由二零零六年六月一日或之後開始之年度期間生效)。香港 (國際財務報告詮釋委員會) – 詮釋第9號規定當實體首次成為主合約之一方，必須評估該嵌入式衍生工具是否需要與該主合約分開處理，並記賬為衍生工具。此項準則禁止進行後期評估，但假如合約條款有變導致大幅度修改了合約原有之現金流量，則可在有需要時進行重估。由於沒有集團實體更改了其合約條款，故此香港 (國際財務報告詮釋委員會) – 詮釋第9號與本集團之營運無關。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(c) *Standards, amendments and interpretations effective in 2006 but not relevant to the Group's operations*

- HKAS 39 Amendment – Cash Flow Hedge Accounting of Forecast Intragroup Transactions;
- HKAS 39 Amendment – The Fair Value Option;
- HKFRS 6, Exploration for and Evaluation of Mineral Resources;
- HKFRS 1 Amendment – First-time Adoption of Hong Kong Financial Reporting Standards and HKFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources;
- HK(IFRIC)-Int 4, Determining whether an Arrangement contains a Lease;
- HK(IFRIC)-Int 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds; and
- HK(IFRIC)-Int 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(c) 於二零零六年生效但與本集團之業務無關之準則、修訂及詮釋

- 香港會計準則第39號(修訂) – 預測內部交易的現金流量對沖會計法;
- 香港會計準則第39號(修訂) – 公允值期權;
- 香港財務報告準則第6號 – 礦產資源的開採和評估;
- 香港財務報告準則第1號及第6號(修訂)「首次採納香港財務報告準則及礦產資源之開採和評估」;
- 香港(國際財務報告詮釋委員會) – 詮釋第4號 – 釐定一項安排是否包含租賃;
- 香港(國際財務報告詮釋委員會) – 詮釋第5號 – 對拆卸、復原及環境復修基金權益之權利;及
- 香港(國際財務報告詮釋委員會) – 詮釋第6號 – 參予特殊市場 – 電氣及電子設備廢料 – 產生之負債。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(d) Standards, amendments and interpretations effective in 2006, which are relevant to the Group's operations

- HKAS 21 Amendment – Net Investment in a Foreign Operation; and
- HKAS 39 and HKFRS 4 Amendment – Financial Guarantee Contracts.

The adoption of the above standards, amendments and interpretations did not result in substantial changes to the Group's accounting policies.

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (the "Group") made up to 31st December.

(a) Subsidiaries

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

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

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(d) 與本集團之業務有關且於二零零六年生效之準則、修訂及詮釋

- 香港會計準則第21號(修訂) – 對國外經營的投資淨額; 及
- 香港會計準則第39號及香港財務報告準則第4號(修訂) – 財務擔保合約。

採納上述準則、修訂及詮釋不會對本集團之會計政策造成重大變動。

2.2 綜合賬目

綜合賬目包括本公司及其附屬公司(「本集團」)截至十二月三十一日之財務報表。

(a) 附屬公司

附屬公司指本集團有權監管其財政及營運政策的的所有實體，一般附帶超過半數投票權之股權。現時可行使或可轉換之潛在投票權之存在及影響，會於評估本集團是否控制另一間實體時考慮。

附屬公司於控制權轉移至本集團當日起全數綜合入賬，並自控制權終止當日起停止綜合入賬。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

The gain or loss on disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill or goodwill/negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated income statement and also any related accumulated exchange fluctuation reserve.

2 主要會計政策概要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

會計收購法乃用作本集團收購附屬公司的入賬方法。收購的成本根據於交易日期所給予資產、所發行的股本工具及所產生或承擔的負債的公允值計算，另加該收購直接應佔的成本。在企業合併中所收購可識別的資產以及所承擔的負債及或然負債，首先以彼等於收購日期的公允值計量，而不論任何少數股東權益的數額。收購成本超過本集團應佔所收購可識別資產淨值的公允值的數額記錄為商譽。若收購成本低於所購入附屬公司資產淨值的公允值，該差額直接在收入報表確認。

出售附屬公司之盈虧乃相當於出售所得款項與本集團所佔該附屬公司之淨資產之差額，連同任何未攤銷商譽或先前並未於綜合收入報表扣除或確認但已撥入儲備之商譽／負商譽，以及任何有關之累計匯兌波動儲備。

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財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator 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, 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.

(b) Transactions and minority interests

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2 主要會計政策概要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

集團內公司間之交易、交易的結餘及進行交易時之未變現收益會予以抵銷。除非有關交易能提供所轉讓資產之減值指標之憑證，否則未變現之虧損亦會抵銷。附屬公司之會計政策已在需要時作出相應變動，以確保與本集團所採納之政策符合一致。

在本公司之資產負債表內，於附屬公司之投資乃以成本扣除減值虧損撥備後列賬。附屬公司之業績乃按本公司之已收及應收股息入賬。

(b) 交易及少數股東權益

少數股東權益乃相當於外間股東於附屬公司之經營業績及淨資產之權益。

本集團採用之政策為將帶有少數股東權益之交易視為與本集團以外人士所作之交易。向少數股東權益出售而為本集團帶來盈虧於綜合收入報表記賬。向少數股東進行採購而導致的商譽，相當於所支付之任何代價與所收購附屬公司淨資產有關份額之賬面值兩者之差額。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation (Continued)

(c) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in an associate is accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associate's post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate has been changed, where necessary, to ensure consistency with the policies adopted by the Group.

2 主要會計政策概要 (續)

2.2 綜合賬目 (續)

(c) 聯營公司

聯營公司是指一家本集團對其有重大影響力而無控制權的實體，通常附帶有20%至50%投票權的股權。聯營公司投資以權益會計法入賬，初始以成本確認。本集團於聯營公司之投資包括於收購時識別之商譽（扣除任何累計減值虧損）。

本集團應佔收購後聯營公司的溢利或虧損於收入報表內確認，而應佔收購後儲備的變動則於儲備賬內確認。投資賬面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

本集團與其聯營公司之間交易的未實現收益按集團在聯營公司權益的數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The Group has determined that geographical segments by location of customers be presented as the primary reporting format. Business segments are not presented as the secondary reporting format because the Group's turnover and operations were solely contributed by the garment manufacturing business.

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 financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

2 主要會計政策概要 (續)

2.3 分部報告

一個業務分部指從事提供產品或服務之一組資產及業務，而該組資產及業務之風險及回報與其他業務分部有別。一個地區分部乃在某一特定經濟環境下從事提供產品或服務，而該分部之風險及回報與在其他經濟環境經營之分部有別。

本集團以客戶所在地區分佈資料作為主要報告形式呈列。由於本集團之營業額及營運全數來自成衣製造業務，因此本集團並無以業務分部資料作為次要報告形式呈列。

2.4 外幣匯兌

(a) 功能及呈列貨幣

本集團各實體之財務報表所列之項目，乃按該實體經營所在地之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港元呈列，而港元則為本公司之功能呈列貨幣。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(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 income statement.

Changes in the fair value of monetary securities denominated in foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences are recognised in the income statement and other changes in carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in other reserves.

2 主要會計政策概要 (續)

2.4 外幣匯兌 (續)

(b) 交易及結餘

外幣交易均按交易當日之匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在收入報表確認。

以外幣為單位及被分類為可供出售證券之貨幣證券之公允值轉變將在其證券攤銷成本轉動與該證券賬面值的其他變動所產生的匯兌差額進行分析。匯兌差額會在收入報表內確認，而其他賬面值之轉變則在權益中確認。

非貨幣金融資產及負債（例如按公允值計入損益賬之權益）之匯兌差額將錄作公允值盈虧的一部份。非貨幣金融資產（例如分類為可供出售的金融資產的權益）之匯兌差額於其他儲備內列賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the group 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 follow:

- (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 income statement are translated at average exchange rates; 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 entities and of borrowings, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

2 主要會計政策概要 (續)

2.4 外幣匯兌 (續)

(c) 集團公司

集團旗下所有公司(當中沒有高通脹經濟體系之貨幣)之功能貨幣倘有別於呈列貨幣,其業績及財務狀況須按如下方式兌換為呈列貨幣:

- (i) 每份呈報的資產負債表所列資產及負債按其結算日之收市匯率換算;
- (ii) 每份收入報表所列收入及開支按平均匯率換算;及
- (iii) 所有由此而產生之匯兌差額均確認為權益獨立組成部份。

於綜合賬目時,因換算於海外實體之淨投資及借貸而產生之匯兌差額均計入股東權益內。當出售海外業務時,有關匯兌差額乃於收入報表確認為出售盈虧的一部份。

收購海外實體時產生之商譽及公允值調整乃作為該海外實體之資產及負債處理,並按收市匯率換算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Properties, plant and equipment

Buildings, comprises mainly of factories and offices, are shown at fair value and is determined by directors based on valuations by external independent valuers which are performed on an annual basis, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other plant and equipment are stated at historical cost less accumulated 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 income statement during the financial year in which they are incurred.

Increases in the carrying amount arising on revaluation of buildings are credited to fixed asset revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fixed asset revaluation reserve directly in equity and all other decreases are expensed in the income statement.

2 主要會計政策概要 (續)

2.5 物業、廠房及設備

樓宇主要包括工廠及辦公室，並由董事根據外聘獨立測量師之年度估值以公允值列賬減樓宇之其後折舊。於估值日期之任何累計折舊，與資產賬面總值對銷，而淨額則重列至資產的重估金額。所有其他廠房及設備，乃按歷史成本減折舊及減值虧損列賬。

歷史成本包括收購該項目直接產生之開支。其後成本只有在與該項目之相關未來經濟利益有可能流入本集團而該項目之成本能可靠計算時，相關成本才能包括在資產之賬面值或確認為獨立資產（如合適）。所有其他維修及保養費用，於其產生之財務年度於收入報表支銷。

樓宇估值之增值部份乃計入權益中之固定資產重估儲備。用以抵銷同一項資產以往增值之減值乃直接扣減權益中之固定資產重估儲備，其餘減值則於收入報表支銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Properties, plant and equipment (Continued)

Properties, plant and equipment are depreciated at rates sufficient to write off their cost or valuation over their estimated useful lives on a straight-line basis. The principal annual rates are as follow:

Buildings	5%
Leasehold improvements	5% to 20%
Plant and machinery	10% to 30%
Furniture, office equipment and motor vehicles	10% to 30%

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 the proceeds with the carrying amount and are recognised within (losses)/gains – net, in the income statements. When revalued assets are sold, the amounts included in fixed assets reserves are transferred to retained earnings.

2 主要會計政策概要 (續)

2.5 物業、廠房及設備 (續)

物業、廠房及設備折舊率足以按直線法根據預期可使用該等資產之年數撇銷其成本或估值。主要年率如下：

樓宇	5%
租賃裝修	5%至20%
廠房設備及機器	10%至30%
傢俬、辦公室設備及汽車	10%至30%

於各結算日，本集團會審閱資產餘值及使用年期，並作出調整（如適用）。

若資產的賬面值大於其估計可收回價值，該資產的賬面值須即時撇減至其可收回價值。

出售損益乃透過將所得款項與賬面值比較而釐定，並在收入報表之淨－（虧損）／收益項內確認。出售重估資產時，列入固定資產儲備之款額會撥入保留盈利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset.

The fair value of investment property reflects 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, while others, including contingent rent payments, are not recognised in the financial statements.

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本集團旗下各公司所佔用之物業分類為投資物業。投資物業包括根據經營租賃持有之土地及根據融資租賃持有之樓宇。

當符合分類為投資物業之其他定義時，以經營租賃持有之土地亦分類及入賬作投資物業。該經營租賃乃當作融資租賃入賬。

投資物業最初按其成本值（包括相關的交易成本）計量。

投資物業於初步確認後以公允價值列賬。公允價值以活躍市場價格為基準，並在有需要之情況下根據特定資產之性質、地點或狀況調整公允價值。

投資物業之公允價值反映來自現有租賃及基於現時市況估計未來租賃之租金收入。公允價值亦按相似基準反映物業預期產生之任何現金流出。此等現金流出部份確認為負債，包括與分類作投資物業之土地有關之融資租賃負債；而其他包括或然租金款項不會於財務報表中列賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Investment properties (Continued)

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 income statement during the financial year in which they are incurred.

Changes in fair values are recognised in the income statement.

If an item of properties, 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 properties, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

2 主要會計政策概要 (續)

2.6 投資物業 (續)

期後支出只有在與該項目之相關未來經濟利益有可能流入本集團，而且能可靠地計量該項目之成本時，才計入該項資產之賬面值。其他維修及保養成本則在其產生之財政期間在收入報表內支銷。

公允值之變動在收入報表內確認。

根據香港會計準則第16號，倘物業、廠房及設備因改變用途而成為投資物業，此項目於轉讓日之賬面值與公允值之間之任何差額將於權益中確認為物業、廠房及設備重估。然而，倘公允值收益抵銷以往之減值虧損，該收益則於收入報表確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiaries at the date of acquisition. Goodwill on acquisitions is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

2.8 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life or have not yet available for use are not subject to amortisation and are tested annually for impairment. 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). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 主要會計政策概要 (續)

2.7 商譽

商譽指收購附屬公司之購買成本超出於收購當日本集團應佔有關公司資產淨值的公允值之數額。因收購附屬公司產生之商譽計入無形資產。商譽每年就減值進行測試並按成本減累計減值虧損列賬。商譽之減值損失不予撥回。出售某個實體所產生的盈虧包括與所售出實體有關之商譽賬面值。

商譽會分配至現金產生單位，以檢測減值。該分配對象為於產生商譽之業務合併中受惠的現金產生單位或現金產生單位之群體。

2.8 於附屬公司、聯營公司及非金融資產之投資減值

沒有確定使用年期或尚未可供使用之資產無需作攤銷，但需進行年度減值測試。須攤銷之資產在出現顯示可能不能收回賬面值之情況或變化時，須作減值檢討。倘資產之賬面值超出其可收回款額，超出之款項將作減值確認。可收回款額為資產公允值減出售成本或使用價值之較高者。就評估減值而言，資產按可分開識別現金流量（現金產生單位）者之最低級別分組。倘商譽以外之資產出現減值跡象，須於每個報告日期審查其可能出現之減值撥回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial Assets

The Group classifies its financial assets into financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) *Financial assets at fair value through profit or loss*

This category consists of financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

2 主要會計政策概要 (續)

2.9 金融資產

本集團將其投資分類為按公允價值計入損益賬之金融資產、貸款及應收款項，以及可供出售之金融資產。分類視乎購入投資之目的而定。管理層會於初步確認時釐定其投資分類並於每個報告日期重新評估此項分類。

(a) 按公允價值計入損益賬之金融資產

此類別包括持作買賣的金融資產及開始時已確認按公允價值計入損益賬之金融資產。倘收購的主要目的為於短期內出售或倘管理層有所指定，則金融資產會撥歸此類別。衍生工具亦分類為持作買賣類別，除非其指定作對沖用途，則作別論。該類別資產乃持作買賣或預期將於結算日起計十二個月內變現，則分類為流動資產。

(b) 貸款及應收款項

貸款及應收款項為有固定或已釐定付款額而並非於活躍市場報價之非衍生金融資產。除到期日於結算日後十二個月者外，貸款及應收款項列入流動資產。該等貸款及應收款項乃於資產負債表分類為貿易及其他應收款項。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial Assets (Continued)

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date that is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through income statement. Financial assets carried at fair value through profit or loss and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement in the year in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

2 主要會計政策概要 (續)

2.9 金融資產 (續)

(c) 可供出售之金融資產

可供出售之金融資產為指定為此類別或並無歸入任何其他類別之非衍生工具。該類別資產乃列入非流動資產，惟管理層有意於結算日起計十二個月內出售之投資則除外。

投資買賣於交易日（即本集團承諾購買或出售資產當日）確認。對於並非按公允值透過收入報表記賬的所有金融資產，投資初步按公允值加交易成本確認。金融資產之公允值透過損益列賬及交易成本均在財務報表支出。當從投資收取現金流量之權利屆滿或轉移及本集團大致轉移其擁有權之一切風險及回報時，投資即終止確認。可供出售之金融資產及按公允值計入損益賬之金融資產其後按公允值列賬。

因為按公允值計入損益賬之金融資產類別的公允值變動而產生的盈虧，列入產生期間的收入報表內。於本集團收取股息之權利確立時，來自按公允值計入損益賬之金融資產之股息收入於收入報表確認為其他收入之一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial Assets (Continued)

Changes in the fair value of monetary securities denominated in foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences resulting from changes in amortised cost are recognised in income statement and other changes in amortised costs are recognised in equity. For changes in the fair values of non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity-specific inputs option pricing models.

2 主要會計政策概要 (續)

2.9 金融資產 (續)

以外幣為單位及被分類為可供出售證券之貨幣證券之公允值轉變將在其證券攤銷成本轉變衍生之匯兌差額及其他證券賬面值轉變之間予以分析。因攤銷成本轉變而產生之匯兌差額會在收入報表內確認，而其他攤銷成本之轉變則在權益中確認。被分類為可供出售之非貨幣證券之公允值轉變於權益內確認。

當分類為可供出售之證券在售出或減值時，則於權益確認之累計公允值之調整將列入收入報表內。

有報價投資的公允值乃按當時的買盤價計算。倘一項金融資產並無活躍市場，本集團則會採用估值方法釐定其公允值。此等方法包括近期之公平交易、貼現現金流量分析和期權定價模式，充份利用市場輸入資料，及儘量少依賴實體持有的資料。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Financial Assets (Continued)

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement, is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out basis, comprising materials, direct labour and an appropriate proportion of all production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

2 主要會計政策概要 (續)

2.9 金融資產 (續)

本集團於每個結算日評估是否有客觀憑證顯示一項或一組金融資產已出現減值。就分類為可供出售之股本證券而言，證券公允值若大幅度或長期跌至低於其成本值，會被視為證券已經顯示減值。倘可供出售之金融資產存在任何上述憑證，則累計虧損（按收購成本與當時公允值間之差額減該金融資產先前於收入報表確認之任何減值虧損計量）於權益中剔除，並於收入報表確認。於收入報表確認之股本工具減值虧損，不會從收入報表回撥。

2.10 存貨

存貨乃按成本或可變現淨值（取較低者）列賬。成本乃按先入先出法計算，其中包括物料、直接勞工及按適當比例計算之所有生產費用。可變現淨值乃根據預計出售所得款項減估計出售支出後釐定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 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. 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 income statement.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 主要會計政策概要 (續)

2.11 貿易及其他應收款項

貿易及其他應收款項初步按公允值確認，其後以實際利率方法計算攤銷成本，並扣除減值撥備。當有客觀證據顯示本集團未能根據有關應收款項之原訂條款收回所有到期款項時，則會作出貿易及其他應收款項之減值撥備。撥備金額為資產賬面值與估計日後按實際利率折算之現金流量現值間差額。撥備金額在收入報表確認。

2.12 現金及現金等值項目

現金及現金等值項目包括手頭現金、可隨時提取之銀行存款和銀行透支。銀行透支於資產負債表的流動負債下列作借款。

2.13 股本

普通股被分類為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少（扣除稅項）。

2.14 貿易及其他應付款項

貿易及其他應付款項初步按公允值確認，其後以實際利率方法計算攤銷成本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 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. Borrowings are subsequently stated at amortised cost where any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement 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.

2.16 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 financial statements. Deferred income tax is determined using taxation rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred 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 and associate, 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 主要會計政策概要 (續)

2.15 貸款

貸款最初乃按公允值(已扣除所產生之交易成本)確認。交易成本為直接歸屬予金融資產或金融負債之取得、發行或出售之遞增成本。貸款其後按攤銷成本列賬,如扣除交易成本後之所得款項及贖回價值出現差額,則於貸款期內以實際利率法在收入報表內確認。

除非本集團有無條件權利將債務結算日期遞延至結算日後至少12個月,否則借貸將被劃分為流動負債。

2.16 遞延所得稅項

遞延所得稅項以負債法,就資產及負債之稅基與其於綜合財務報表內之賬面值所產生之暫時差額作全數撥備。遞延所得稅乃按結算日前實施或基本上實施,及預期於相關遞延所得稅變現或遞延所得稅負債結清時適用之稅率釐定。

遞延所得稅資產於將來可能出現足以抵消該項暫時差異之應繳稅利潤時予以確認。

遞延所得稅就附屬公司及聯營公司產生之暫時差異而撥備,但假若本集團可以控制暫時差異之撥回時間,而暫時差異在可預見將來可能不會撥回則除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Employee benefits

(i) Employee leave entitlements

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

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

(ii) Pension obligations

The Group principally participates in defined contributions plans and pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due and if applicable, are reduced by contributions forfeited by those employees who leave the scheme or the plan prior to vesting fully in the contributions.

2 主要會計政策概要 (續)

2.17 僱員福利

(i) 僱員休假權益

僱員在年假之權益乃於年假應計予僱員時予以確認。已就僱員截至結算日止已提供之服務撥出年假估計負債之準備。

僱員之病假及產假權益於休假時方予確認。

(ii) 退休金責任

本集團主要參與定額供款計劃，並按照強制性、合約或自願基準向公共或私人管理退休金計劃繳付供款。支付供款後，本集團再無進一步之支付責任。供款乃於到期時確認為僱員成本，倘僱員於有權悉數享有僱主之供款前退出該計劃，則所放棄之供款可減低集團之供款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Employee benefits (Continued)

(iii) Share-based compensation

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. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity.

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.

2.18 Provisions

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

2 主要會計政策概要 (續)

2.17 僱員福利 (續)

(iii) 以股份為基礎之報酬

本集團運作一項以權益結算、以股份為基礎之報酬計劃。就授出購股權所換取僱員服務之公允值確認為支出。須於歸屬期列作支出之總額乃參考所授予購股權之公允值釐定，惟不計及任何非市場歸屬條件之影響。假設預期歸屬之購股權數目時價考慮非市場歸屬條件。於每個結算日，實體修訂預期歸屬之購股權預計數目，修訂原先估計之影響（如有）於收入報表確認並確認權益之相應調整。

已收所得款項減任何直接相關交易成本乃於購股權獲行使時計入股本（按面值）及股份溢價。

2.18 撥備

倘本集團需就過去事件承擔現有法律或推定責任而很可能導致經濟利益流出企業以抵償責任，而有關金額能可靠地估計時，需計提有關撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when shipment is made.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and using the effective interest method.

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

2.20 Leases (as the lessee)

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 expensed in the income statement on a straight-line basis over the lease period.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements 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 收入確認

出售貨品之收入於擁有權之風險及回報轉移時確認，一般與付運時同時發生。

利息收入按時間比例確認，並計及未清還本金額及使用實際利率方法計算。

租金收入以直線法在租約年期內確認。

2.20 租賃 (作為承租人)

資產之大部份風險及回報由出租人保留之租賃，均歸類為經營租賃。租賃期內支付之經營租賃總額在扣除出租人所給予之任何優惠後，於租賃期內以直線法在收入報表中支銷。

2.21 股息分派

分派予本公司股東之股息於本公司股東批准之期間於本集團財務報表中確認為負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks namely credit risk, foreign exchange risk and interest rate risk. The Group's overall risk management programme focuses on minimising potential adverse effect of these risks on the Group's financial performance.

(a) Credit risk

The carrying amount of trade and other receivables included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets. The Group has policies in place to ensure that sales of products are made to customers with appropriate credit histories.

2 主要會計政策概要 (續)

2.22 或然負債

或然負債指因過去已發生之事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因為過去發生事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。

或然負債不會被確認，但會在財務報表附註中披露。假若流出之可能性改變導致可能出現流出，此負債將被確認為撥備。

3 財務風險管理

3.1 財務風險因素

本集團經營活動面臨各種金融風險，包括信貸風險、外匯風險和利率風險。本集團之整體風險管理計劃集中降低潛在負面因素對本集團財務表現所帶來之風險。

(a) 信貸風險

綜合資產負債表內之貿易及其他應收款項之賬面值指本集團有關金融資產之最高信貸風險。本集團之政策確保將產品售予具備良好信貸記錄之客戶。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Foreign exchange risk

The Group operates internationally and is thus exposed to foreign exchange risk arising from currency exposures, primarily the movement of US dollars relative to Hong Kong dollars.

The Group may consider entering into foreign forward exchange contracts from time to time so as to better manage these foreign exchange exposures, when required.

(c) Liquidity risk

The Group has adequate cash and credit facilities for its operating requirements.

(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 31st December, 2006, borrowings were primarily at floating rates. The Group generally has not used interest rate swaps to hedge its exposure to interest rate risk. The Group regularly seeks out the most favorable interest rates available for its bank borrowings.

3.2 Fair value estimation

The fair value of financial instruments traded in active markets such as publicly traded securities and available-for-sale securities, is based on quoted market prices at balance sheet date.

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of 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.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 外匯風險

本集團業務遍佈全球，故此面對多種貨幣兌換所產生外匯風險，主要來自美元對港元之匯率波動。

如有需要，本集團或會考慮不時訂立遠期外匯合約，以便更能管理該等外匯風險。

(c) 流動資金風險

本集團之現金及信貸融資足以應付其營運需要。

(d) 利率風險

由於本集團並無任何重大附息借貸資產，故本集團之收入及經營現金流轉乃獨立於市場利率變動。本集團之利率風險來自銀行貸款。於二零零六年十二月三十一日，貸款主要按浮動利率計息。本集團一般不會使用利率掉期對沖其利率風險。本集團會定期尋找最優惠利率之銀行貸款。

3.2 公允值之估計

於交投活躍之市場（如公開買賣的證券及可供出售證券）之公允值乃按結算日之市場報價計算。

賬面值減貿易應收款項及貿易應付款項之減值撥備為其公允值之合理概約數值。須予披露之金融負債之公允值乃透過按本集團就類似金融工具可得之現行市場利率折現未來合約現金流量估計。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

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) *Estimated impairment of goodwill*

The Group reviews annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.8. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

(b) *Income taxes*

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. 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.

4 關鍵會計估算及判斷

估算及判斷會被持續評估，並以過往經驗及其他因素為基準，包括在目前情況下相信為合理之預期日後事件。

4.1 關鍵會計估算和假設

本集團就未來作出估算和假設。產生之會計估算將（按定義）甚少等同於相關實際結果。下文討論有相當大機會導致下個財政年度資產和負債賬面值須作出重大調整之估算和假設：

(a) *估計商譽減值*

本集團每年根據附註2.8所述會計政策，檢測商譽有否出現任何減值。現金產生單位之可收回金額乃根據使用價值計算，計算該等價值時須作出估計。

(b) *所得稅*

本集團須繳納多個不同司法權區之所得稅。釐定世界各地不同所得稅撥備時需要作出重大判斷。本集團按照會否出現額外到期稅項之估計為基準而確認預期稅項審計事宜所產生之負債。倘若該等事宜之最終稅項結果與初始記錄金額不同，則有關差額將會影響作出決定期間之所得稅及遞延所得稅撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(c) *Estimated impairment of receivables*

The Group makes provision for impairment of receivables based on an assessment of the recoverability of the receivables. Provisions are applied to receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of receivables requires the use of judgment and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of receivables and loss for the impairment of receivable is recognised in the years in which such estimates have 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 judgment and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of inventories and write-downs of inventories in the years in which such estimates have been changed.

4 關鍵會計估算及判斷 (續)

4.1 關鍵會計估算和假設 (續)

(c) *應收款項減值之估計*

本集團按照對應收款項可收回程度之評估就應收款項作出減值撥備。一旦事件發生或情況改變顯示該等餘額有可能不能收回時，則會就應收款項作出撥備。識別應收款項減值需要作出判斷和估計。倘預期之金額與原定估計有差異時，則該等差異將影響應收款項之賬面值，而應收賬項減值虧損會於估計改變之年度內確認。

(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年度內，分別影響存貨之賬面值及存貨之撇減。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5 REVENUES AND SEGMENT INFORMATION

The Group is principally engaged in garment manufacturing. Revenues recognised during the year are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Turnover	營業額		
Sale of apparel products	銷售成衣產品	1,210,219	1,103,762
Other income	其他收入		
Rental income	租金收入	1,432	53
		1,211,651	1,103,815

The Group's turnover solely arises from garment manufacturing. The Group's customers are located in five main geographical areas namely United States of America, Europe, Canada, Southeast Asia and other countries, while, the Group's business activities are conducted predominantly in Hong Kong, Indonesia, Lesotho, El Salvador and Mainland China.

5 收益及分部資料

本集團主要從事成衣製造。於年內確認之收益如下：

本集團之營業額全數來自成衣製造業務。本集團之客戶分佈於五大地區：美國、歐洲、加拿大、東南亞及其他國家，而本集團之業務活動主要於香港、印尼、萊索托、薩爾瓦多及中國大陸進行。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5 REVENUES AND SEGMENT INFORMATION (Continued)

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

Primary reporting format – geographical segments by location of customers for 2006

5 收益及分部資料(續)

本集團於年內按地區分部劃分之營業額及經營溢利貢獻分析如下：

主要報告形式 – 按二零零六年客戶地區分部劃分

		United States of America 美國	Europe 歐洲	Canada 加拿大	Southeast Asia 東南亞	Other countries 其他國家	Group 本集團
		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
Turnover	營業額	1,088,112	31,084	51,047	18,908	21,068	1,210,219
Segment results	分部業績	130,390	1,661	5,959	560	459	139,029
Unallocated rental income	不能分攤之租金收入						1,432
Unallocated administrative expenses	不能分攤之行政開支						(55,142)
Operating profit	經營溢利						85,319
Finance income	融資收入						3,281
Finance costs	融資成本						(5,988)
Share of profit of associates	分佔聯營公司溢利						4,839
Profit before taxation	除稅前溢利						87,451
Income tax expense	所得稅開支						(18,741)
Profit for the year	年度溢利						68,710
Segment assets	分部資產	85,955	11,483	4,059	11,662	3,218	116,377
Unallocated assets	不能分攤之資產						475,599
Total assets	總資產						591,976
Unallocated liabilities	不能分攤之負債						284,454
Capital expenditure	資本開支						31,216
Depreciation	折舊						15,493
Amortisation of leasehold land	租賃土地之攤銷						862

Unallocated administrative expenses represent corporate expenses, including gains and losses of financial assets at fair value through profit or loss.

不能分攤之行政開支指企業開支，包括按公允值計入損益賬之金融資產之收益及損失。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5 REVENUES AND SEGMENT INFORMATION (Continued)

Primary reporting format – geographical segments by location of customers for 2005

5 收益及分部資料(續)

主要報告形式 – 按二零零五年客戶地區分部劃分

		United States of America 美國	Europe 歐洲	Canada 加拿大	Southeast Asia 東南亞	Other countries 其他國家	Group 本集團
		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
Turnover	營業額	1,011,776	16,737	40,846	24,303	10,100	1,103,762
Segment results	分部業績	112,146	1,567	4,234	2,339	282	120,568
Unallocated rental income	不能分攤之租金收入						53
Unallocated fair value gain on investment properties	不能分攤之投資物業公允值之收益						4,075
Unallocated administrative expenses	不能分攤之行政開支						(42,502)
Operating profit	經營溢利						82,194
Finance income	融資收入						1,632
Finance costs	融資成本						(4,692)
Share of profit of an associate	分佔一間聯營公司溢利						301
Profit before taxation	除稅前溢利						79,435
Income tax expense	所得稅開支						(8,226)
Profit for the year	年度溢利						71,209
Segment assets	分部資產	84,187	4,522	4,888	17,343	625	111,565
Unallocated assets	不能分攤之資產						395,401
Total assets	總資產						506,966
Unallocated liabilities	不能分攤之負債						250,207
Capital expenditure	資本開支						27,181
Depreciation	折舊						15,609
Impairment of goodwill	商譽減值						187
Amortisation of leasehold land	租賃土地之攤銷						544

Unallocated administrative expenses represent corporate expenses, including gains and losses of financial assets at fair value through profit or loss.

不能分攤之行政開支指企業開支，包括按公允值計入損益賬之金融資產之收益及損失。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5 REVENUES AND SEGMENT INFORMATION (Continued)

Primary reporting format – geographical segments by location of assets

5 收益及分部資料 (續)

主要報告形式 – 按資產地區分部劃分

		Total assets 總資產 2006 二零零六年 HK\$'000 千港元	Capital expenditure 資本開支 2006 二零零六年 HK\$'000 千港元
Hong Kong	香港	188,776	603
Indonesia	印尼	228,722	5,069
Lesotho	萊索托	32,696	214
El Salvador	薩爾瓦多	38,886	578
Mainland China	中國大陸	101,796	24,752
		590,876	31,216
Unallocated assets	不能分攤之資產	1,100	–
		591,976	31,216

		Total assets 總資產 2005 二零零五年 HK\$'000 千港元	Capital expenditure 資本開支 2005 二零零五年 HK\$'000 千港元
Hong Kong	香港	170,794	3,284
Indonesia	印尼	207,170	18,913
Lesotho	萊索托	36,383	343
El Salvador	薩爾瓦多	46,534	390
Mainland China	中國大陸	44,985	4,251
		505,866	27,181
Unallocated assets	不能分攤之資產	1,100	–
		506,966	27,181

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

6 OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

6 經營溢利

經營溢利已計入及扣除下列各項：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<i>Crediting</i>	計入		
Fair value gain on derivative financial instrument	衍生金融工具公允值之收益	156	–
Gains on financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產收益	200	131
Gain on disposal of fixed assets	出售固定資產之收益	278	14
Gain on deemed disposal of a subsidiary	被視為出售一間附屬公司之收益	–	969
<i>Charging</i>	扣除		
Cost of inventories sold	銷售存貨成本	972,793	889,223
Quota charges	配額開支	63	486
Depreciation of properties, plant and equipment	物業、廠房及設備折舊	15,493	15,609
Amortisation of leasehold land	租賃土地攤銷	862	544
Employee benefit expense (excluding directors' emoluments) (Note 12)	僱員福利開支 (不包括董事酬金) (附註12)	232,558	192,300
Operating lease rentals – land and buildings	經營租賃 – 土地及樓宇	10,096	11,012
Impairment of goodwill	商譽減值	–	187
Auditors' remuneration	核數師酬金	1,932	1,803
Net exchange losses	匯兌虧損淨額	229	375
Realised loss on available-for-sales financial assets	可供出售之金融資產之變現虧損	300	–

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

7 FINANCE INCOME AND COSTS

7 融資收入及成本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest expenses:	利息開支：		
– Bank borrowings and overdrafts wholly repayable within five years	– 須於五年內全數償還之銀行貸款及透支	(5,988)	(4,692)
Finance income:	融資收入：		
– Interest income on short-term bank deposits	– 短期銀行存款之利息收入	3,281	1,632
Net finance cost	淨融資成本	(2,707)	(3,060)

8 INCOME TAX EXPENSE

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 overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated income statement represents:

8 所得稅開支

香港利得稅乃根據年內估計應課稅溢利，按稅率17.5%（二零零五年：17.5%）計算準備。海外溢利之稅款乃根據年內估計應課稅溢利，按本集團經營業務所在國家之現行稅率計算。

扣自綜合收入報表之稅項金額為：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current income tax	當期所得稅		
– Hong Kong profits tax	– 香港利得稅	16,694	5,508
– overseas taxation	– 海外稅項	2,828	2,962
Over-provision of Hong Kong profits tax in prior years	以往年度香港利得稅超額撥備	–	(5)
Deferred income tax (Note 28)	遞延所得稅（附註28）	(781)	(239)
Income tax expense	所得稅開支	18,741	8,226

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8 INCOME TAX EXPENSE (Continued)

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation	除稅前溢利	87,451	79,435
Calculated at tax rate of 17.5% (2005: 17.5%)	按稅率17.5% (二零零五年: 17.5%)計算	15,304	13,901
Effect of different taxation rates in other countries	其他國家之不同稅率之影響	438	(773)
Income not subject to taxation	無須課稅之收入	(2,437)	(4,143)
Expenses not deductible for taxation purposes	就課稅而言不可扣稅之支出	5,252	4,080
Unrecognised deferred tax assets	未確認遞延稅項資產	184	91
Over-provision of profits tax in prior years	以往年度利得稅超額撥備	-	(5)
Utilisation of previously unrecognised tax losses	動用以往尚未確認之稅務虧損	-	(4,925)
Income tax expense	所得稅開支	18,741	8,226

9 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of profit of approximately HK\$36,500,000 (2005: HK\$46,180,000).

8 所得稅開支(續)

本集團之除稅前溢利之稅項與採用香港稅率所計算之理論性金額的差別如下:

9 本公司之權益持有人應佔溢利

計入本公司財務報表之權益持有人應佔溢利為36,500,000港元(二零零五年: 46,180,000港元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10 EARNINGS PER SHARE

(i) 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.

10 每股盈利

(i) 基本

每股基本盈利乃根據本公司權益持有人應佔溢利除以年內已發行普通股之加權平均數計算。

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	68,116	65,720
Weighted average number of ordinary shares in issue (thousands)	已發行普通股之加權平均數(千股)	360,731	360,034
Basic earnings per share (HK cents per share)	每股基本盈利(每股港仙)	18.88	18.25

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10 EARNINGS PER SHARE (Continued)

(ii) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares that is share options. 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 share 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.

10 每股盈利(續)

(ii) 攤薄

每股攤薄盈利是在假設所有潛在攤薄性普通股已轉換的情況下，經調整普通股加權平均數計算。本公司有一類潛在攤薄性普通股，即購股權。就購股權而言，本公司會根據尚未行使購股權所附之認購權幣值計算，以釐定按公允值（按本公司股份之平均年度市場股價而定）而可購入之股份數目。以上計算所得之股份數目乃與假設該等購股權獲行使後將會發行之股份數目比較。

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	68,116	65,720
Weighted average number of ordinary shares in issue (thousands)	已發行普通股之加權平均數 (千股)	360,731	360,034
Adjustments for share options (thousands)	購股權之調整 (千股)	3,395	108
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利之普通股 之加權平均數(千股)	364,126	360,142
Diluted earnings per share (HK cents per share)	每股攤薄盈利 (每股港仙)	18.71	18.25

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11 DIVIDENDS

11 股息

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interim dividend paid of 3.0 HK cents (2005: 2.0 HK cents) per ordinary share	中期股息每股普通股3.0港仙 (二零零五年: 2.0港仙)	10,830	7,201
Proposed final dividend of 6.0 HK cents (2005: 5.0 HK cents) per ordinary share	擬派付末期股息 每股普通股6.0港仙 (二零零五年: 5.0港仙)	21,663	18,002
		32,493	25,203

12 EMPLOYEE BENEFIT EXPENSE (EXCLUDING DIRECTORS' EMOLUMENTS)

12 僱員福利開支(不包括董事 酬金)

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Wages and salaries	薪金及酬金	224,192	182,029
Termination benefits	解僱補償	1,808	3,235
Pension costs – defined contribution plans (Note)	退休金成本—定額供款計劃 (附註)	6,558	6,260
Share options granted to employees (Note 30)	授予僱員之購股權 (附註30)	–	776
		232,558	192,300

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

12 EMPLOYEE BENEFIT EXPENSE (EXCLUDING DIRECTORS' EMOLUMENTS) (Continued)

Note:

Forfeited contributions totalling HK\$184,000 (2005: HK\$23,000) were utilised during the year leaving HK\$62,000 (2005: HK\$Nil) available at the year end to reduce future contributions.

Contributions totalling HK\$Nil (2005: HK\$Nil) were payable to the fund at the year end.

The Group operates/participates the following defined contribution plans:

- (i) A defined contribution scheme for employees in Hong Kong, under which the Group and its employees each contributes 5% of the employees' salaries. The forfeited contributions made by the Group and the related accrued interest are used to reduce the Group's future employer's contribution. The assets of the scheme are held separately from those of the Group's in independent trustee-administered fund.
- (ii) The Mandatory Provident Fund Scheme (the "MPF Scheme") for employees in Hong Kong, under which the Group and its employee each makes monthly contribution to the scheme at 5% of the qualifying earnings of the employee, subject to a monthly cap of HK\$1,000.
- (iii) The Group's subsidiaries in Mainland China contribute approximately 10% of the basic salary of their employees to retirement schemes operated by municipal governments. Other than the mandatory contributions, the Group has no further obligations for the actual pension payments or any post retirement benefits. The retirement schemes are responsible for the entire pension obligations payable to retired employees.
- (iv) The Group's subsidiary in El Salvador operates defined contribution plan, under which the Group's subsidiary and employees contribute to a pensions fund administered by a specialised institution authorised by the Government of El Salvador, which according to the Saving System for Pensions Law, is responsible for the pension's payment and other benefits to employees.

12 僱員福利開支(不包括董事 酬金)(續)

附註:

年內已動用之已沒收供款合共184,000港元(二零零五年:23,000港元),於年底餘下62,000港元(二零零五年:零港元)可動用作扣除未來供款。

合共零港元(二零零五年:零港元)供款於年底應付予基金。

本集團實行/參與以下定額供款計劃:

- (i) 為香港僱員而設之定額供款計劃,本集團及僱員均須支付相關薪金之5%作為供款。本集團沒收之供款及相關應計利息會用作減少本集團日後之僱主供款。本計劃之資產與本集團之資產分開,並交由獨立受託人管理之基金管理。
- (ii) 為香港僱員而設之強制性公積金計劃(「強積金計劃」)規定,本集團及其僱員均須按合資格入息之5%作每月供款,惟每月供款額上限為1,000港元。
- (iii) 本集團為於中國之附屬公司對省政府設立之退休計劃作出之供款為僱員基本薪金約10%。除強制性供款外,本集團並無其他實質退休金或退休後福利之承擔。該退休計劃負責全部應付予退休僱員之退休承擔。
- (iv) 本集團為薩爾瓦多之附屬公司實行定額供款計劃,據此,本集團之附屬公司及僱員向一個獲薩爾瓦多政府授權之專責機構管理之退休金基金供款,根據退休金儲蓄系統法,該機構負責退休金之付款及向僱員提供其他福利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

13 EMPLOYEE BENEFIT EXPENSE – DIRECTORS’ AND SENIOR MANAGEMENT’S EMOLUMENTS

(a) Directors’ emoluments

The remuneration of every Director for the year ended 31st December, 2006 is set out below:

Name of Director	Fees	Discretionary Salary	Other bonuses	Benefits ^(a)	Employer's contribution	Total	
					to the MPF scheme		
董事姓名	袍金	薪酬	酌情獎金	其他福利 ^(a)	僱主供款	合共	
	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	
Mr Rusli Hendrawan	Rusli Hendrawan先生	100	2,878	1,850	86	112	5,026
Mr Lee Sheng Kuang, James	李勝光先生	100	2,494	1,850	1,956	113	6,513
Mr Oey Tjie Ho	黃志和先生	100	797	400	3	41	1,341
Mr Tang Chak Lam, Charlie	鄧澤霖先生	100	1,395	900	11	69	2,475
Mr Cheung Kwok Ming	張國明先生	150	–	–	–	–	150
Mr Kwok Lam Kwong, Larry, J.P.	郭琳廣先生 太平紳士	180	–	–	–	–	180
Mr Lau Siu Ki, Kevin	劉紹基先生	180	–	–	–	–	180

13 僱員福利開支 – 董事及高級管理層之酬金

(a) 董事酬金

截至二零零六年十二月三十一日止年度各董事之酬金列載如下：

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

Name of Director	Fees	Discretionary Salary	Other bonuses	Benefits ^(a)	Employer's contribution	Total	
					to the MPF scheme		
董事姓名	袍金	薪酬	酌情獎金	其他福利 ^(a)	僱主供款	合共	
	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	
Mr Rusli Hendrawan	Rusli Hendrawan先生	100	2,500	1,725	614	103	5,042
Mr Lee Sheng Kuang, James	李勝光先生	100	2,263	1,725	2,364	103	6,555
Mr Oey Tjie Ho	黃志和先生	100	797	350	83	41	1,371
Mr Tang Chak Lam, Charlie	鄧澤霖先生	100	1,200	700	303	60	2,363
Mr Cheung Kwok Ming ^(b)	張國明先生 ^(b)	102	–	–	–	–	102
Mr Kwok Lam Kwong, Larry, J.P.	郭琳廣先生 太平紳士	180	–	–	–	–	180
Mr Lam Chi Kuen, Frank ^(c)	林志權先生 ^(c)	38	–	–	–	–	38
Mr Lau Siu Ki, Kevin	劉紹基先生	180	–	–	–	–	180

截至二零零五年十二月三十一日止年度各董事之酬金列載如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

13 EMPLOYEE BENEFIT EXPENSE – DIRECTORS’ AND SENIOR MANAGEMENT’S EMOLUMENTS (Continued)

(a) Directors’ emoluments (Continued)

Notes:

- (a) Other benefits include leave pay, share option and housing allowances.
- (b) Appointed on 27th April, 2005.
- (c) Resigned on 27th April, 2005.

During the year, Mr Rusli Hendrawan and Mr Lee Sheng Kuang, James waived emoluments of HK\$Nil (2005: HK\$195,000) and HK\$Nil (2005: HK\$351,000) respectively.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include four (2005: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one (2005: one) individual during the year are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Basic salaries, housing allowances, other allowances and benefits-in-kind	基本薪金、房屋津貼、其他津貼及實物利益	2,000	2,104
Contributions to the MPF scheme	強積金計劃供款	12	12
		2,012	2,116

13 僱員福利開支－董事及高級管理層之酬金（續）

(a) 董事酬金（續）

附註：

- (a) 其他福利包括有薪假、購股權及房屋津貼。
- (b) 於二零零五年四月二十七日獲委任。
- (c) 於二零零五年四月二十七日辭任。

於年內，Rusli Hendrawan先生及李勝光先生分別放棄酬金零港元（二零零五年：195,000港元）及零港元（二零零五年：351,000港元）。

(b) 五名最高薪酬人士

本集團之五名最高薪酬人士包括四名（二零零五年：四名）董事，彼等之酬金已於上文呈列之分析中反映。年內應付予餘下一名（二零零五年：一名）人士之酬金如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

13 EMPLOYEE BENEFIT EXPENSE – DIRECTORS’ AND SENIOR MANAGEMENT’S EMOLUMENTS (Continued)

(b) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

		Number of individuals	
		2006	2005
		二零零六年	二零零五年
Emolument bands	酬金範圍		
HK\$2,000,001 –	2,000,001港元 –		
HK\$2,500,000	2,500,000港元	1	1

13 僱員福利開支 – 董事及高級管理層之酬金 (續)

(b) 五名最高薪酬人士 (續)

酬金範圍如下：

14 GOODWILL

14 商譽

		HK\$'000 千港元
Year ended 31st December, 2005	截至二零零五年十二月三十一日止年度	
Opening net book amount	期初賬面淨值	1,287
Impairment losses	減值虧損	(187)
Closing net book amount	期末賬面淨值	1,100
At 31st December, 2005	於二零零五年十二月三十一日	
Net book amount	賬面淨值	1,100
Year ended 31st December, 2006	截至二零零六年十二月三十一日止年度	
Opening net book amount	期初賬面淨值	1,100
Impairment losses	減值虧損	–
Closing net book amount	期末賬面淨值	1,100
At 31st December, 2006	於二零零六年十二月三十一日	
Net book amount	賬面淨值	1,100

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

14 GOODWILL (Continued)

Impairment test of goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to the country of operation.

A segment level summary of the goodwill is presented below:

El Salvador

薩爾瓦多

2006

二零零六年

Manufacturing

生產

HK\$'000

千港元

2005

二零零五年

Manufacturing

生產

HK\$'000

千港元

1,100

1,100

The recoverable amount of CGU is determined based on value-in-use calculations. These calculations used cash flow projections based on financial budgets approved by management covering a five-year period.

Key assumptions used for value-in-use calculation:

Gross profit margin

毛利率

22

Growth rate

增長率

3

Discount rate

折扣率

7

The assumptions have been used for the analysis of the CGU within the business segment.

14 商譽(續)

商譽減值測試

商譽乃按營運所在國家分配至本集團現金產生單位(「現金產生單位」)。

商譽之分部概要如下:

現金產生單位的可收回數額基於計算使用值而釐定。有關數值乃根據管理層批核的五年度財政預算而預測的現金流量計算。

計算使用值之主要假設:

Manufacturing

生產

%

百分比

此等假設用以分析該業務分部內之每個現金產生單位。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

14 GOODWILL (Continued)

Impairment test of goodwill (Continued)

Notes:

- (a) Management determined budgeted gross profit margin based on past performance and its expectations for the market development.
- (b) The growth rate applied is consistent with the forecasts for the industry.
- (c) The discount rate used is pre-tax and reflect risks relating to the relevant segment.

The management believes that any reasonably foreseeable change in any of the above key assumptions would not cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount.

14 商譽 (續)

商譽減值測試 (續)

附註:

- (a) 管理層基於過往業績及其對市場發展之預測，釐定預算毛利率。
- (b) 所用增長率與行業預測一致。
- (c) 所採納之折扣率乃除稅前折現率，並反映有關該分部之特定風險。

管理層相信任何以上重要假設有任
何合理可測之轉變應不會導致商譽
之總計賬面值超越總計可收回金
額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15 PROPERTIES, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Buildings 樓宇				Group 本集團				Total
		Held in Hong Kong	Held in Mainland China	Held in Indonesia	Held in Lesotho	Leasehold improve- ments	Plant and machinery	Furniture, office and motor vehicles	Construction in progress	Total
		於香港持有 HK\$'000 千港元	於中國 大陸持有 HK\$'000 千港元	於印尼持有 HK\$'000 千港元	於萊索托 持有 HK\$'000 千港元	租賃裝修 HK\$'000 千港元	廠房設備 及機器 HK\$'000 千港元	傢俬、辦公室 設備及汽車 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 千港元
Year ended 31st December, 2005	截至二零零五年 十二月三十一日止年度									
Opening net book amount	期初賬面淨值	3,736	12,928	32,869	8,120	2,493	74,827	8,912	-	143,885
Revaluation surplus	重估盈餘	-	-	798	-	-	-	-	-	798
Additions	添置	-	-	285	-	2,309	20,267	4,320	-	27,181
Transfer to investment properties (Note 16)	轉移至投資物業 (附註16)	(3,573)	-	-	-	-	-	-	-	(3,573)
Disposals	出售	-	(12,800)	-	-	(26)	(40,453)	(1,417)	-	(54,696)
Depreciation	折舊	(163)	(128)	(1,995)	(503)	(1,579)	(7,610)	(3,631)	-	(15,609)
Exchange differences	匯兌差額	-	-	(855)	-	(3)	(914)	(287)	-	(2,059)
Closing net book amount	期末賬面淨值	-	-	31,102	7,617	3,194	46,117	7,897	-	95,927
At 31st December, 2005	於二零零五年 十二月三十一日									
Cost or valuation	成本或估值	-	-	31,102	7,617	6,057	52,155	26,369	-	123,300
Accumulated depreciation	累計折舊	-	-	-	-	(2,863)	(6,038)	(18,472)	-	(27,373)
Net book amount	賬面淨值	-	-	31,102	7,617	3,194	46,117	7,897	-	95,927
Year ended 31st December, 2006	截至二零零六年 十二月三十一日止年度									
Opening net book amount	期初賬面淨值	-	-	31,102	7,617	3,194	46,117	7,897	-	95,927
Revaluation surplus	重估盈餘	-	-	566	-	-	-	-	-	566
Additions	添置	-	-	-	-	79	4,732	4,199	14,983	23,993
Disposals	出售	-	-	-	-	-	(93)	(102)	-	(195)
Depreciation	折舊	-	-	(2,270)	(491)	(1,389)	(7,748)	(3,595)	-	(15,493)
Exchange differences	匯兌差額	-	-	(1,240)	-	4	4,547	217	-	3,528
Closing net book amount	期末賬面淨值	-	-	28,158	7,126	1,888	47,555	8,616	14,983	108,326
At 31st December, 2006	於二零零六年 十二月三十一日									
Cost or valuation	成本或估值	-	-	28,158	7,126	5,238	61,204	30,446	14,983	147,155
Accumulated depreciation	累計折舊	-	-	-	-	(3,350)	(13,649)	(21,830)	-	(38,829)
Net book amount	賬面淨值	-	-	28,158	7,126	1,888	47,555	8,616	14,983	108,326

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15 PROPERTIES, PLANT AND EQUIPMENT (Continued)

The Group's buildings were revalued at 31st December, 2006. Valuations were made on the open market value basis and were carried out by:

- (i) PT VPC Hagai Sejahtera, an independent qualified surveyor in Indonesia; and
- (ii) Japie Van Blerk, an independent qualified surveyor in Lesotho.

The revaluation deficit/(surplus) net of applicable deferred income taxes was debited/(credited) to fixed assets revaluation reserve in shareholders' equity.

Depreciation expense of HK\$9,702,000 (2005: HK\$9,486,000) has been expensed to cost of goods sold, HK\$287,000 (2005: HK\$625,000) to selling expenses and HK\$5,504,000 (2005: HK\$5,498,000) to administrative expenses.

If buildings were stated on the historical cost basis, the amounts would be as follows:

15 物業、廠房及設備 (續)

本集團樓宇已於二零零六年十二月三十一日重新估值。估值乃根據公開市場價值由下列各方進行：

- (i) PT VPC Hagai Sejahtera (印尼獨立合資格測量師)；及
- (ii) Japie Van Blerk (萊索托獨立合資格測量師)。

重估虧絀／(盈餘)扣除適用遞延所得稅乃扣自／(計入)股東權益中之固定資產重估儲備。

折舊開支已分別於銷售存貨成本中支銷9,702,000港元(二零零五年：9,486,000港元)、於銷售開支支銷287,000港元(二零零五年：625,000港元)及於行政開支支銷5,504,000港元(二零零五年：5,498,000港元)。

倘樓宇乃按歷史成本列賬，其金額如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost	成本	106,435	95,921
Accumulated depreciation	累計折舊	(74,613)	(60,344)
Net book amount	賬面淨值	31,822	35,577

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15 PROPERTIES, PLANT AND EQUIPMENT (Continued)

The analysis of the cost or valuation at 31st December, 2005 of the above assets is as follows:

		Buildings 樓宇		Leasehold improve- ments	Plant and machinery	Furniture, office equipment and motor vehicles	Construction in progress	Total
		Held in Indonesia 於印尼 持有 HK\$'000 千港元	Held in Lesotho 於萊索托 持有 HK\$'000 千港元	租賃裝修 HK\$'000 千港元	廠房 設備及機器 HK\$'000 千港元	傢俬、辦公室 設備及汽車 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 千港元
At cost	按成本	-	-	6,057	52,155	26,369	-	84,581
At 2005 valuation	於二零零五年估值	31,102	7,617	-	-	-	-	38,719
		31,102	7,617	6,057	52,155	26,369	-	123,300

The analysis of the cost or valuation at 31st December, 2006 of the above assets is as follows:

		Buildings 樓宇		Leasehold improve- ments	Plant and machinery	Furniture, office equipment and motor vehicles	Construction in progress	Total
		Held in Indonesia 於印尼 持有 HK\$'000 千港元	Held in Lesotho 於萊索托 持有 HK\$'000 千港元	租賃裝修 HK\$'000 千港元	廠房 設備及機器 HK\$'000 千港元	傢俬、辦公室 設備及汽車 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 千港元
At cost	按成本	-	-	5,238	61,204	30,446	14,983	111,871
At 2006 valuation	於二零零六年估值	28,158	7,126	-	-	-	-	35,284
		28,158	7,126	5,238	61,204	30,446	14,983	147,155

15 物業、廠房及設備 (續)

上述資產於二零零五年十二月三十一日之成本或估值分析如下：

上述資產於二零零六年十二月三十一日之成本或估值分析如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15 PROPERTIES, PLANT AND EQUIPMENT (Continued)

Net book value of buildings is analysed as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Outside Hong Kong, held on:	於香港以外持有：		
– Leases of between 10 to 50 years	– 租約年期介乎10至50年	27,582	30,574
– Leases of less than 10 years	– 租約年期少於10年	7,702	8,145
		35,284	38,719

15 物業、廠房及設備 (續)

樓宇之賬面淨值分析如下：

16 INVESTMENT PROPERTIES

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Beginning of the year	年初	22,300	–
Transfer from:	轉移自：		
– buildings (Note 15)	– 樓宇 (附註15)	–	3,573
– leasehold land (Note 17)	– 租賃土地 (附註17)	–	14,652
Fair value gains	公允值之收益	–	4,075
End of the year	年末	22,300	22,300

16 投資物業

The investment properties were revalued at 31st December, 2006 by an independent valuer, Vigers Appraisal and Consulting Limited. Valuations were based on current prices in an active market for all properties.

投資物業於二零零六年十二月三十一日由獨立測量師威格斯資產評估顧問有限公司重估。估值乃根據所有物業於活躍市場之現行價格估值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16 INVESTMENT PROPERTIES (Continued)

The Group's interests in the investment properties at their net book values are analysed as follows:

In Hong Kong, held on:	於香港持有：
– Leases of between 10 to 50 years	– 租約年期介乎10至50年

Investment properties of the Group, comprising leasehold land and buildings, have been pledged as securities for the Group's secured bank borrowings.

17 LEASEHOLD LAND

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

In Indonesia held on:	於印尼持有：
– Leases of between 10 to 50 years	– 租約年期介乎10至50年
– Leases of less than 10 years	– 租約年期少於10年

16 投資物業(續)

本集團於以賬面淨值列賬之投資物業的權益分析如下：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
----------------------------------	----------------------------------

22,300	22,300
---------------	--------

本集團投資物業包括租賃土地及樓宇，乃已予抵押，作為本集團有抵押銀行貸款之抵押品。

17 租賃土地

本集團於租賃土地之權益代表預付經營租賃款項，其賬面淨值分析如下：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
----------------------------------	----------------------------------

1,755	2,042
--------------	-------

480	1,055
------------	-------

2,235	3,097
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NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17 LEASEHOLD LAND (Continued)

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Beginning of the year	年初	3,097	17,142
Additions	添置	-	1,151
Transfer of leasehold land to investment properties (Note 16)	租賃土地轉為投資物業 (附註16)	-	(14,652)
Amortisation of prepaid operating lease payments	攤銷預付經營租賃款項	(862)	(544)
End of the year	年末	2,235	3,097

18 NON-CURRENT DEPOSITS

Non-current deposits represent deposits paid for certain leasehold land in Mainland China.

19 INVESTMENTS IN SUBSIDIARIES

Details of principal subsidiaries are set out in Note 34 to the financial statements.

17 租賃土地 (續)

18 非流動按金

非流動按金指就若干於中國大陸之租賃土地支付之按金。

19 於附屬公司之投資

		Company 本公司 2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Costs, unlisted shares	成本·非上市股份	166,346	165,939

主要附屬公司之詳細資料載於賬目附註34。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

20 INTERESTS IN ASSOCIATES

20 於聯營公司之權益

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Beginning of the year	年初	38,055	–
Addition	添置	3,000	36,672
Share of profit	分佔溢利	4,839	301
Exchange difference	匯兌虧損	1,142	1,082
End of the year	年末	47,036	38,055

Investments in associates at 31st December, 2006 include goodwill of approximately HK\$194,000 (2005: HK\$Nil).

於二零零六年十二月三十一日，於聯營公司之投資包括約194,000港元之商譽（二零零五年：零港元）。

The Group's interests in its associates, which are unlisted, were as follows:

本集團於非上市聯營公司之權益如下：

Name	Registered and paid up capital	Country of incorporation	Assets	Liabilities	Revenues	(Loss)/ Profit	Interest held
名稱	註冊及繳足股本	註冊成立地點	資產	負債	收益	(虧損)/ 溢利	所持權益百分比
			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
Yi Feng (HK) Petrochemical Enterprises Limited	HK\$15,000,000	Hong Kong	13,940	110	–	(200)	20
毅丰(香港)石化企業有限公司	15,000,000港元	香港					
山東魏橋恒富針織印染有限公司 (ShanDong WeiQiao HengFu Textile Limited)	US\$12,375,000 12,375,000美元	People's Republic of China 中華人民共和國	111,630	1,440	100,955	12,198	40

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

21 AVAILABLE-FOR-SALE FINANCIAL ASSETS

21 可供出售之金融資產

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Beginning of the year	年初	10,408	2,125
Opening balance adjustment arising from the adoption of HKASs 32 and 39	採納香港會計準則第32及第39號所作之期初調整	-	938
Additions	添置	-	7,800
Disposals	出售	(1,908)	-
Revaluation surplus/(deficit) charged to equity (Note 31)	重估盈餘/(虧絀)扣自權益(附註31)	528	(455)
End of the year	年末	9,028	10,408

There were no impairment provisions on available-for-sale financial assets in 2006.

於二零零六年概無就可供出售之金融資產作出減值撥備。

Available-for-sale financial assets include the following:

可供出售之金融資產詳情如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Listed securities:	上市證券：		
- Equity securities - Hong Kong	- 股本證券 - 香港	734	2,650
Market value of listed securities	上市證券之市值	734	2,650
Unlisted securities:	非上市證券：		
- Structured Note - Hong Kong	- 結構性票據 - 香港	8,294	7,758

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

22 AMOUNTS DUE FROM SUBSIDIARIES

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

22 附屬公司欠款

附屬公司欠款為無抵押、免息及於要求時償還。

23 INVENTORIES, AT COST

23 存貨，按成本值

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Raw materials	原材料	71,109	75,422
Work in progress	半製成品	54,715	52,537
Finished goods	製成品	31,277	28,597
		157,101	156,556

The cost of inventories recognised as expenses and included in cost of goods sold amounted to approximately HK\$972,793,000 (2005: HK\$889,223,000).

確認為開支及計入已售貨品成本之存貨成本約972,793,000港元(二零零五年:889,223,000港元)。

24 TRADE AND OTHER RECEIVABLES

24 貿易及其他應收款項

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Trade receivables	貿易應收款項	106,266	95,349	-	-
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	32,003	25,493	1,049	1,118
		138,269	120,842	1,049	1,118

The carrying amounts of the trade receivables approximates their fair values.

貿易應收款項之賬面值與其公允值相若。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24 TRADE AND OTHER RECEIVABLES (Continued)

The majority of the Group's sales to customers are on open account basis, with credit terms ranging from 30 to 45 days. The remaining sales are on letter of credit at sight to 90 days. As at 31st December, 2006, the ageing analysis of trade receivables was as follows:

Within 30 days	30日內
31-60 days	31 – 60日
61-90 days	61 – 90日
Over 90 days	超過90日

As at 31st December, 2006, the trade receivables from the Group's five largest customers accounted for 88% (2005: 82%) of the total trade receivables. The Group's approach to managing credit risk is disclosed in Note 3.

At 31st December, 2006, the carrying amounts of the trade receivables were denominated in the following currencies:

US dollar	美元
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24 貿易及其他應收款項 (續)

本集團大部份銷售予客戶之款額均以記賬方式進行，而信貸期則介乎30至45日。餘下銷售款額以即期至90日信用狀付款。於二零零六年十二月三十一日，貿易應收款項之賬齡分析如下：

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
Within 30 days	30日內	96,895	77,131
31-60 days	31 – 60日	9,191	14,841
61-90 days	61 – 90日	72	3,316
Over 90 days	超過90日	108	61
		106,266	95,349

於二零零六年十二月三十一日，本集團五大客戶之貿易應收款項佔貿易應收款項總額88%（二零零五年：82%）。本集團管理信貸風險之方法，已於附註3披露。

於二零零六年十二月三十一日，貿易應收款項之賬面值乃以下列貨幣列值：

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
US dollar	美元	106,266	95,349

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

25 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

25 按公允值計入損益賬之金融資產

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted securities:	非上市證券:		
- Mutual funds - Indonesia	- 互惠基金 - 印尼	-	5,228

Changes in fair values of financial assets at fair value through profit or loss of approximately HK\$Nil (2005: HK\$348,000) are recognised in the income statement.

按公允值計入損益賬之金融資產之變動零港元(二零零五年: 348,000港元)已於收入報表確認。

26 CASH AND CASH EQUIVALENTS

26 現金及現金等值項目

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cash at bank and in hand	銀行及手頭現金	58,487	32,503	145	2
Short-term bank deposits	短期銀行存款	32,966	13,950	-	-
		91,453	46,453	145	2

The effective interest rate on short-term bank deposits was 4.9% (2005: 3.9%) per annum where these deposits have an average maturity of 1 day (2005: 1 day).

短期銀行存款之實際年利率為4.9厘(二零零五年: 3.9厘), 其平均到期日為1日(二零零五年: 1日)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

26 CASH AND CASH EQUIVALENTS (Continued)

At 31st December, 2006, the carrying amount of the cash and cash equivalents were denominated in the following currencies:

26 現金及現金等值項目 (續)

於二零零六年十二月三十一日，現金及現金等值項目之賬面值乃以下列貨幣為單位：

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Hong Kong dollar	港元	1,903	1,581	145	2
US dollar	美元	64,530	31,914	–	–
Indonesian rupiah	印尼盾	19,680	11,337	–	–
Renminbi	人民幣	5,217	398	–	–
Others	其他	123	1,223	–	–
		91,453	46,453	145	2

27 BANK BORROWINGS

27 銀行貸款

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current	非流動		
Bank borrowings	銀行貸款		
– secured (Note (b))	– 有抵押 (附註(b))	9,750	17,438
– unsecured	– 無抵押	15,500	–
		25,250	17,438
Current	流動		
Bank borrowings (Note (a))	銀行貸款 (附註(a))		
– secured (Note (b))	– 有抵押 (附註(b))	28,772	24,321
– unsecured	– 無抵押	39,633	59,878
		68,405	84,199
Total borrowings	總貸款	93,655	101,637

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

27 BANK BORROWINGS (Continued)

At 31st December, 2006, the Group's borrowings were repayable as follows:

Within 1 year	一年內
Between 1 and 2 years	一至兩年內
Between 2 and 5 years	二至五年內

Notes:

- (a) Bank borrowings wholly repayable within one year included secured trust receipts loans of HK\$20,972,000 (2005: HK\$16,571,000) and unsecured trust receipts loans of HK\$39,633,000 (2005: HK\$59,878,000).
- (b) Investment properties of the Group with an aggregate carrying value of HK\$22,300,000 (2005: HK\$22,300,000) have been pledged as security for the secured bank borrowings.
- (c) The bank borrowings bear interest rates ranging from 6.0% to 7.1% per annum for US dollar denominated bank borrowings (2005: 4.1% to 6.0% per annum) and 5.8% to 5.9% per annum for Hong Kong dollar denominated bank borrowings (2005: 1.7% to 5.8% per annum).

The carrying amounts of bank borrowings approximate their fair values.

27 銀行貸款(續)

於二零零六年十二月三十一日，本集團之貸款之還款期如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 1 year	68,405	84,199
Between 1 and 2 years	15,550	15,500
Between 2 and 5 years	9,700	1,938
	93,655	101,637

附註：

- (a) 須於一年內悉數償還之銀行貸款包括有抵押信託收據貸款20,972,000港元(二零零五年：16,571,000港元)及無抵押信託收據貸款39,633,000港元(二零零五年：59,878,000港元)。
- (b) 本集團賬面值合共22,300,000港元(二零零五年：22,300,000港元)之投資物業已抵押作為有抵押銀行貸款之抵押品。
- (c) 銀行貸款中，以美元為單位者按年利率6.0厘至7.1厘計息(二零零五年：年利率4.1厘至6.0厘)，以港元為單位者則按年利率5.8厘至5.9厘計息(二零零五年：年利率1.7厘至5.8厘)。

銀行貸款之賬面值與其公允值相若。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

27 BANK BORROWINGS (Continued)

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Hong Kong dollar	港元	8,018	13,340
US dollar	美元	85,637	88,297
		93,655	101,637

28 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Deferred income tax assets	遞延所得稅資產	4,279	1,862
Deferred income tax liabilities	遞延所得稅負債	(4,771)	(1,681)
		(492)	181

Deferred income tax is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2005: 17.5%). Deferred income tax of overseas subsidiaries are calculated at the rates of taxation prevailing in the countries in which the Group operates.

27 銀行貸款(續)

銀行貸款之賬面值乃以下列貨幣為單位：

28 遞延所得稅

當有法定可執行權力將現有稅項資產與現有稅項負債抵銷，且遞延所得稅項涉及同一財政機關，則可將遞延所得稅項資產及負債抵銷。所抵銷之金額如下：

遞延所得稅項乃按負債法，採用主要稅率 17.5%（二零零五年：17.5%）就臨時差額作出全數撥備。海外附屬公司之遞延所得稅項乃按本集團經營業務所在國家之現行稅率計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 DEFERRED INCOME TAX (Continued)

The movements on the deferred income tax account are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
At 1st January	於一月一日	181	(35)
Deferred taxation credited to income statement (Note 8)	於收入報表中計入之遞延稅項(附註8)	781	239
Deferred taxation charged to equity	於權益中扣除之遞延稅項	(1,559)	-
Exchange differences	匯兌差額	105	(23)
At 31st December	於十二月三十一日	(492)	181

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of HK\$19,657,000 (2005: HK\$20,102,000) to carry forward against future taxable income.

28 遞延所得稅(續)

遞延所得稅項賬目之變動如下:

遞延所得稅資產僅會於有關之稅項利益有可能透過未來應課稅溢利變現，而就結轉稅項虧損確認。可供本集團結轉用以抵銷日後應課稅收入之未確認稅項虧損為19,657,000港元(二零零五年: 20,102,000港元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 DEFERRED INCOME TAX (Continued)

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

Deferred income tax assets

		Tax losses	Provision for post-employment benefits	Decelerated tax depreciation	Total
		稅務虧損 HK\$'000 千港元	僱員結束服務後之福利撥備 HK\$'000 千港元	減速稅項折舊 HK\$'000 千港元	總計 HK\$'000 千港元
At 1st January, 2005	於二零零五年一月一日	748	–	556	1,304
(Charged)/credited to income statement	於收入報表中(扣除)/計入	(164)	–	796	632
Exchange differences	匯兌差額	(38)	–	(36)	(74)
At 31st December, 2005	於二零零五年十二月三十一日	<u>546</u>	<u>–</u>	<u>1,316</u>	<u>1,862</u>
At 1st January, 2006	於二零零六年一月一日	546	–	1,316	1,862
(Charged)/credited to income statement	於收入報表中(扣除)/計入	(583)	2,929	(168)	2,178
Exchange differences	匯兌差額	37	121	81	239
At 31st December, 2006	於二零零六年十二月三十一日	<u>–</u>	<u>3,050</u>	<u>1,229</u>	<u>4,279</u>

28 遞延所得稅(續)

年內之遞延所得稅資產及負債變動(於抵銷同一稅項管轄區之結餘前)如下:

遞延所得稅資產

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 DEFERRED INCOME TAX (Continued)

Deferred income tax liabilities

		Fair value gains of buildings and investment properties 樓宇及 投資物業之 公允值收益 HK\$'000 千港元	Accelerated tax depreciation 增速 稅項折舊 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2005	於二零零五年一月一日	310	1,029	1,339
Charged/(credited) to income statement	於收入報表中 扣除/(計入)	401	(8)	393
Exchange differences	匯兌差額	—	(51)	(51)
At 31st December, 2005	於二零零五年 十二月三十一日	<u>711</u>	<u>970</u>	<u>1,681</u>
At 1st January, 2006	於二零零六年 一月一日	711	970	1,681
Charged to income statement	於收入報表中扣除	401	996	1,397
Charged to equity	於權益扣除	1,559	—	1,559
Exchange differences	匯兌差額	—	134	134
At 31st December, 2006	於二零零六年 十二月三十一日	<u>2,671</u>	<u>2,100</u>	<u>4,771</u>

28 遞延所得稅(續)

遞延所得稅負債

29 TRADE AND OTHER PAYABLES

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Trade payables	貿易應付款項	109,334	100,517	—	—
Other payables and accruals	其他應付款項及 應計費用	62,028	46,372	6,182	5,053
		<u>171,362</u>	<u>146,889</u>	<u>6,182</u>	<u>5,053</u>

29 貿易及其他應付款項

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

29 TRADE AND OTHER PAYABLES (Continued)

As at 31st December, 2006, the ageing analysis of the trade payables was as follows:

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 30 days	30日內	72,737	56,138
31-60 days	31 – 60日	25,863	29,979
61-90 days	61 – 90日	2,758	5,424
Over 90 days	超過90日	7,976	8,976
		109,334	100,517

30 SHARE CAPITAL

30 股本

		Number of shares (thousands) 股份數目 (千股)	Ordinary shares HK\$'000 普通股 千港元
At 1st January, 2005,	於二零零五年一月一日		
31st December, 2005	二零零五年十二月三十一日	360,034	36,003
Employee share option scheme – new shares issued	僱員購股權計劃 – 發行新股份	1,020	102
At 31st December, 2006	於二零零六年十二月三十一日	361,054	36,105

The total authorised number of ordinary shares is 2,000,000,000 (2005: 2,000,000,000) with a par value of HK\$0.10 per share (2005: HK\$0.10 per share).

法定普通股總數為2,000,000,000股（二零零五年：2,000,000,000股），每股面值0.10港元（二零零五年：每股面值0.10港元）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

30 SHARE CAPITAL (Continued)

Share option scheme adopted on 8th May, 2002 (the "Scheme")

At the annual general meeting of the Company held on 8th May, 2002, the Scheme was approved and adopted.

Under the Scheme, the directors of the Company are authorised to grant options to qualifying participants of the Company or its subsidiaries to subscribe for shares in the Company at prices in accordance with the terms of the Scheme. The total number of shares available for issue under the Scheme is 19,360,000 which is 5.36% of the issued share capital of the Company as at 31st December, 2006.

Under the terms of the Scheme, the directors of the Company granted options to certain qualifying participants on 25th October, 2005 to subscribe for a total of 17,160,000 shares in the Company at a price of HK\$0.536 per share. As at 31st December, 2006, there were 15,620,000 share options outstanding which are exercisable from 1st November, 2005 to 31st October, 2008.

30 股本（續）

於二零零二年五月八日採納之購股權計劃（「該計劃」）

該計劃已於二零零二年五月八日舉行之本公司股東週年大會上批准及採納。

根據該計劃，本公司董事獲授權可授予本公司或其附屬公司之合資格參與者購股權，以按照該計劃條款規定之價格認購本公司之股份。該計劃涉及之可供發行股份數目合共19,360,000股，佔本公司於二零零六年十二月三十一日之已發行股本之5.36%。

於二零零五年十月二十五日，本公司董事根據該計劃之條款授予若干合資格參與者可按每股0.536港元之價格認購合共17,160,000股股份之購股權。於二零零六年十二月三十一日，15,620,000份可於二零零五年十一月一日至二零零八年十月三十一日行使之購股權尚未行使。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

30 SHARE CAPITAL (Continued)

Share option scheme adopted on 8th May, 2002 (the "Scheme") (Continued)

Movements in the number of options outstanding under the Scheme during the year and their related weighted average exercise prices are as follows:

		2006 二零零六年		2005 二零零五年	
		Average exercise price 平均行使價	Number of options 購股權數目	Average exercise price 平均行使價	Number of options 購股權數目
		HK\$ per share 每股港元		HK\$ per share 每股港元	
At 1st January	於一月一日	0.536	17,160,000	-	-
Granted	已授出	-	-	0.536	17,160,000
Exercised	已行使	0.536	(1,020,000)	-	-
Lapsed	已失效	0.536	(520,000)	-	-
At 31st December	於十二月三十一日		15,620,000		17,160,000

Share options outstanding as at 31st December, 2006 under the Scheme have the following terms:

30 股本 (續)

於二零零二年五月八日採納之購股權計劃(「該計劃」)(續)

在該計劃下尚未行使之購股權數目於年內之變動，及彼等之相關加權平均行使價如下：

於該計劃下於二零零六年十二月三十一日尚未行使之購股權之條款載列如下：

Expiry date	屆滿日期	Exercise price 行使價 HK\$ 港元	Number of options 購股權數目 2006 二零零六年
Directors	董事		
31st October, 2008	二零零八年十月三十一日	0.536	9,700,000
Continuous contract employees	持續合約僱員		
31st October, 2008	二零零八年十月三十一日	0.536	5,920,000
			15,620,000

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 OTHER RESERVES

31 其他儲備

		Share premium	Exchange translation reserve	Fixed assets revaluation reserve	Group 本集團 Merger reserve (Note (a))	Share-based compensation reserve	Available-for-sale investments reserve	Total
		股份溢價	匯兌儲備	固定資產重估儲備	合併儲備 (附註(a))	以股份支付僱員酬金儲備	可供出售投資儲備	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January, 2005	於二零零五年一月一日	36,889	(18,147)	17,046	(200)	-	-	35,588
Exchange differences arising on the translation of the accounts of overseas subsidiaries and associates	換算海外附屬公司及聯營公司賬目產生之匯兌差額	-	(1,761)	-	-	-	-	(1,761)
Surplus on revaluation	重估盈餘	-	-	758	-	-	-	758
Employee share options scheme: - value of employee services	僱員購股權計劃 - 僱員服務估值	-	-	-	-	2,200	-	2,200
Deficit on revaluation of available-for-sale financial assets	可供出售之金融資產重估虧絀	-	-	-	-	-	(455)	(455)
At 31st December, 2005	於二零零五年十二月三十一日	36,889	(19,908)	17,804	(200)	2,200	(455)	36,330
At 1st January, 2006	於二零零六年一月一日	36,889	(19,908)	17,804	(200)	2,200	(455)	36,330
Exchange differences arising on the translation of the accounts of overseas subsidiaries and associates	換算海外附屬公司及聯營公司賬目產生之匯兌差額	-	10,281	-	-	-	-	10,281
Fair value changes, net of deferred tax	公允值變動，扣除遞延稅項	-	-	(1,021)	-	-	-	(1,021)
Employee share options scheme: - exercised of share options	僱員購股權計劃：- 行使購股權	551	-	-	-	(106)	-	445
- lapsed of share options	- 購股權失效	-	-	-	-	(54)	-	(54)
Surplus on revaluation of available-for-sale financial assets	重估可供出售之金融資產盈餘	-	-	-	-	-	528	528
Disposal of available-for-sale financial assets	出售可供出售之金融資產	-	-	-	-	-	297	297
Transfer of reserve	儲備轉移	-	-	(13,146)	-	-	-	(13,146)
At 31st December, 2006	於二零零六年十二月三十一日	37,440	(9,627)	3,637	(200)	2,040	370	33,660

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 OTHER RESERVES (Continued)

31 其他儲備(續)

		Share premium 股份溢價 HK\$'000 千港元	Company 本公司 Contributed surplus (note (b)) 繳入盈餘 (附註(b)) HK\$'000 千港元	Share-based compensation reserve 以股份 支付僱員 酬金儲備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2005	於二零零五年一月一日	36,889	165,739	–	202,628
Employee share options scheme:	僱員購股權計劃:				
– value of employee services	– 僱員服務估值	–	–	2,200	2,200
At 31st December, 2005 and 1st January, 2006	於二零零五年十二月三十一日及二零零六年一月一日	36,889	165,739	2,200	204,828
Employee share option scheme:	僱員購股權計劃:				
– exercised of share options	– 行使購股權	551	–	(106)	445
– lapsed of share options	– 購股權失效	–	–	(54)	(54)
2005 final dividend paid	二零零五年已付末期股息	–	(18,045)	–	(18,045)
At 31st December, 2006	於二零零六年十二月三十一日	<u>37,440</u>	<u>147,694</u>	<u>2,040</u>	<u>187,174</u>

Notes:

- (a) The merger reserve of the Group represents the difference between the nominal value of the shares of a subsidiary acquired and the nominal value of the Company's shares issued in exchange thereof.
- (b) The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of the subsidiary acquired and the nominal value of the Company's shares issued in exchange thereof.

附註:

- (a) 本集團之合併儲備乃指購入之一間附屬公司股份面值與本公司用作交換而發行股份之面值之差額。
- (b) 本公司之繳入盈餘乃指收購該附屬公司之綜合股東資金與本公司用作交換而發行股份之面值之差額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before taxation to net cash inflow from operations

32 綜合現金流轉表附註

(a) 除稅前溢利與經營活動現金流入淨額之對賬

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation	除稅前溢利	87,451	79,435
Depreciation of properties, plant and equipment	物業、廠房及設備折舊	15,493	15,609
Amortisation of leasehold land	租賃土地之攤銷	862	544
Impairment of goodwill	商譽減值	-	187
Share of profit of associates	分佔聯營公司溢利	(4,839)	(301)
Gain on deemed disposal of a subsidiary	視為出售一間附屬公司之收益	-	(969)
Fair value gains on investment properties	投資物業公允值之收益	-	(4,075)
Gain on disposal of fixed assets	出售固定資產之收益	(278)	(14)
Fair value gain on derivative financial instrument	衍生金融工具之公允值之收益	(156)	-
Gains on financial assets at fair value through profit or loss	按公允值計入損益賬之金融資產公允值之收益	(200)	(131)
Realised losses on available-for-sale financial assets	可供出售之金融資產之已確認虧損	300	-
Employee share-based expenses	以股份為基礎支付之僱員支出	-	2,200
Finance income	融資收入	(3,281)	(1,632)
Finance expense	融資成本	5,988	4,692
		101,340	95,545
Changes in working capital:	營運資金變動：		
Inventories	存貨	8,535	(24,876)
Trade and other receivables	貿易及其他應收款項	(23,752)	(32,430)
Trade and other payable	貿易及其他應付款項	22,158	26,741
Net cash inflow from operations	經營活動現金流入淨額	108,281	64,980

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Analysis of changes in financing during the year

		Share capital and share premium 股本及股份溢價		Bank borrowings 銀行貸款		Minority interests 少數股東權益	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
At 1st January	於一月一日	72,892	72,892	101,637	104,225	1,704	26,122
Issuance of shares upon exercise of employee share options	於行使僱員購股權時發行股份	653	-	-	-	-	-
Bank borrowings raised	新增銀行貸款	-	-	432,563	425,794	-	-
Bank borrowings repaid	償還銀行貸款	-	-	(440,545)	(428,382)	-	-
Minority interests' in share of profits and reserves	少數股東應佔溢利及儲備	-	-	-	-	622	5,529
Deemed disposal of a subsidiary	視為出售一間附屬公司	-	-	-	-	-	(23,802)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	(6,141)
Exchange differences	匯兌差額	-	-	-	-	268	(4)
At 31st December	於十二月三十一日	73,545	72,892	93,655	101,637	2,594	1,704

(c) Deemed disposal of a subsidiary and acquisition of an associate

A subsidiary of the Group entered into an agreement dated 18th May, 2005 with Shandong Weiqiao Chuangye Group Company Limited ("SDWQ") whereby it was agreed that the registered capital of ShanDong WeiQiao HengFu Textile Limited ("SWHT"), a then 60% owned indirect subsidiary, was increased from US\$8,250,000 (approximately HK\$64,350,000) to US\$12,375,000 (approximately HK\$96,525,000) and that the additional registered capital was solely contributed by SDWQ. Upon the increase in the registered capital of SWHT, the Group's interest in SWHT was diluted from 60% to 40%. Such dilution of interest was treated as a deemed disposal (the "Disposal") by the Group of an interest in SWHT. Following the Disposal, SWHT ceased to be a subsidiary of the Group and was treated as an associate.

32 綜合現金流轉表附註 (續)

(b) 年內融資變動分析

(c) 視為出售一間附屬公司及收購一間聯營公司

本集團之一間附屬公司與山東魏橋創業集團有限公司(「魏橋創業」)於二零零五年五月十八日訂立一份協議,據此,協議各方同意將山東魏橋恒富針織印染有限公司(「魏橋恒富」)(一間當時擁有60%權益之間接附屬公司)之註冊資本由8,250,000美元(約64,350,000港元)增至12,375,000美元(約96,525,000港元),而額外增加之註冊資本將僅由魏橋創業出資。於魏橋恒富之註冊資本增加後,本集團於魏橋恒富之權益已由60%攤薄至40%。該項權益攤薄被視為由本集團出售於魏橋恒富之權益(「該出售」)。於該出售后,魏橋恒富不再為本集團之附屬公司,而被視為一間聯營公司。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(c) Deemed disposal of a subsidiary and acquisition of an associate (Continued)

The net assets of the subsidiary at the date of Disposal were as follows:

		HK\$'000 千港元
Net assets disposed of:	所出售之資產淨值：	
Properties, plant and equipment	物業、廠房及設備	52,254
Intangible assets	無形資產	5,905
Inventories	存貨	6,941
Trade and other receivables	貿易及其他應收款項	2,950
Cash and cash equivalents	現金及現金等值項目	1,443
Trade and other payables	貿易及其他應付款項	(9,988)
Minority interest	少數股東權益	(23,802)
		<u>35,703</u>
Gain on disposal	該出售之收益	969
		<u>36,672</u>
Represented and satisfied by:	即為及支付方式為：	
Interest in an associate	於一間聯營公司之權益	<u>36,672</u>
Analysis of the net outflow of cash and cash equivalents in respect of the disposal:	該出售之現金及現金等值項目之流出淨額分析：	

		HK\$'000 千港元
Cash and cash equivalents disposed of	所出售之現金及現金等值項目	<u>1,443</u>

The subsidiary disposed of did not contribute significantly to the Group's cash flows or operating results.

32 綜合現金流轉表附註(續)

(c) 視為出售一間附屬公司及收購一間聯營公司(續)

於該出售日期該附屬公司之資產淨值如下：

		HK\$'000 千港元
所出售之資產淨值：		
物業、廠房及設備		52,254
無形資產		5,905
存貨		6,941
貿易及其他應收款項		2,950
現金及現金等值項目		1,443
貿易及其他應付款項		(9,988)
少數股東權益		(23,802)
		<u>35,703</u>
該出售之收益		969
		<u>36,672</u>
即為及支付方式為：		
於一間聯營公司之權益		<u>36,672</u>

該出售之現金及現金等值項目之流出淨額分析：

		HK\$'000 千港元
所出售之現金及現金等值項目		<u>1,443</u>

所出售之附屬公司對本集團之現金流量或經營業績並無重大貢獻。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(d) Disposal of subsidiaries

A subsidiary of the Group entered into an agreement dated 31st October, 2005 with an independent party whereby the independent party agreed to buy the shares of the group of companies held through Giant Sage Investments Limited which was then owned directly by Topwell Group Development Ltd., a wholly owned subsidiary of the Company.

The net assets of the subsidiaries at the date of disposal were as follow:

32 綜合現金流轉表附註(續)

(d) 出售附屬公司

本集團之一間附屬公司與一獨立人士於二零零五年十月三十一日訂立一份協議，據此，該獨立人士同意購買透過 Giant Sage Investments Limited (當時由本公司之全資附屬公司 Topwell Group Development Ltd. 直接擁有) 所持有的一組公司之股份。

於該出售日期該等附屬公司之資產淨值如下：

		HK\$'000 千港元
Net assets disposed of:	所出售之資產淨值：	
Properties, plant and equipment	物業、廠房及設備	1,937
Inventories	存貨	339
Trade and other receivables	貿易及其他應收款項	6,895
Cash and cash equivalents	現金及現金等值項目	5,381
Trade and other payables	貿易及其他應付款項	(1,902)
Taxation payable	應繳稅項	(118)
Minority interest	少數股東權益	(6,141)
		<hr/> 6,391
Gain on disposal	該出售之收益	<hr/> —
Consideration receivable (included in trade and other receivable)	應收代價(計入貿易及其他應收款項)	<hr/> <hr/> 6,391

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(d) Disposal of subsidiaries (Continued)

Analysis of the net outflow of cash and cash equivalents in respect of the disposal:

		HK\$'000 千港元
Cash and cash equivalents disposed of	所出售之現金及現金等值項目	5,381

The subsidiaries disposed of did not contribute significantly to the Group's cash flows or operating results.

32 綜合現金流轉表附註(續)

(d) 出售附屬公司(續)

該出售之現金及現金等值項目之流出淨額分析：

		HK\$'000 千港元
	所出售之該等附屬公司對本集團之現金流量或經營業績並無重大貢獻。	

33 COMMITMENTS

Capital commitments

Capital expenditure at the balance sheet date but not yet incurred is as follows:

Leasehold land, property, plant and equipment	租賃土地、物業、 廠房及設備
Contracted but not provided for	已簽約但未撥備
Authorised but not contracted for	已授權但未簽約

33 承擔

資本承擔

於結算日但仍未產生之資本開支如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
	23,743	-
	-	-
	23,743	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33 COMMITMENTS (Continued)

Commitments under operating leases

The Group had future aggregate minimum lease payments for land and buildings under non-cancellable operating leases as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Not later than one year	一年內	8,699	5,559
Later than one year and not later than five years	一年後但不遲於五年	3,300	7,165
Later than five years	五年後	4,154	4,623
		16,153	17,347

34 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31st December, 2006:

Company name 公司名稱	Place of incorporation/ Place of operation 註冊成立/ 經營地點	Principal activities 主要業務	Particulars of issued share capital 已發行股本資料	Percentage of interest held 所持權益百分比
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Shares held directly: 直接持有股份:

Topwell Group Development Ltd.	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1,000 ordinary shares of US\$1 each 1,000股每股面值1美元之普通股	100
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33 承擔 (續)

經營租賃承擔

本集團根據不可撤銷經營租賃而須於未來就土地及樓宇支付之最低租金總額如下:

34 附屬公司

本公司於二零零六年十二月三十一日之主要附屬公司詳列如下:

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34 SUBSIDIARIES (Continued)

34 附屬公司(續)

Company name 公司名稱	Place of incorporation/ Place of operation 註冊成立/ 經營地點	Principal activities 主要業務	Particulars of issued share capital 已發行股本資料	Percentage of interest held 所持權益百分比
Shares held indirectly: 間接持有股份：				
Best Sphere Group Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1 ordinary share of US\$1 1股面值1美元之普通股	100
Carry Wealth Limited	Hong Kong 香港	Garment trading, marketing and provision of management services 成衣貿易、市場推廣及提供管理服務	4,000,000 ordinary shares of HK\$1 each 4,000,000股每股面值1港元之普通股	100
Carry Wealth (South Africa) Investment Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1 ordinary share of US\$1 1股面值1美元之普通股	100
Charter Row Group Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1 ordinary share of US\$1 1股面值1美元之普通股	100
Charter, S.A. de C.V.	El Salvador 薩爾瓦多	Manufacture of knit tops 生產針織上衣	200 shares of US\$114.28 each 200股每股面值114.28美元之股份	100
Dragon Vision Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1 ordinary share of US\$1 1股面值1美元之普通股	100
Gold Clipper Trading Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1 ordinary share of US\$1 1股面值1美元之普通股	100

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34 SUBSIDIARIES (Continued)

34 附屬公司(續)

Company name 公司名稱	Place of incorporation/ Place of operation 註冊成立/ 經營地點	Principal activities 主要業務	Particulars of issued share capital 已發行股本資料	Percentage of interest held 所持權益百分比
Hillwealth International Limited 領溢國際有限公司	Hong Kong 香港	Investment holding 投資控股	1 ordinary share of HK\$1 1股面值1港元之普通股	100
Keen Vision Limited 國威興業有限公司	Hong Kong 香港	Investment holding 投資控股	100 ordinary shares of HK\$1 each 100股每股面值1港元之普通股	100
Master Giant Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1 ordinary share of US\$1 1股面值1美元之普通股	100
Promaster Company Limited 保萬德有限公司	Hong Kong 香港	Property holding 持有物業	2 ordinary shares of HK\$1 each 2股每股面值1港元之普通股	100
Times King Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1 ordinary share of US\$1 1股面值1美元之普通股	100
Topwell Investment (Asia) Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1 ordinary share of US\$1 1股面值1美元之普通股	100
Topwell Investments Ltd.	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1 ordinary share of US\$1 1股面值1美元之普通股	100
東莞國興製衣有限公司 (Dongguan Guoxing Garment Limited) *	PRC wholly foreign owned enterprise 中國獨資經營企業	Manufacture and sale of knit and woven products 生產和銷售針織及梭織服裝	HK\$5,000,000 5,000,000港元	100

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34 SUBSIDIARIES (Continued)

34 附屬公司(續)

Company name 公司名稱	Place of incorporation/ Place of operation 註冊成立/ 經營地點	Principal activities 主要業務	Particulars of issued share capital 已發行股本資料	Percentage of interest held 所持權益百分比
鶴山恒富製衣有限公司 (Heshan Carry Wealth Garment Limited) *	PRC wholly foreign owned enterprise 中國獨資經營企業	Manufacture and sale of knit products 生產和銷售針織服裝	US\$4,200,000 4,200,000美元	100
PT Aneka Garmentama Indah *	Indonesia 印尼	Manufacture of woven bottoms 生產梭織襯褲	6,000 ordinary shares of Rp1,000,000 each 6,000股每股面值1,000,000 印尼盾之普通股	95
PT Caterindo Garment Industri *	Indonesia 印尼	Manufacture of knit tops 生產針織上衣	15,000 ordinary shares of Rp1,000,000 each 15,000股每股面值1,000,000 印尼盾之普通股	95
Shinning Century Limited 耀晴有限公司	Hong Kong/ Lesotho 香港/萊索托	Manufacture of knit top 生產針織上衣	1,000,000 ordinary shares of HK\$1 each 1,000,000股每股面值1港元之普通股	70
Sino Precision Limited	British Virgin Islands 英屬處女群島	Investment holding 投資控股	1,000 ordinary shares of US\$1 each 1,000股每股面值1美元之普通股	66.7

* Subsidiaries not audited by PricewaterhouseCoopers.
並非由羅兵咸永道會計師事務所審核賬目之附屬公司。

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35 RELATED PARTY TRANSACTIONS

As at 31st December, 2006, 162,000,000 shares (44.86%) of the Company were held by Respected International Limited, which was ultimately owned as to 37.50% and 45.83% by Mr Rusli Hendrawan and Mr Lee Sheng Kuang, James, directors of the Company, respectively through their respective wholly-owned companies.

Key management compensation

Salaries and other short-term employee benefits	薪酬及其他短期僱員福利
Contributions to the MPF Scheme	強制性公積金計劃供款
Share-based payments	以股份為基礎之支出

35 關連方交易

於二零零六年十二月三十一日，本公司162,000,000股股份(44.86%)由Respected International Limited持有，Rusli Hendrawan先生與李勝光先生分別透過彼等各自之全資擁有公司最終擁有該公司之37.50%及45.83%。

主要管理人員酬金

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
	15,020	13,600
	335	307
	–	1,424
	15,355	15,331

36 COMPARATIVE FIGURES

Certain 2005 comparative figures have been reclassified to conform to the current year's presentation.

36 比較數字

若干二零零五年數字經已重新分類，以符合本年度之呈列方式。