

# CONSOLIDATED BALANCE SHEET

At 31st December, 2006

|  | NOTES | 2006<br>HK\$'000 | 2005<br>HK\$'000 |
|--|-------|------------------|------------------|
| <b>Non-current Assets</b>                    |       |                  |                  |
| Investment property                          | 16    | 4,800            | 3,600            |
| Property, plant and equipment                | 17    | 350,373          | 254,745          |
| Prepaid lease payments                       | 18    | 26,145           | 40,598           |
| Intangible assets                            | 19    | 4,680            | –                |
| Loan receivable                              | 20    | 15,229           | 17,589           |
| Goodwill                                     | 21    | –                | 1,274            |
| Available-for-sale investments               | 22    | 5,858            | 13,358           |
| Deferred tax assets                          | 29    | 53               | 53               |
|  |       | <b>407,138</b>   | <b>331,217</b>   |
| <b>Current Assets</b>                        |       |                  |                  |
| Inventories                                  | 23    | 184,621          | 162,300          |
| Debtors, deposits and prepayments            | 24    | 348,784          | 248,385          |
| Loan receivable                              | 20    | 2,247            | 2,262            |
| Prepaid lease payments                       | 18    | 652              | 972              |
| Tax recoverable                              |       | 265              | 263              |
| Bank balances and cash                       | 25    | 69,134           | 65,006           |
|  |       | <b>605,703</b>   | <b>479,188</b>   |
| <b>Current Liabilities</b>                   |       |                  |                  |
| Creditors and accrued charges                | 26    | 234,442          | 170,206          |
| Tax liabilities                              |       | 10,381           | 425              |
|  |       | <b>244,823</b>   | <b>170,631</b>   |
| <b>Net Current Assets</b>                    |       | <b>360,880</b>   | <b>308,557</b>   |
| <b>Total Assets less Current Liabilities</b> |       | <b>768,018</b>   | <b>639,774</b>   |

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ANNUAL REPORT 2006

ARTS OPTICAL INTERNATIONAL HOLDINGS LIMITED

At 31st December, 2006

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|---|-------|------------------|------------------|
| <b>Capital and Reserves</b>                         |       |                  |                  |
| Share capital                                       | 27    | 38,365           | 38,365           |
| Reserves  |       | 715,843          | 584,844          |
| Equity attributable to equity holders of the parent |       | 754,208          | 623,209          |
| Minority interests                                  |       | 142              | 3,256            |
| Total equity  |       | 754,350          | 626,465          |
| <b>Non-current Liabilities</b>                      |       |                  |                  |
| Deferred tax liabilities                            | 29    | 13,054           | 13,309           |
| Loan from a minority shareholder of a subsidiary    | 30    | 614              | –                |
|   |       | 13,668           | 13,309           |
|   |       | 768,018          | 639,774          |

The consolidated financial statements on pages 28 to 75 were approved and authorised for issue by the Board of Directors on 17th April, 2007 and are signed on its behalf by:

**Ng Hoi Ying, Michael**  
DIRECTOR

**Ng Kim Ying**  
DIRECTOR