

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006

截至二零零六年十二月三十一日止年度

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the head office and principal place of business of the Company are disclosed in the Corporate Information to the annual report.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 35.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of the new HKFRSs has had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

1. 一般事項

本公司乃一間在百慕達註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之總辦事處地址及主要營業地點於年報之公司資料內披露。

本公司為一間投資控股公司，其附屬公司之主要業務載於附註35。

綜合財務報表以港元（即本公司之功能貨幣）呈列。

2. 新訂及經修訂香港財務報告準則之應用

於本年度，本集團首次應用多項由香港會計師公會頒佈並分別於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間生效之新訂準則、修訂及詮釋（於下文統稱為「新香港財務報告準則」）。採納新香港財務報告準則對編製及呈列即期或過往會計期間業績及財務狀況之方法並無重大影響。因此，無須對過往期間進行調整。

本集團並無提前應用下列已頒佈但尚未生效之新訂準則、修訂或詮釋。本公司董事預期應用此等新訂準則、修訂或詮釋對本集團之業績及財務狀況並無重大影響。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating Segments ²
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ³
HK(IFRIC)-Int 8	Scope of HKFRS 2 ⁴
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives ⁵
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment ⁶
HK(IFRIC)-Int 11	HKFRS 2 - Group and Treasury Share Transactions ⁷
HK(IFRIC)-Int 12	Service Concession Arrangements ⁸

2. 新訂及經修訂香港財務報告準則之應用 (續)

香港會計準則 第1號(經修訂)	資本披露 ¹
香港財務報告 準則第7號	金融工具：披露 ¹
香港財務報告 準則第8號	經營分部 ²
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」之重列 方法 ³
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 ⁴
香港(國際財務 報告詮釋委員會) －詮釋第9號	內置衍生工具 之重新評估 ⁵
香港(國際財務 報告詮釋委員會) －詮釋第10號	中期財務報告及 減值 ⁶
香港(國際財務報告 詮釋委員會) －詮釋第11號	香港財務報告準則 第2號「集團及 庫存股份交易」 ⁷
香港(國際財務報告 詮釋委員會) －詮釋第12號	服務經營權安排 ⁸

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

- 1 Effective for annual periods beginning on or after 1 January 2007
- 2 Effective for annual periods beginning on or after 1 January 2009
- 3 Effective for annual periods beginning on or after 1 March 2006
- 4 Effective for annual periods beginning on or after 1 May 2006
- 5 Effective for annual periods beginning on or after 1 June 2006
- 6 Effective for annual periods beginning on or after 1 November 2006
- 7 Effective for annual periods beginning on or after 1 March 2007
- 8 Effective for annual periods beginning on or after 1 January 2008

3. CHANGES OF ACCOUNTING ESTIMATES

In previous years, buildings were depreciated at 5% per annum. With effect from 1 January 2006, buildings are depreciated over the shorter of the lease terms or 50 years, where appropriate. The Directors consider that the change can better reflect the estimated useful lives of the assets based on the physical condition of the buildings and current business operation periods. This change in depreciation rate has resulted in a decrease in the depreciation charge by approximately HK\$6,346,000 for the year.

2. 新訂及經修訂香港財務報告準則之應用 (續)

- 1 於二零零七年一月一日或之後開始之年度期間生效。
- 2 於二零零九年一月一日或之後開始之年度期間生效。
- 3 於二零零六年三月一日或之後開始之年度期間生效。
- 4 於二零零六年五月一日或之後開始之年度期間生效。
- 5 於二零零六年六月一日或之後開始之年度期間生效。
- 6 於二零零六年十一月一日或之後開始之年度期間生效。
- 7 於二零零七年三月一日或之後開始之年度期間生效。
- 8 於二零零八年一月一日或之後開始之年度期間生效。

3. 會計估計之變動

於過往年度，樓宇之折舊率為每年5%。自二零零六年一月一日起，樓宇按租賃年期或50年(倘適用，以較短者為準)折舊。董事認為，該項變動可更好地反映根據該等樓宇之實際狀況及目前經營業務期間估計之資產可使用年期。該項折舊率之變動令本年度之折舊開支減少約6,346,000港元。

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4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments which are measured at revalued amounts or fair values, where appropriate.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

4. 主要會計政策

綜合財務報表乃按歷史成本基準編製，惟若干物業及金融工具按重估值或公平值（倘適用）計算則除外。

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則及香港公司條例規定之適用披露事項。所採納之主要會計政策如下：

綜合賬目之基準

綜合財務報表包括本公司及其附屬公司之財務報表。當本公司有能力規管一間實體之財務及經營政策以從其業務中取得利益時，則具有控制權。

於年內收購或出售之附屬公司之業績乃由收購生效日期起計或計至出售生效日期止（如適用）計入綜合損益表。

倘有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者保持一致。

所有集團內交易、結餘、收入及支出均於綜合賬目時對銷。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

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

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

Rental income from operating leases is recognised on a straight-line basis over the terms of the relevant leases.

Investment properties

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

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

4. 主要會計政策 (續)

收入確認

收入按日常業務過程中就所售貨品所收取或應收取之代價(已扣除折扣及銷售有關稅項)之公平值計量。

貨品銷售乃在貨品付運及擁有權轉移後確認。

金融資產之利息收入乃以時間為基準按未償還本金及適用實際利率計提，而實際利率為透過金融資產之預期可用年期將估計日後現金收據實際折現至該資產之賬面淨值之比率。

經營租賃所得之租金收入於有關租賃期內以直線法確認。

投資物業

於初次確認時，投資物業按成本值(包括任何直接應佔開支)計量。於初次確認後，投資物業運用公平值模型計量。投資物業公平值變動所產生之收益或虧損計入其產生期間之綜合損益表內。

投資物業於出售或永久停止使用後，或預期出售該投資物業不會產生未來經濟利益時終止確認。終止確認該資產所產生之任何收益或虧損(按出售所得款項淨額與該資產賬面值間之差額計算)計入終止確認項目年度之綜合損益表內。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost or fair value less subsequent depreciation and impairment loss.

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at their revalued amount, being the fair value at the date of revaluation less any subsequent depreciation and impairment loss. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on revaluation of buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the increase is credited to the consolidated income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the asset revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

Depreciation is provided to write off the cost or fair value of the assets, other than construction in progress, over their estimated useful lives and after taking into account of their residual value, using the straight-line method.

4. 主要會計政策 (續)

物業、廠房及設備

在建工程以外之物業、廠房及設備按成本值或公平值減隨後之折舊及減值虧損列賬。

用作生產或提供貨物或服務或作行政用途之樓宇乃按其重估值於綜合資產負債表列賬，重估值按其於重估日期之公平值減任何日後折舊及減值虧損計算。重估乃定期進行，以確保賬面值與於結算日以公平值列賬者不會有重大差異。

任何因重估樓宇而增加之重估值乃計入資產重估儲備，但若之前曾於綜合損益表中撥回相同資產確認為支出之重估減值，則此增值計入於綜合損益表確認為收入，惟以先前扣除數額為限。重估資產所產生之賬面淨值減少數額如超過該項資產過往重估時之相關重估儲備結餘(如有)，則該超出部分列作開支處理。重估資產於其後出售或報廢時，應得之重估盈餘撥作保留溢利。

在建工程以外資產於估計可使用年期內使用直線法並經考慮其殘值計算折舊，以撇銷其成本或公平值。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment *(Continued)*

Construction in progress is stated at cost less any impairment loss. Construction in progress is classified to the approximate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

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

Club debenture

Club debenture with indefinite useful life is carried at cost less any impairment loss.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

4. 主要會計政策 (續)

物業、廠房及設備 (續)

在建工程以成本減任何減值虧損列賬。在建工程於完成及可用作擬定用途時分類為物業、廠房及設備之近似類別。該等資產按其他物業、廠房及設備之相同基準計算折舊，由有關資產可用作擬定用途時起計。

根據融資租賃持有之資產按自有資產之相同基準於估計可用年期或有關租賃年期之較短者折舊。

當物業、廠房及設備項目已出售或預期繼續使用該項資產不會為日後帶來經濟利益時，該項物業、廠房及設備將終止確認。因終止確認該項資產而產生之任何收益或虧損(按該項目之出售所得款項淨額及其賬面值之差額計算)計入終止確認該項資產之年度之綜合損益表。

會所債券

沒有限定可使用年期之會所債券乃按成本減除其任何減值虧損列賬。

資產減值

於各結算日，本集團均會審閱其資產之賬面值，以確定該等資產是否有任何減值虧損跡象。倘一項資產之可收回金額估計少於其賬面值，該項資產之賬面值乃減低至其可收回金額。減值虧損即時確認為支出，除非有關資產根據另一項準則按重估金額列賬，在此情況下減值虧損根據該項準則列作重估減值。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Inventories

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

Leasing

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

The Group as lessor

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

4. 主要會計政策 (續)

資產減值 (續)

倘一項減值虧損於日後撥回，則該項資產之賬面值乃增加至其經修訂估計可收回金額，惟增加後之賬面值不得超出假設以往年度並無就該項資產確認減值虧損原應釐定之賬面值。減值虧損撥回即時確認為收入，除非有關資產根據另一項準則按重估金額列賬，在此情況下減值虧損根據該項準則列作重估減值。

存貨

存貨乃按成本及可變現淨值兩者中較低者列賬。存貨成本按先入先出法計算。

租賃

凡於租賃條款中訂明將擁有權之絕大部分風險及回報轉嫁承租人之租賃均列為融資租賃。所有其他租賃列為經營租賃。

本集團作為出租人

經營租賃之租金收入按直線法於有關租賃年期在綜合損益表內確認。磋商及安排一項經營租賃產生之初步直接成本加入租賃資產之賬面值，於租賃年期內按直線法確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to consolidated income statement.

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

Retirement benefit costs

Payments to defined contribution retirement benefit plans and the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

Borrowing costs

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

4. 主要會計政策 (續)

本集團作為承租人

按融資租賃持有之資產按租賃開始時之公平值或(倘為較低者)按最低租賃付款之現值確認為本集團資產。出租人之相應負債於綜合資產負債表列作融資租賃責任。租賃付款按比例於融資費用及減少租賃責任之間作出分配，從而使該等負債之應付餘額之息率固定。融資費用直接於綜合損益表中扣除。

經營租賃之應付租金於有關租賃期間按直線法於綜合損益表中扣除。作為促使訂立經營租賃之已收及應收利益亦按租賃期限以直線法確認分攤租金開支。

退休福利成本

向定額供款退休福利計劃及強制性公積金計劃作出之供款，於僱員提供服務而符合享有供款資格時列作開支。

借貸成本

所有借貸成本均於產生期間確認及納入綜合損益表內之融資成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in the consolidated income statement in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in consolidated income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which case, the exchange differences are also recognised directly in equity.

4. 主要會計政策 (續)

外幣

編製個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易乃按其功能貨幣(即實體經營之主要經濟環境之貨幣)於交易日期當時之匯率記錄。於各結算日，以外幣列值之貨幣項目以結算日之匯率重新換算。按公平值列賬且按外幣列值之非貨幣項目乃按釐定公平值當日之匯率重新換算。以外幣歷史成本計算之非貨幣項目不予重新換算。

結算貨幣項目及換算貨幣項目所產生之匯兌差額於產生期間在綜合損益表確認。因重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內之綜合損益表中，惟換算直接於股本權益內確認收益及虧損之非貨幣項目產生之差額除外，在此情況下，匯兌差額亦會直接於股本權益中確認。

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綜合財務報表附註

For the year ended 31 December 2006

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4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

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

Taxation

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

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

4. 主要會計政策 (續)

外幣 (續)

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按結算日當日匯率換算為本公司之呈列貨幣(即港元)，而有關之收入及開支項目乃按年內平均匯率換算，除非期內匯率大幅波動，則於此情況下，將採用交易日期之匯率換算。所產生匯兌差額(如有)均確認為股本權益之獨立部分(匯兌儲備)。有關換算差額於該項海外業務出售期間在綜合損益表中確認。

稅項

所得稅開支指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益表中所報溢利不同，此乃由於前者不包括在其他年度應課稅或可扣稅之收入或開支，並且不包括從未課稅及扣稅之損益表項目。本集團即期稅項負債乃使用於結算日已頒行或大致上已頒行之稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

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

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

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

4. 主要會計政策 (續)

稅項 (續)

遞延稅項就綜合財務報表資產及負債賬面值及用以計算應課稅溢利相應稅基之差額確認，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產乃按可能出現可利用臨時差額扣稅之應課稅溢利時確認。若於一項交易中，因商譽或因企業合併以外原因初次確認其他資產及負債而引致之臨時差額既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產或負債。

遞延稅項乃按預期於負債償還或資產變現期間適用之稅率計算。遞延稅項於綜合損益表中扣除或計入，惟倘遞延稅項與直接在股本權益中扣除或計入之項目有關(在此情況下遞延稅項亦會於股本權益中處理)除外。

金融工具

倘集團實體成為金融工具合約條文之訂約方，則於綜合資產負債表中確認金融資產及金融負債。金融資產及金融負債初步按公平值計算。因收購或發行金融資產及金融負債(按公平值計入損益之金融資產及金融負債除外)而直接應佔之交易成本，於初步確認時自該項金融資產或金融負債之公平值內扣除或計入其中(倘適用)。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial assets

The Group's financial assets are classified into loans and receivables, and available-for-sale financial assets. All regular way purchases and sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Loans and receivables

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

4. 主要會計政策 (續)

金融資產

本集團之金融資產分為貸款及應收款項及可供出售金融資產。所有日常買賣之金融資產於交易日確認或終止確認。日常買賣指根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。有關各類別金融資產所採用之會計政策載列於下文。

貸款及應收款項

貸款及應收款項為無活躍市場報價而附帶固定或可釐定付款之非衍生金融資產。於初次確認後每一個結算日，貸款及應收款項（包括貿易及其他應收款項、應收票據、應收關連公司款項，以及銀行結存）採用實際利率法攤銷成本，減任何已識別減值虧損列賬。倘存在客觀證據表明資產減值，則減值虧損會於綜合損益表確認，並按資產賬面值與按原實際利率折讓之估計未來現金流量之現值之差額計算。倘資產可收回金額之增幅可客觀地與確認減值後所發生之事件有關，則減值虧損會於以後期間撥回，惟減值撥回當日之資產賬面值不得超過如無確認減值時之原來應攤銷成本。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in consolidated income statement. Any impairment losses on available-for-sale financial assets are recognised in consolidated income statement when there is objective evidence that the asset is impaired. Impairment losses on available-for-sale equity investments will not be reversed in consolidated income statement in subsequent periods.

Financial liabilities and equity

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

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

The Group's financial liabilities (including trade and other payables, bills payable, obligations under finance leases, and bank loans) are subsequently measured at amortised cost, using the effective interest method, after initial recognition.

4. 主要會計政策 (續)

金融資產 (續)

可供出售金融資產

可供出售金融資產為指定為或非分類為按公平值計入損益之非衍生金融資產、貸款及應收款項或持至到期之投資。於首次確認後各結算日，可供出售金融資產按公平值計算。公平值之變動於股本權益確認，直至該金融資產被出售或被斷定為出現減值，則屆時過往於股本權益確認之累計收入或虧損會自股本權益剔除，並於綜合損益表確認。可供出售金融資產之任何減值虧損於存在客觀證據表明資產減值時於綜合損益表確認。可供出售之股本投資之減值虧損將不會於以後期間撥回綜合損益表。

金融負債及股本權益

由集團實體發行之金融負債及股本權益工具按所訂立之合約安排性質，以及金融負債及股本權益工具之定義而分類。

股本權益工具為帶有集團資產剩餘權益（經扣除其所有負債）之任何合約。本公司發行之股本權益工具按已收所得款項減直接發行成本列賬。

於初次確認後，本集團之金融負債（包括貿易及其他應付款項、應付票據、融資租賃責任及銀行貸款）採用實際利率法按攤銷成本計量。

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截至二零零六年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Derivate financial instruments

Derivative are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in consolidated income statement immediately.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the assets' carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in consolidated income statement.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated income statement.

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments:

For management purposes, the Group is currently organised into three principal operating divisions - electronic products, conductive silicon rubber keypads, and printed circuit boards. These divisions are the basis on which the Group reports its primary segment information. Other operations in year 2005 mainly represent electronic toys products. Inter-segment sales were made at cost plus mark up.

4. 主要會計政策 (續)

衍生金融工具

衍生工具於訂立衍生工具合約當日按公平值初次確認，隨後於各結算日按公平值重新計量。產生之收益或虧損隨即於綜合損益表中確認。

終止確認

若從資產收取現金流之權利已屆滿，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移，則金融資產將被終止確認。於終止確認金融資產時，資產之賬面值與已收及應收代價及已直接於股本權益內確認之累計盈虧之總和之差額，將於綜合損益表中確認。

倘有關合約之特定責任已解除、取消或屆滿，則金融負債將被終止確認。終止確認之金融負債之賬面值與已付或應付代價之差額於綜合損益表中確認。

5. 業務及地域分部資料

按業務劃分：

就管理而言，本集團目前由三個主要營運部門組成——電子產品、導電硅橡膠按鍵及印製電路板。本集團乃按照上述營運部門報告其主要分部資料。二零零五年之其他業務主要指電子玩具產品。部門銷售乃按成本加漲價計算。

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截至二零零六年十二月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments: (Continued)

Segment information about these businesses is presented below:

2006

5. 業務及地域分部資料 (續)

按業務劃分：(續)

該等業務之分部資料呈列如下：

二零零六年

		Electronic products 電子產品 HK\$'000 千港元	Conductive silicon rubber keypads 導電硅橡膠按鍵 HK\$'000 千港元	Printed circuit boards 印製電路板 HK\$'000 千港元	Other operations 其他業務 HK\$'000 千港元	Eliminations 攤減 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益						
External sales	外部銷售	476,623	101,241	127,995	—	—	705,859
Inter-segment sales	部間銷售	2,052	13,396	25,714	—	(41,162)	—
Total	總額	478,675	114,637	153,709	—	(41,162)	705,859
RESULT	業績						
Segment result	分部業績	33,306	5,480	(11,057)	—	—	27,729
Unallocated corporate expenses	未分配之企業開支						(2,626)
Finance costs	融資成本						(3,603)
Impairment loss on available-for-sale investment	可供出售投資之減值虧損						(17,000)
Profit before taxation	除稅前溢利						4,500
Taxation	稅項						(2,069)
Profit for the year	本年度溢利						2,431
ASSETS	資產						
Segment assets	分部資產	403,828	110,409	97,355	—		611,592
Unallocated corporate assets	未分配之企業資產						55,866
Consolidated total assets	綜合資產總額						667,458

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5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments: (Continued)

2006 (Continued)

5. 業務及地域分部資料 (續)

按業務劃分：(續)

二零零六年 (續)

		Electronic products 電子產品 HK\$'000 千港元	Conductive silicon rubber keypads 導電硅橡膠按鍵 HK\$'000 千港元	Printed circuit boards 印製電路板 HK\$'000 千港元	Other operations 其他業務 HK\$'000 千港元	Eliminations 撇減 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
LIABILITIES	負債						
Segment liabilities	分部負債	101,723	25,744	38,524	—		165,991
Unallocated corporate liabilities	未分配之企業負債						84,980
Consolidated total liabilities	綜合總負債						250,971
OTHER INFORMATION	其他資料						
Additions to property, plant and equipment	添置物業、廠房及設備	16,311	9,299	15,430	—		41,040
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	16,778	7,048	7,135	—		30,961
Amortisation of prepaid lease payments	預付租金攤銷	334	84	27	—		445
Allowance recognised (reversed) for obsolete and slow moving inventories	陳舊及滯銷存貨之確認撥備(撥回撥備)	(1,240)	285	(1,439)	—		(2,394)
Allowance recognised (reversed) for doubtful debts	呆賬之確認撥備(撥回撥備)	—	1,927	(65)	—		1,862
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	425	175	426	—		1,026

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5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments: (Continued)

2005

5. 業務及地域分部資料 (續)

按業務劃分：(續)

二零零五年

		Electronic products 電子產品 HK\$'000 千港元	Conductive silicon rubber keypads 導電硅橡膠按鍵 HK\$'000 千港元	Printed circuit boards 印製電路板 HK\$'000 千港元	Other operations 其他業務 HK\$'000 千港元	Eliminations 撇減 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益						
External sales	外部銷售	419,720	80,299	143,387	3,598	—	647,004
Inter-segment sales	部間銷售	1,992	12,548	20,113	747	(35,400)	—
Total	總額	421,712	92,847	163,500	4,345	(35,400)	647,004
RESULT	業績						
Segment result	分部業績	48,113	4,799	(7,970)	(7,236)	—	37,706
Unallocated other income	未分配之其他收入						1,820
Unallocated corporate expenses	未分配之企業開支						(2,790)
Finance costs	融資成本						(3,622)
Share of loss of an associate	應佔聯營公司虧損						(5,453)
Gain on deemed disposal of interest in an associate	視作出售聯營公司權益之收益						1,106
Profit before taxation	除稅前溢利						28,767
Taxation	稅項						(731)
Profit for the year	本年度溢利						28,036

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5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments: (Continued)

2005 (Continued)

5. 業務及地域分部資料 (續)

按業務劃分：(續)

二零零五年 (續)

		Electronic products 電子產品 HK\$'000 千港元	Conductive silicon rubber keypads 導電硅橡膠按鍵 HK\$'000 千港元	Printed circuit boards 印製電路板 HK\$'000 千港元	Other operations 其他業務 HK\$'000 千港元	Eliminations 撇減 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產						
Segment assets	分部資產	382,292	113,448	93,836	2,783		592,359
Unallocated corporate assets	未分配之企業資產						95,345
Consolidated total assets	綜合資產總額						687,704
LIABILITIES	負債						
Segment liabilities	分部負債	84,086	21,941	39,939	1,632		147,598
Unallocated corporate liabilities	未分配之企業負債						98,660
Consolidated total liabilities	綜合負債總額						246,258
OTHER INFORMATION	其他資料						
Additions to property, plant and equipment	添置物業、廠房及設備	17,867	11,228	10,432	—		39,527
Depreciation of property, plant and equipment	物業、廠房及設備折舊	17,897	5,520	9,180	779		33,376
Amortisation of prepaid lease payments	預付租金攤銷	329	82	26	—		437
Allowance recognised (reversed) for obsolete and slow moving inventories	陳舊及滯銷存貨之確認撥備(撥回撥備)	4,208	(279)	72	(1,204)		2,797
Allowance recognised (reversed) for doubtful debts	呆壞賬之確認撥備(撥回撥備)	797	728	(152)	4,690		6,063
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	2,679	1,051	—	—		3,730

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5. BUSINESS AND GEOGRAPHICAL SEGMENTS *(Continued)*

Geographical segments:

The Group's customers are principally located in Hong Kong, the People's Republic of China (other than Hong Kong) (the "PRC"), Europe, Japan and America.

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

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong (note a)	香港(附註a)	279,557	244,214
Europe	歐洲	110,606	102,294
Other Asian countries	其他亞洲國家	106,747	84,775
PRC	中國	90,204	85,134
Japan (note b)	日本(附註b)	78,138	69,699
America	美國	28,325	46,269
Others	其他	12,282	14,619
		705,859	647,004

Notes:

- (a) The directors believe that a portion of the Group's sales attributable to the Hong Kong market was subsequently resold to other markets.
- (b) The directors believe that a substantial portion of the Group's sales attributable to the Japanese market was subsequently resold to the European and American markets.

5. 業務及地域分部資料 (續)

按地域劃分：

本集團之客戶主要分佈於香港、中華人民共和國(香港除外)、「中國」、歐洲、日本及美國。

本集團銷售按市場地域之分析如下：

附註：

- (a) 董事認為香港市場所佔本集團之銷售額有部分最終轉售往其他市場。
- (b) 董事認為日本市場佔本集團之大部分銷售額最終轉售往歐美市場。

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5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Geographical segments: (Continued)

The following is an analysis of the carrying amount of segment assets at the balance sheet date, and additions to property, plant and equipment during the year analysed by the geographical area in which the assets are located:

5. 業務及地域分部資料 (續)

按地域劃分：(續)

分部資產於結算日之賬面值及年內所添置之物業、廠房及設備按其所處地域之分析如下：

		Carrying amount of segment assets 分部資產賬面值		Additions to property, plant and equipment 添置物業、廠房及設備	
		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	香港	228,712	295,142	669	2,630
PRC	中國	438,746	392,562	40,371	36,897
		667,458	687,704	41,040	39,527

6. OTHER INCOME

6. 其他收入

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Other income includes:	其他收入包括：		
Bank interest income	銀行利息收入	3,661	1,820
Gain on fair value change on derivative financial instruments	衍生金融工具公平值 變動收益	—	1,234
Gain on disposal of property, plant and equipment	出售物業、廠房 及設備收益	—	3,730
Increase in fair value of investment properties	投資物業公平值增加	1,090	—
Revaluation surplus on buildings	樓宇重估盈餘	86	224

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7. FINANCE COSTS

7. 融資成本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on:	以下各項之利息：		
Bank loans wholly repayable within five years	須於五年內悉數償還之銀行貸款	2,919	2,907
Obligations under finance leases	融資租賃責任	684	715
		3,603	3,622

8. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES

8. 董事薪酬及最高薪僱員

(a) Directors' remuneration:

(a) 董事薪酬：

		Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Retirement benefits scheme contributions 退休福利計劃供款 HK\$'000 千港元	Other emoluments 其他酬金	Total 合計 HK\$'000 千港元
2006	二零零六年					
Executive directors:	執行董事：					
Mr. Tong Shek Lun	唐錫麟先生	—	1,927	62		1,989
Ms. Ko Lai King, Kinny	高麗瓊女士	—	1,215	32		1,247
Ms. Chung Wai Yu, Regina	鍾惠愉女士	—	1,451	61		1,512
Mr. Li Ka Fai, Fred	李嘉輝先生	412	—	—		412
		412	4,593	155		5,160
Non-executive directors:	非執行董事：					
Mr. Lee Kwok Leung	李國樑先生	120	—	—		120
Mr. Yang Yiu Chong, Ronald Jeffrey	楊耀宗先生	120	—	—		120
		240	—	—		240
Independent non-executive directors:	獨立非執行董事：					
Mr. Sun Yaoquan	孫耀全先生	120	—	—		120
Mr. Goh Gen Cheung	葛根祥先生	120	—	—		120
Mr. Chan Ho Man	陳浩文先生	120	—	—		120
		360	—	—		360
Total emoluments	薪酬總額	1,012	4,593	155		5,760

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8. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES (Continued)

8. 董事薪酬及最高薪僱員 (續)

(a) Directors' remuneration: (Continued)

(a) 董事薪酬：(續)

		Fees	Salaries and other benefits	Retirement benefits contributions	Total
		袍金	薪金及其他福利	退休福利計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
2005	二零零五年				
Executive directors:	執行董事：				
Mr. Tong Shek Lun	唐錫麟先生	—	1,645	68	1,713
Ms. Ko Lai King, Kinny	高麗瓊女士	—	1,028	35	1,063
Ms. Chung Wai Yu, Regina	鍾惠愉女士	—	1,224	64	1,288
Mr. Li Ka Fai, Fred	李嘉輝先生	—	1,044	—	1,044
		—	4,941	167	5,108
Non-executive directors:	非執行董事：				
Mr. Lee Kwok Leung	李國樑先生	120	—	—	120
Mr. Yang Yiu Chong, Ronald Jeffrey	楊耀宗先生	120	—	—	120
		240	—	—	240
Independent non-executive directors:	獨立非執行董事：				
Mr. Sun Yaoquan	孫耀全先生	120	—	—	120
Mr. Goh Gen Cheung	葛根祥先生	120	—	—	120
Mr. Chan Ho Man	陳浩文先生	33	—	—	33
Mr. Tsao Kwang Yung, Peter	曹廣榮先生	40	—	—	40
		313	—	—	313
Total emoluments	薪酬總額	553	4,941	167	5,661

No emoluments have been paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office and no directors have waived any emoluments in both years.

於該兩個年度，本集團概無給予董事酬金作為加入或於加入本集團時之獎金或離職補償，且概無董事放棄任何薪酬。

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8. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES (Continued)

(b) Highest paid employees:

The five highest paid employees of the Group include three (2005: four) executive directors of the Company, details of whose emoluments are included above. The remuneration of the remaining two (2005: one) individuals was as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,886	1,032
Retirement benefits scheme contributions	退休福利計劃供款	65	43
		1,951	1,075

The emoluments of the two (2005: one) highest paid employees were within the following bands:

		2006 二零零六年 Number of employees 僱員人數	2005 二零零五年 Number of employees 僱員人數
Nil to HK\$1,000,000	零至1,000,000港元	1	—
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	1	1
		2	1

8. 董事薪酬及最高薪僱員 (續)

(b) 最高薪僱員：

本集團之五位最高薪僱員包括三位(二零零五年：四位)本公司執行董事，彼等之酬金詳情載於上文。其餘兩位(二零零五年：一位)人士之薪酬如下：

兩位(二零零五年：一位)最高薪僱員之酬金介乎下列範圍：

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9. PROFIT BEFORE TAXATION

9. 除稅前溢利

		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 has been arrived at after charging:	除稅前溢利經扣除下列項目：		
Directors' remuneration (Note 8)	董事薪酬(附註8)	5,760	5,661
Other staff costs	其他僱員成本	135,717	118,227
Total staff costs	僱員成本總額	141,477	123,888
Auditors' remuneration	核數師酬金	1,321	1,335
Depreciation:	折舊：		
Owned assets	自有資產	26,449	29,047
Assets held under finance leases	根據融資租賃持有之資產	4,512	4,329
Amortisation of prepaid lease payments	預付租金攤銷	445	437
Allowance for doubtful debts	呆賬撥備	1,862	6,063
Cost of inventories recognised as expense	確認為開支之存貨成本	585,383	522,049
(Reversal) allowance for obsolete and slow moving inventories (Note)	陳舊及滯銷存貨(撥回)提撥撥備(附註)	(2,394)	2,797
Operating lease rentals	經營租賃租金	2,040	1,543
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	1,026	—
Foreign exchange losses, net	外匯虧損淨額	1,594	1,977
Loss on fair value change on derivative financial instruments	衍生金融工具公平值變動虧損	585	—
Decrease in fair value of investment properties	投資物業公平值減少	—	1,109
and after crediting:	並經計入下列項目：		
Gross rental income from investment properties	投資物業租金收入總額	7,325	7,095
Less: direct operating expenses from investment properties that generate rental income during the year	減：年內產生租金收入投資物業之直接營運開支	(495)	(328)
		6,830	6,767

Note: Inventory were reprocessed and sold. Hence, the amount was reversed.

附註：存貨經再加工及出售。因此，金額被撥回。

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10. TAXATION

10. 稅項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The charge comprises:	稅項支出包括：		
Hong Kong Profits Tax	香港利得稅：		
Current year	本年度	2,223	2,160
Overprovision in prior year	往年度超額撥備	(457)	—
PRC enterprise income tax:	中國企業所得稅：		
Current year	本年度	966	3,047
Overprovision in prior years	往年度超額撥備	(957)	(2,595)
		<u>1,775</u>	<u>2,612</u>
Deferred taxation (Note 27)	遞延稅項(附註27)	<u>294</u>	<u>(1,881)</u>
		<u>2,069</u>	<u>731</u>

Hong Kong Profits Tax is calculated at 17.5% (2005: 17.5%) of the estimated assessable profit for the year. PRC enterprise income tax is calculated at the rates prevailing in relevant region of the PRC. The Group's subsidiaries operating in the PRC are eligible for certain tax concessions. The subsidiaries in the PRC are granted a tax holiday of a 2-year exemption followed by a 3-year 50% reduction in income tax rate commencing from the first profit-making year. Upon expiry of the tax holiday, if the export sales of the subsidiaries exceed 70% of the total sales for the year, the entities are entitled to a 50% reduction of the income tax rate and two of the subsidiaries in the PRC enjoyed this reduction for the year ended 31 December 2006.

香港利得稅乃按本年度之估計應課稅溢利以17.5%稅率(二零零五年:17.5%)計算。中國企業所得稅乃按中國有關地區現行稅率計算。本集團於中國經營之附屬公司合資格享有若干稅務優惠。該等位於中國之附屬公司可享有稅務優惠,於首個獲利年度起計免稅兩年,其後三年之所得稅率減半。稅務優惠期過後,如該等附屬公司之出口銷售超越全年總銷售額70%,其所得稅率可獲減免50%,而其中兩間於中國之附屬公司於截至二零零六年十二月三十一日止年度享有此項寬減。

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10. TAXATION (Continued)

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

10. 稅項 (續)

於本年度內，綜合損益表內稅項支出與除稅前溢利對賬如下：

		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	4,500	28,767
Tax at domestic income tax rate of 27% (2005: 27%)	按國內所得稅率27%計算之稅項(二零零五年：27%)	1,215	7,767
Tax effect of expenses not deductible for tax purposes	不可扣稅支出之稅務影響	5,229	468
Tax effect of income not taxable for tax purposes	毋須繳稅收入之稅務影響	(843)	(2,836)
Tax effect of tax losses not recognised	未確認稅損之稅務影響	2,222	3,254
Tax effect of share of result of an associate	應佔聯營公司溢利之稅務影響	—	1,472
Tax effect of undistributed earnings of an associate	聯營公司未分配盈利之稅務影響	—	(1,582)
Tax effect of income tax at concessionary rate	按優惠稅率計算所得稅之稅務影響	(1,534)	(4,898)
Utilisation of tax loss not previously recognised	動用之前尚未確認之稅損	(1,775)	(662)
Effect of different tax rates of group entities operating in other jurisdictions	於其他司法管轄區經營之集團實體繳納不同稅率之影響	(890)	30
Others	其他	(141)	313
Overprovision in respect of prior years	往年度超額撥備	(1,414)	(2,595)
Taxation charge for the year	年度稅項支出	2,069	731

As the majority of the operations of the Group are carried out in the PRC, the PRC enterprise income tax rate is used.

由於本集團之業務主要於中國經營，故採用中國企業所得稅率。

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11. DIVIDENDS

Dividend recognised as distribution during the year:	年內確認為分派之股息：
Final dividend for 2005 paid — HK1 cent (2004: HK1 cent) per share	已派付之二零零五年末期股息 — 每股1港仙 (二零零四年：1港仙)

The final dividend of HK1 cent per share totalling HK\$5,460,000 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

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
	5,460	5,508

董事會建議派發末期股息每股1港仙，合共5,460,000港元，有關建議須在應屆股東週年大會上獲股東批准後方可作實。

12. EARNINGS PER SHARE

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

12. 每股盈利

每股基本及攤薄盈利乃按下列數據計算：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Earnings for the purposes of basic earnings per share	用於計算每股基本盈利之盈利	2,431	28,036
Effect of dilutive potential ordinary shares of an associate:	聯營公司具備潛在攤薄普通股之影響：		
Interest income on convertible debentures and advance to an associate	可換股債券及墊款予聯營公司之利息收入	N/A不適用	(595)
Adjustment to the share of result of an associate based on dilution of its earnings per share	根據攤薄聯營公司之每股盈利而調整應佔該聯營公司之溢利	N/A不適用	184
		N/A不適用	(411)
Earnings for the purposes of diluted earnings per share	用於計算每股攤薄盈利之盈利	N/A不適用	27,625
Weighted average number of ordinary shares for the purposes of basic (2005: basic and diluted) earnings per share	用於計算每股基本 (二零零五年：基本及攤薄) 盈利之加權平均普通股股數	546,692,000	550,776,000

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13. INVESTMENT PROPERTIES

13. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
As at 1 January 2005	於二零零五年一月一日	—
Transferred from property, plant and equipment	由物業、廠房及設備轉撥	56,191
Transferred from prepaid lease payments	由預付租金轉撥	5,288
Exchange adjustment	匯兌調整	871
Decrease in fair value	公平值減少	(1,109)
As at 31 December 2005	於二零零五年十二月三十一日	61,241
Exchange adjustment	匯兌調整	1,211
Increase in fair value	公平值增加	1,090
As at 31 December 2006	於二零零六年十二月三十一日	63,542

The investment properties are held under medium-term leases in the PRC and are rented out under operating leases.

投資物業乃於中國按中期租賃持有，並根據經營租賃租出。

The fair value of the Group's investment properties at 31 December 2006 has been arrived at on the basis of a valuation carried out on that date by Savills Valuation and Professional Services Limited, independent qualified professional valuers not connected with the Group. Savills Valuation and Professional Services Limited are members of the Hong Kong Institute of Surveyors, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to Valuation Standards on Properties of the Hong Kong Institute of Surveyors, was arrived at by reference to market evidence of transaction prices for similar properties.

本集團投資物業於二零零六年十二月三十一日之公平值乃按與本集團並無關連之獨立合資格專業估值師第一太平戴維斯估值及專業顧問有限公司於當日進行估值之基準達致。第一太平戴維斯估值及專業顧問有限公司乃香港測量師學會會員，擁有適當資歷及評估近期相關地點類似物業價值之經驗。是次估值遵循香港測量師學會物業估值準則，並參考類似物業交易價格之市場憑證釐定。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings	Leasehold improvements	Plant, machinery and moulds	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
		樓宇	租賃物業裝修	廠房、機器及模具	傢俬、裝置及辦公室設備	汽車	在建工程	總額
		HK'000	HK'000	HK'000	HK'000	HK'000	HK'000	HK'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
COST OR VALUATION	成本值或估值							
As at 1 January 2005	於二零零五年一月一日	177,543	3,409	240,732	21,635	7,632	4,915	455,866
Exchange adjustments	匯兌調整	2,311	—	4,230	278	99	41	6,959
Additions	添置	69	175	26,565	4,110	3,127	5,481	39,527
Transfer to investment properties	轉撥至投資物業	(56,191)	—	—	—	—	—	(56,191)
Reclassification	重新分類	3,357	—	3,130	(252)	—	(6,235)	—
On disposal of a subsidiary	出售附屬公司	(10,500)	(1,732)	(17,852)	(1,853)	(359)	—	(32,296)
Other disposals/written off	其他出售/撇銷	—	(401)	(26,732)	(1,182)	(1,506)	—	(29,821)
Revaluation	重估	(5,259)	—	—	—	—	—	(5,259)
As at 31 December 2005	於二零零五年十二月三十一日	111,330	1,451	230,073	22,736	8,993	4,202	378,785
Exchange adjustments	匯兌調整	2,109	12	4,488	329	99	199	7,236
Additions	添置	228	878	24,747	2,602	604	11,981	41,040
Other disposals/written off	其他出售/撇銷	—	—	(16,164)	(2,311)	(283)	—	(18,758)
Revaluation	重估	(1,148)	—	—	—	—	—	(1,148)
As at 31 December 2006	於二零零六年十二月三十一日	112,519	2,341	243,144	23,356	9,413	16,382	407,155
COMPRISING:	包括:							
At cost	成本值	—	2,341	243,144	23,356	9,413	16,382	294,636
At valuation - 2006	按二零零六年估值	112,519	—	—	—	—	—	112,519
		112,519	2,341	243,144	23,356	9,413	16,382	407,155
DEPRECIATION AND IMPAIRMENT	折舊及減值							
As at 1 January 2005	於二零零五年一月一日	—	3,071	127,230	14,706	6,849	—	151,856
Exchange adjustments	匯兌調整	—	2	2,613	206	91	—	2,912
Provided for the year	本年度折舊	8,333	117	21,904	2,151	871	—	33,376
Eliminated on disposal of a subsidiary	出售附屬公司抵銷	—	(1,407)	(5,254)	(987)	(346)	—	(7,994)
Eliminated on other disposals/written off	其他出售/撇銷抵銷	—	(401)	(12,827)	(849)	(1,506)	—	(15,583)
Eliminated on revaluation	重估抵銷	(8,333)	—	—	—	—	—	(8,333)
As at 31 December 2005	於二零零五年十二月三十一日	—	1,382	133,666	15,227	5,959	—	156,234
Exchange adjustments	匯兌調整	—	4	2,649	210	76	—	2,939
Provided for the year	本年度折舊	2,721	224	23,457	3,485	1,074	—	30,961
Eliminated on other disposals/written off	其他出售/撇銷抵銷	—	—	(14,913)	(2,257)	(283)	—	(17,453)
Eliminated on revaluation	重估抵銷	(2,721)	—	—	—	—	—	(2,721)
As at 31 December 2006	於二零零六年十二月三十一日	—	1,610	144,859	16,665	6,826	—	169,960
CARRYING VALUES	賬面值							
As at 31 December 2006	於二零零六年十二月三十一日	112,519	731	98,285	6,691	2,587	16,382	237,195
As at 31 December 2005	於二零零五年十二月三十一日	111,330	69	96,407	7,509	3,034	4,202	222,551

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14. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line method, after taking into account of their residual values, at the following rates per annum:

Buildings	Over 50 years, or shorter of the lease terms, where appropriate	
Leasehold improvements		25%
Plant, machinery and moulds		12.5% - 25%
Furniture, fixtures and office equipment		25%
Motor vehicles		25%

The fair value of the Group's buildings at 31 December 2006 has been arrived at on the basis of a valuation carried out on that date by Savills Valuation and Professional Services Limited, independent qualified professional valuers not connected with the Group. Savills Valuation and Professional Services Limited are members of the Hong Kong Institute of Surveyors, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to Valuation Standards on Properties of the Hong Kong Institute of Surveyors, was arrived at using a depreciated replacement cost basis. The resulting revaluation increase of approximately HK\$1,487,000 (2005: HK\$2,850,000) and HK\$86,000 (2005: revaluation surplus of HK\$224,000) has been credited to asset revaluation reserve and consolidated income statement, respectively.

14. 物業、廠房及設備 (續)

上述之物業、廠房及設備(在建工程除外)經計及其殘值後，每年按以下比率以直線法折舊：

樓宇	逾50年或租期兩者之較短者 (視適用情況而定)	
租賃物業裝修		25%
廠房、機器及模具		12.5% - 25%
傢俬、裝置及辦公室設備		25%
汽車		25%

本集團樓宇於二零零六年十二月三十一日之公平值乃按與本集團並無關連之獨立合資格專業估值師第一太平戴維斯估值及專業顧問有限公司於當日進行估值之基準達致。第一太平戴維斯估值及專業顧問有限公司乃香港測量師學會會員，擁有適當資歷及評估近期相關地點類似物業價值之經驗。是次估值遵照香港測量師學會物業估值準則，使用折舊重置成本基準進行。由此產生之重估增加約1,487,000港元(二零零五年：2,850,000港元)及86,000港元(二零零五年：重估盈餘224,000港元)已分別計入資產重估儲備及綜合損益表中。

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14. PROPERTY, PLANT AND EQUIPMENT

(Continued)

If the buildings had not been revalued, they would have been included at historical cost less accumulated depreciation of approximately HK\$71,491,000 (2005: HK\$71,948,000).

As at 31 December 2006, the carrying values of property, plant and equipment included an amount of approximately HK\$12,889,000 (2005: HK\$14,573,000) in respect of assets held under finance leases.

14. 物業、廠房及設備 (續)

倘該等樓宇未經重估，按歷史成本減累計折舊之基準計算入賬之數額約為71,491,000港元(二零零五年：71,948,000港元)。

於二零零六年十二月三十一日，物業、廠房及設備之賬面值包括根據融資租賃持有之資產約12,889,000港元(二零零五年：14,573,000港元)。

15. PREPAID LEASE PAYMENTS

15. 預付租金

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The Group's prepaid lease payments comprise leasehold interest in land and land use rights held under medium-term leases as follows:	本集團之預付租金包括以下根據中期租賃持有之土地及土地使用權：		
Leasehold land in Hong Kong	於香港之租賃土地	4,885	5,006
Land use rights in the PRC	於中國之土地使用權	13,136	13,206
		18,021	18,212
Analysis for reporting purposes as:	為報告目的而分析為：		
Non-current asset	非流動資產	17,573	17,775
Current asset (Note 19)	流動資產(附註19)	448	437
		18,021	18,212

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16. AVAILABLE-FOR-SALE INVESTMENT

16. 可供出售投資

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Equity securities listed in overseas, at fair value	海外上市權益證券， 按公平值	54,079	95,345

The investment represents the Group's interest in the issued share capital of Ascalade Communications Inc. ("ACI"), a former associate of the Group. As at 31 December 2006, the Group held a 14.7% interest in ACI.

該項投資為本集團於本集團前聯營公司 Ascalade Communications Inc. ("ACI") 已發行股本之權益。於二零零六年十二月三十一日，本集團持有 ACI 之 14.7% 權益。

17. CLUB DEBENTURE

The club debenture represents entrance fee paid to a golf club held on long-term basis.

17. 會所債券

會所債券為向一間高爾夫球會支付之入會費，按長期基準持有。

18. INVENTORIES

18. 存貨

		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	52,239	41,470
Work in progress	在製品	14,783	10,797
Finished goods	製成品	40,293	20,598
		107,315	72,865

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19. TRADE AND OTHER RECEIVABLES/ BILLS RECEIVABLES

19. 貿易及其他應收款項／應收票據

		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	114,033	112,069
Less: Allowance for doubtful debt	減：呆賬撥備	(5,635)	(7,136)
Bills receivable	應收票據	4,199	3,571
		112,597	108,504
Other receivables	其他應收款項	7,360	7,936
Prepaid lease payments (Note 15)	預付租金(附註15)	448	437
		120,405	116,877

The Group allows an average credit period of 60 days to its trade customers. An aged analysis of trade receivables and bills receivables is as follows:

本集團給予其貿易客戶平均60日之信貸期。貿易應收款項及應收票據之賬齡分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Not yet due or overdue within 30 days	未到期或過期不超過30日	90,059	81,668
Overdue for 31-60 days	過期31至60日	9,453	12,512
Overdue for 61-90 days	過期61至90日	4,793	5,797
Overdue for more than 90 days	過期超過90日	8,292	8,527
		112,597	108,504

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20. OTHER FINANCIAL ASSETS (LIABILITIES)

(a) Derivative financial instruments

Foreign currency forward contracts 外匯遠期合約

The derivative financial instruments held by the Group mainly represent foreign currency forward contracts entered into during the year to buy US\$ at predetermined rates. The aggregate notional amount of these foreign currency forward contracts as at 31 December 2006 amounted to US\$62 million. The amount and rate being transacted depends on the requirements set under the respective contracts.

The maturity periods of these foreign currency forward contracts ranged from January 2007 to November 2007.

(b) Bank balances

Bank balances comprise short-term bank deposits which carry interest ranging from 1% to 5% per annum.

20. 其他金融資產(負債)

(a) 衍生金融工具

2006 二零零六年	
Assets 資產	Liabilities 負債
HK\$'000 千港元	HK\$'000 千港元
279	2,311

本集團持有之衍生金融工具主要指於年內就按預先協定匯率買入美元而訂立之外匯遠期合約。於二零零六年十二月三十一日，該等外匯遠期合約之面值總額達62,000,000美元。交易金額及匯率視乎相關合約之規定而定。

該等外匯遠期合約於二零零七年一月至二零零七年十一月期間到期。

(b) 銀行結存

銀行結存包括短期銀行存款，按年利率介乎1%至5%計息。

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21. AMOUNT DUE FROM A RELATED COMPANY

The amount owed by a subsidiary of a former associate of the Group and was unsecured, interest free and repaid during the year.

22. TRADE AND OTHER PAYABLES/BILLS PAYABLE

An aged analysis of trade payables and bills payable is as follows:

21. 應收關連公司款項

該款項由本集團前聯營公司之附屬公司所欠負，為無抵押及免息並已於本年內償還。

22. 貿易及其他應付款項／應付票據

應付貿易款項及應付票據之賬齡分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Not yet due or overdue within 30 days	未到期或過期不超過30日	72,414	55,623
Overdue for 31-60 days	過期31至60日	15,476	15,785
Overdue for 61-90 days	過期61至90日	8,889	6,069
Overdue for more than 90 days	過期超過90日	7,960	8,298
		104,739	85,775
Other payables	其他應付款項	59,221	61,824
		163,960	147,599

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23. OBLIGATIONS UNDER FINANCE LEASES

23. 融資租賃責任

		Minimum lease payments 最低租金		Present value of minimum lease payments 最低租金之現值	
		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
Amounts payable under finance leases:	融資租賃之應付款項：				
Within one year	一年內	6,306	6,789	5,875	6,573
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	5,937	3,899	5,528	3,787
		12,243	10,688	11,403	10,360
Less: Future finance costs	減：日後融資成本	(840)	(328)	—	—
Present value of lease obligations	租賃責任之現值	11,403	10,360	11,403	10,360
Less: Amount due within one year shown under current liabilities	減：須於一年內償還並列入流動負債之款項			(5,875)	(6,573)
Amount due after one year	於一年後償還之款項			5,528	3,787

It is the Group's policy to lease certain of its plant, machinery and motor vehicles under finance leases. The average lease term is three years. The average effective borrowing rate was 6.47% (2005: 3.25%) per annum for the year. Interest rates are fixed at the contract date ranging from 2.79% to 6.49% (2005: 1.93% to 5.33%) per annum. All leases are on a fixed repayment basis.

本集團之政策為以融資租賃之方式租賃若干廠房、機器及汽車，租期平均為三年。本年度平均實際借貸率為6.47%（二零零五年：3.25%）。利率乃於訂約當日釐定，介乎每年2.79%至6.49%（二零零五年：1.93%至5.33%）。所有租賃款項均須定期償還。

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24. BANK LOANS

24. 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
The bank loans are unsecured and are repayable as follows:	銀行貸款為無抵押並須按以下還款期償還：		
Within one year	於一年內償還	12,833	23,000
Between one to two years	於一年後但兩年內償還	18,334	18,500
Between two to five years	於兩年後但五年內償還	1,750	6,000
		32,917	47,500
Less: Amount due within one year shown under current liabilities	減：須於一年內償還並列入流動負債中之款項	(12,833)	(23,000)
Amount due after one year	於一年後償還之款項	20,084	24,500

The Group's bank loans carry floating interest and effective interest rate ranging from 5.27% to 6.24% (2005: 2.25% to 5.92%) per annum.

本集團之銀行貸款乃按浮動利率計息，實際年利率介乎每年5.27%至6.24%（二零零五年：2.25%至5.92%）。

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25. SHARE CAPITAL

25. 股本

		Number of shares 股份數目		Amount 金額	
		2006 二零零六年	2005 二零零五年	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Ordinary shares of HK\$0.1 each	每股0.1港元 之普通股				
Authorised:	法定：				
At beginning and end of the year	年初及年末	2,000,000,000	2,000,000,000	200,000	200,000
Issued and fully paid:	已發行及繳足：				
At beginning of the year	年初	550,776,000	550,776,000	55,078	55,078
Share repurchased and cancelled	購回及註銷 股份	(6,420,000)	—	(642)	—
At end of the year	年末	544,356,000	550,776,000	54,436	55,078

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25. SHARE CAPITAL (Continued)

During the year, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase 購回月份	Number of ordinary shares 普通股數目	Price per share 每股價格		Aggregate consideration paid 已付總代價 HK\$'000 千港元
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
March 三月	800,000	0.270	0.265	214
April 四月	2,048,000	0.355	0.285	659
May 五月	2,968,000	0.375	0.320	1,037
September 九月	332,000	0.280	0.280	93
October 十月	72,000	0.280	0.280	20
November 十一月	200,000	0.270	0.250	52
	6,420,000			2,075

The above shares were cancelled upon repurchase.

以上股份在購回後經已註銷。

26. SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted on 29 May 2002 under which the board of the directors may grant options to eligible participants, including employees and directors, of the Company and any of its subsidiaries to subscribe for shares of the Company. The Share Option Scheme is valid and effective for a period of 10 years commencing from the adoption date after which no further options may be issued.

26. 認購股權計劃

本公司於二零零二年五月二十九日採納其認購股權計劃(「認購股權計劃」)，據此，董事會可向合資格參與者(包括本公司及其附屬公司之僱員及董事)授出可認購本公司股份之認購股權。認購股權計劃乃由採納日期起計十年內有效，其後將不得再發行任何認購股權。

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26. SHARE OPTION SCHEME (Continued)

The number of shares, which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and other schemes adopted by the Group, is not permitted to exceed 30% of the shares of the Company in issue at any point in time. The total number of shares in respect of which options may be granted under the Share Option Scheme and other schemes adopted by the Group in aggregate is not permitted to exceed 10% of the shares of the Company in issue at the adoption date. The total number of shares in respect of which options may be granted to any individual is not permitted to exceed 1% of the shares of the Company in issue at any 12-month period.

Consideration of HK\$1 is payable by the grantee on the acceptance of option granted. Option may be exercised from the date of acceptance of the offer of such option to the earlier of the date on which such option lapses and 10 years from the offer date of that option. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing prices of the shares on the Stock Exchange on the date of the grant of the options, the average of the closing prices of the shares for the five trading days immediately preceding the date of the grant of the options and the nominal value of the shares.

No share options have been granted under the Share Option Scheme since its adoption.

26. 認購股權計劃 (續)

行使根據認購股權計劃及本集團採納之其他計劃授出之所有尚未行使認購股權而可能發行之股份數目，不得超過任何時間本公司已發行股份之30%。根據認購股權計劃及本公司採納之其他計劃可能授出之認購股權之有關股份總數不得超過採納日期本公司已發行股份之10%。可能向任何人士發行之認購股權之有關股份總數不得超過於任何十二個月期間本公司已發行股份之1%。

承授人接納獲授之認購股權時須支付代價1港元。認購股權可由接納該等認購股權建議日期起至該等認購股權失效日期及認購股權建議日期起滿十年當日(以較早者為準)止期間行使。行使價由本公司董事釐定，並將不低於認購股權授出日期股份於聯交所之收市價、緊接認購股權授出日期前五個交易日股份於聯交所之平均收市價或股份面值之較高者。

自認購股權計劃獲採納以來概無根據認購股權計劃授出任何認購股權。

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27. DEFERRED TAX LIABILITIES

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

27. 遞延稅項負債

本集團確認之主要遞延稅項負債及其於本年度與過往年度內之變動詳情如下：

		Revaluation of properties 物業重估 HK\$'000 千港元	Undistributed earnings of associate 聯營公司之 未分配盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 1 January 2005	於二零零五年一月一日	17,702	2,039	19,741
Charge to equity	在權益扣除	793	—	793
Credit to consolidated income statement	計入綜合損益表	(299)	(1,582)	(1,881)
Exchange adjustments	匯兌調整	402	—	402
Eliminated against available-for-sale investment pursuant to deemed disposal of interest in an associate	根據視作出售聯營公司之 權益撤銷可供出售投資	—	(457)	(457)
As at 31 December 2005	於二零零五年 十二月三十一日	18,598	—	18,598
Charge to equity	在權益扣除	402	—	402
Charge to consolidated income statement	計入綜合損益表	294	—	294
Exchange adjustments	匯兌調整	371	—	371
As at 31 December 2006	於二零零六年 十二月三十一日	19,665	—	19,665

As at 31 December 2006, the Group has unused tax losses of approximately HK\$31,707,000 (2005: HK\$29,004,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

於二零零六年十二月三十一日，本集團用以抵銷日後應課稅溢利之未用稅項虧損約為31,707,000港元（二零零五年：29,004,000港元）。由於未能預計日後所得溢利，故並無確認遞延稅項資產。有關虧損可無限期結轉。

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28. DISPOSAL OF A SUBSIDIARY

On 4 January 2005, the Group entered into an agreement with a third party to dispose of its entire equity interest in Dongguan Tehsuteu Electronic Company Limited ("DTEC"), an indirect wholly-owned subsidiary of the Company, at a consideration of HK\$12,000,000. Details of the transaction are disclosed in a circular of the Company dated 27 January 2005.

The net assets of DTEC at the date of disposal was as follows:

28. 出售附屬公司

於二零零五年一月四日，本集團與第三方訂立協議，出售其於本公司之間接全資附屬公司東莞德鉅電子有限公司（「德鉅」）之全部股權，代價為12,000,000港元。交易詳情於本公司二零零五年一月二十七日之通函內披露。

於出售日期，德鉅之資產淨值如下：

		2005 二零零五年 HK\$'000 千港元
Net assets disposed of:	所出售之資產淨值：	
Property, plant and equipment	物業、廠房及設備	24,302
Inventories	存貨	10,213
Trade and other receivables	貿易及其他應收款項	21,209
Bank balances and cash	銀行結存及現金	2,814
Trade and other payables	貿易及其他應付款項	(45,442)
Tax liabilities	稅項負債	(1,318)
Bank borrowings	銀行借貸	(1,887)
		<u>9,891</u>
Exchange reserve released	匯兌儲備撥回	(118)
		<u>9,773</u>
Gain on disposal	出售所得收益	2,227
		<u>12,000</u>
Total consideration	總代價	<u>12,000</u>
Satisfied by:	以下列方式支付：	
Cash	現金	8,570
Deferred consideration included in other receivables due within one year	計入其他一年內 應收款項之遞延代價	<u>3,430</u>
		<u>12,000</u>
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	8,570
Bank balances and cash disposed of	所出售之銀行結存及現金	(2,814)
		<u>5,756</u>

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28. DISPOSAL OF A SUBSIDIARY (Continued)

DTEC did not have any significant contribution to the Group's results nor cash flows during the year ended 31 December 2005.

29. MAJOR NON-CASH TRANSACTION

During the year, the Group entered into finance lease arrangements in respect of the acquisition of assets with a total capital value at the inception of the leases of approximately HK\$8,733,000 (2005: HK\$5,745,000).

30. RETIREMENT BENEFITS SCHEMES

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Scheme Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

The retirement benefits scheme contributions charged to the consolidated income statement represent contributions payable to the schemes by the Group at rates specified in the rules of the schemes. Where there are employees who leave the ORSO Scheme prior to vesting fully in the contributions, the amounts of the forfeited contributions will be used to reduce future contributions payable by the Group.

28. 出售附屬公司 (續)

截至二零零五年十二月三十一日止年度，德鉅對本集團之業績或現金流量並無任何重大貢獻。

29. 主要非現金交易

於本年度內，本集團就收購於租賃開始生效時總資本值約8,733,000港元之資產(二零零五年：5,745,000港元)訂立融資租賃安排。

30. 退休福利計劃

本集團同時參與根據職業退休計劃條例登記之定額供款計劃(「職業退休計劃」)及按於二零零零年十二月生效之強制性公積金條例設立之強制性公積金計劃(「強積金計劃」)。該等計劃之資產與本集團之資產分開處理，交由獨立信託人控制。在設立強積金計劃前已為職業退休計劃成員之僱員可選擇留在職業退休計劃或轉往強積金計劃，然而，所有於二零零零年十二月一日或之後加入本集團之新僱員必須加入強積金計劃。

於綜合損益表扣除之退休福利計劃供款乃本集團按計劃規則指定之供款率向計劃支付之供款。倘僱員於符合資格享有供款前退出職業退休計劃，則沒收供款額將用於減少本集團將來之供款。

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30. RETIREMENT BENEFITS SCHEMES

(Continued)

The subsidiaries of the Company in the PRC are required to make contributions to state-managed retirement benefits scheme operated by the PRC government based on a certain percentage of the monthly payroll costs of the PRC employees.

During the year, the retirement benefits scheme contributions are approximately HK\$1,467,000 (2005: HK\$1,553,000). The Group did not have any forfeited contributions available to offset future employers' contributions to the ORSO Scheme.

31. CAPITAL COMMITMENTS

30. 退休福利計劃 (續)

本公司於中國之附屬公司須按中國僱員月薪之一定百分比向一項由中國政府經營之國營退休福利計劃供款。

於年內，退休福利計劃之供款約為1,467,000港元(二零零五年：1,553,000港元)。本集團並無任何已沒收供款可供抵銷職業退休計劃之未來僱主供款。

31. 資本承擔

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment:	就收購物業、廠房及設備之資本開支：		
Authorised but not contracted for	已授權但未簽約	48	1,800
Contracted but not provided for	已簽約但未撥備	11,411	13,325
		11,459	15,125

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32. OPERATING LEASES COMMITMENTS

The Group as lessee

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	1,057	1,234
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	448	756
		<u>1,505</u>	<u>1,990</u>

Leases are negotiated for original terms ranging from one to five years at fixed monthly rentals.

The Group as lessor

Certain of the Group's properties have been rented out under operating leases. These properties have committed tenants for one to five years.

As at the balance sheet date, the Group had contracted with tenants for future minimum lease payments which fall due as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	147	164
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	37	228
		<u>184</u>	<u>392</u>

32. 經營租賃承擔

本集團作為承租人

於結算日，本集團承諾根據於下列期間屆滿之不可撤銷經營租賃所持之寫字樓物業支付之日後最低租金款額如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	1,057	1,234
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	448	756
		<u>1,505</u>	<u>1,990</u>

租賃按每月固定租金訂立，為期一至五年。

本集團作為出租人

本集團若干物業已按經營租賃租出。此等物業於一至五年內已有租客承租。

於結算日，本集團與租客就日後最低租金訂立合約如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	147	164
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	37	228
		<u>184</u>	<u>392</u>

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33. RELATED PARTY TRANSACTIONS

The Group entered into the following significant transactions with the former associate:

Nature of transactions	交易性質	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Sales by the Group	本集團作出之銷售	—	38,783
Interest charged by the Group	本集團收取之利息	—	980
Subcontracting fee income charged by the Group	本集團收取之外判加工費收入	—	7,334
Rental income charged by the Group	本集團收取之租金收入	—	3,565
Computer system expenditure charged by the Group	本集團收取之電腦系統開支	—	2,400
Property, plant and equipment transferred by the Group	本集團調撥之物業、廠房及設備	—	15,753
		—	15,753

The remuneration of directors and other members of key management during the year was as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short-term benefits	短期福利	2,811	2,453
Post-employment benefits	退休福利	97	82
		2,908	2,535

The remuneration of directors and other members of key management is determined by the Board of Directors having regard to the performance of individual and market trends.

33. 關連人士交易

本集團與前聯營公司訂立之重大交易如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Sales by the Group	—	38,783
Interest charged by the Group	—	980
Subcontracting fee income charged by the Group	—	7,334
Rental income charged by the Group	—	3,565
Computer system expenditure charged by the Group	—	2,400
Property, plant and equipment transferred by the Group	—	15,753
	—	15,753

於本年度內，董事及其他主要管理層成員之薪酬如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short-term benefits	2,811	2,453
Post-employment benefits	97	82
	2,908	2,535

董事及其他主要管理層成員之薪酬由董事會參照個人表現及市場趨勢釐定。

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34. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investment, trade and other receivables, bills receivable, amount due from a related company, bank balances, trade and other payables, bills payable, obligations under finance leases, and bank loans. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below:

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group's principal financial assets are trade and other receivables, bills receivables, and bank balances.

The Group's credit risk is primarily attributable to its trade and other receivables. The Group is also exposed to concentration of credit risk as the Group relies on a limited number of customers. The Group manages its credit risk by closely monitoring the granting of credit. The Group also reviews the recoverable amount of each individual receivable at each balance sheet date to ensure that adequate allowances are made for irrecoverable amounts. The Group also entered into factoring arrangement without recourse with banks in order to minimise its credit risk exposure. In this regards, the directors consider that the Group's credit risk is significantly reduced.

34. 金融工具

(a) 財務風險管理目標及政策

本集團之主要金融工具包括可供出售投資、貿易及其他應收款項、應收票據、應收關連公司款項、銀行結存、貿易及其他應付款項、應付票據、融資租賃責任及銀行貸款。與該等金融工具有關之風險及如何降低該等風險之政策載列如下：

信貸風險

倘對手方於二零零六年十二月三十一日未能履行彼等之責任，則本集團就每類已確認金融資產所須承受之最大信貸風險為列於綜合資產負債表之資產之賬面值。本集團之主要金融資產為貿易及其他應收款項、應收票據及銀行結存。

本集團之信貸風險主要來自貿易及其他應收款項。由於本集團依賴有限數目之客戶，故本集團亦面臨集中信貸風險。本集團透過密切監察授出之信貸管理其信貸風險。於各結算日，本集團亦會定期評估每項個別應收款項之可收回金額，以確保就不可收回金額作出足夠之撥備。為將信貸風險降至最低，本集團亦與銀行訂立貼現安排。就此而言，董事認為本集團之信貸風險已顯著降低。

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34. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

Credit risk (Continued)

The credit risk on bank balances is limited because the counterparties are banks with high credit-ratings.

Market risk

Cash flow interest rate risk

The Group's cash flow interest rate risk is the impact of rate changes on interest-bearing financial assets and financial liabilities. Interest-bearing financial assets are mainly balances with banks which are all short-term in nature. Therefore, any future variations in interest rates will not have a significant impact on the results of the Group. Interest-bearing financial liabilities are mainly bank borrowings carried at floating interest rate. Management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

Fair value interest rate risk

The Group's fair value interest rate risk relates primarily to obligations under finance leases. Management monitors interests rate exposure and consider as insignificant.

34. 金融工具 (續)

(a) 財務風險管理目標及政策 (續)

信貸風險 (續)

銀行結存之信貸風險有限，因為對手方均為具良好信貸評級之銀行。

市場風險

現金流量利率風險

本集團之現金流量利率風險為利率變動之計息金融資產及金融負債之影響。計息金融資產主要為所有屬短期性質之銀行結存。因此，日後任何利率變動對本集團之業績將不會構成重大影響。計息金融負債主要為按浮動利率計息之銀行借貸。管理層監察利率風險，並於有需要時考慮對沖重大利率風險。

公平值利率風險

本集團之公平值利率風險主要與融資租賃責任有關。管理層監察利率風險，並認為利率風險並不重大。

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34. FINANCIAL INSTRUMENTS (Continued)

(a) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk

The Company's subsidiaries have foreign currency sales and purchases, which expose the Group to foreign currency risk. At 31 December 2006, trade and other receivables of approximately HK\$53,463,000 (2005: HK\$45,974,000), trade and other payables of approximately HK\$81,136,000 (2005: HK\$81,878,000) and bank balances and cash of approximately HK\$31,411,000 (2005: HK\$81,051,000) of the Group are denominated in currencies other than the functional currencies of the Group. The Group has entered into foreign currency exchange forward contracts to eliminate its exposure to changes in foreign exchange rates. Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Price risk

The Group's available-for-sale investment is measured at fair value at each balance sheet date, which expose the Group to equity security price risk. Management regularly reviews the value of the available-for-sale investment and will consider adequate impairment loss to be made when necessary.

34. 金融工具 (續)

(a) 財務風險管理目標及政策 (續)

市場風險 (續)

外匯風險

本公司附屬公司以外幣結算之買賣，令本集團面對外匯風險。於二零零六年十二月三十一日，本集團貿易及其他應收款項約53,463,000港元(二零零五年：45,974,000港元)、貿易及其他應付款項約81,136,000港元(二零零五年：81,878,000港元)及銀行結存及現金約31,411,000港元(二零零五年：81,051,000港元)均以本集團之功能貨幣以外之貨幣計值。本集團已訂立外匯遠期合約，以降低其匯率變動風險。管理層監察外匯風險，並於有需要時考慮對沖重大外匯風險。

價格風險

本集團之可供出售投資於各結算日按公平值計量，令本集團面對權益證券價格風險。管理層定期檢討可供出售投資之價值，並於需要時考慮確認足夠之減值虧損。

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34. FINANCIAL INSTRUMENTS (Continued)

(b) Fair value

The fair value of the Group's financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices;
- the fair value of other financial assets and financial liabilities (excluding derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using the relevant prevailing market rate; and
- the fair value of derivative financial instruments, are determined based on the indicative rate provided by banks for equivalent instruments at the balance sheet date.

The directors consider that the carrying amount of the Group's major financial instruments (including trade and other receivables, bills receivable, amount due from a related company, bank balances, trade and other payables, bills payable, bank loans, obligations under finance leases, and derivative financial instruments) approximates their fair values.

34. 金融工具 (續)

(b) 公平值

金融資產及金融負債之公平值之釐定方法如下：

- 金融資產及金融負債如有標準條款及條件及有活躍市場，其公平值乃參考所報市場競價釐定；
- 其他金融資產及金融負債(不包括衍生金融工具)之公平值乃根據普遍採納之定價模式釐定，並利用有關現行市場利率作現金流量折現分析；及
- 衍生金融工具之公平值乃根據銀行於結算日就等值工具提供之指示利率釐定。

董事認為本集團主要金融工具(包括貿易及其他應收款項、應收票據、應收關連公司款項、銀行結存、貿易及其他應付款項、應付票據、銀行借貸、融資租賃責任及衍生金融工具)之賬面值與其公平值相若。

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35. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2006 are as follows:

35. 附屬公司詳情

於二零零六年十二月三十一日，本公司之附屬公司詳情如下：

Name of company 公司名稱	Place of incorporation or registration/ operation 註冊成立或登記/營業地點	Nominal value of issued and fully paid ordinary share capital/ paid up registered capital 已發行及全數繳足普通股/實繳註冊資本面值	Attributable equity interest held by the Group 本集團應佔股本權益	Principal activities 主要業務
Champeace Investment Limited 昌和投資有限公司	Hong Kong 香港	HK\$2 Ordinary shares 普通股2港元	100%	Investment holding 投資控股
China Ample Investments Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary shares 普通股1美元	100%	Investment holding 投資控股
Champion Keypad Manufacturing Limited (formerly known as On Shing Telephone Keypads Limited) 卓盈按鍵製造有限公司 (前稱安盛電話按鍵有限公司)	Hong Kong 香港	HK\$10,000 Ordinary shares 普通股10,000港元	100%	Trading in conductive silicon rubber products 導電硅橡膠產品貿易
Dongguan Humen Taida Electric Co., Ltd. 東莞虎門泰達電子有限公司	PRC 中國	HK\$180,000,000 Registered capital 註冊資本 180,000,000港元	100%	Manufacture and sale of electronic products 製造及銷售電子產品
Dongguan Karce Electronics Co., Ltd. 東莞嘉西電子有限公司	PRC 中國	RMB3,000,000 Registered capital 註冊資本 人民幣3,000,000元	100%	Manufacture and sale of electronic products 製造及銷售電子產品
Dongguan Shatian Tehsheng Silicon Rubber Products Co., Ltd. 東莞沙田德盛硅橡膠製品有限公司	PRC 中國	HK\$38,000,000 Registered capital 註冊資本 38,000,000港元	100%	Manufacture and sale of conductive silicon rubber products 製造及銷售導電硅橡膠產品
Dongguan Tai Shan Electronics Co., Ltd. 東莞泰山電子有限公司	PRC 中國	HK\$28,000,000 Registered capital 註冊資本 28,000,000港元	100%	Manufacture and sale of printed circuit boards 製造及銷售印製電路板
Dragon Spirit Enterprise Limited 龍威企業有限公司	British Virgin Islands 英屬處女群島	US\$100 Ordinary shares 普通股100美元	100%	Investment holding 投資控股
Habermann Limited	British Virgin Islands 英屬處女群島	US\$2 Ordinary shares 普通股2美元	100%	Investment holding 投資控股

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35. PARTICULARS OF SUBSIDIARIES 35. 附屬公司詳情 (續)

(Continued)

Name of company 公司名稱	Place of incorporation or registration/ operation 註冊 成立或登記/ 營業地點	Nominal value of issued and fully paid ordinary share capital/ paid up registered capital 已發行 及全數繳足 普通股本/ 實繳註冊資本面值	Attributable equity interest held by the Group 本集團應佔 股本權益	Principal activities 主要業務
Hong Shing Industrial Limited 康盛實業有限公司	Hong Kong 香港	HK\$10,000 Ordinary shares 普通股 10,000 港元	100%	Trading in conductive silicon rubber products 導電硅橡膠產品貿易
Interconn Electronics Limited 盈泰康電子有限公司	Hong Kong 香港	HK\$1 Ordinary shares 普通股 1 港元	100%	Trading in printed circuit boards 印製電路板貿易
Jet Master Limited	British Virgin Islands 英屬處女群島	US\$100 Ordinary shares 普通股 100 美元	100%	Investment holding 投資控股
Joyham Jade Limited	British Virgin Islands 英屬處女群島	US\$2 Ordinary shares 普通股 2 美元	100%	Investment holding 投資控股
Karce Co. Limited 卡西有限公司	Hong Kong 香港	HK\$10,000 Ordinary shares 普通股 10,000 港元	100%	Trading in electronic products 電子產品貿易
Karce Communications Limited 卡西通訊設備有限公司	British Virgin Islands 英屬處女群島	US\$2 Ordinary shares 普通股 2 美元	100%	Inactive 暫無業務
Karce Electronics Limited 卡西電子有限公司	Hong Kong 香港	HK\$2 Ordinary shares 普通股 2 港元	100%	Inactive 暫無業務
Karce Electronics Toys Limited 卡西電子玩具有限公司	Hong Kong 香港	HK\$20,000 Ordinary shares 普通股 20,000 港元	100%	Trading in electronic products 電子產品貿易
Master Key Industrial Limited 啟萬實業有限公司	Hong Kong 香港	HK\$10,000 Ordinary shares 普通股 10,000 港元	100%	Trading in electronic products 電子產品貿易
On Shing Holdings Company Limited 安盛控股有限公司	British Virgin Islands 英屬處女群島	US\$10,000 Ordinary shares 普通股 10,000 美元	100%	Investment holding 投資控股

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35. PARTICULARS OF SUBSIDIARIES 35. 附屬公司詳情 (續)

(Continued)

Name of company 公司名稱	Place of incorporation or registration/ operation 註冊 成立或登記/ 營業地點	Nominal value of issued and fully paid ordinary share capital/ paid up registered capital 已發行 及全數繳足 普通股本/ 實繳註冊資本面值	Attributable equity interest held by the Group 本集團應佔 股本權益	Principal activities 主要業務
Pristine Limited	Labuan Malaysia 馬來西亞納閩	US\$1 Ordinary share 普通股1美元	100%	Investment holding 投資控股
Redditch Enterprises Limited	British Virgin Islands 英屬處女群島	US\$10,000 Ordinary shares 普通股10,000美元	100%	Investment holding 投資控股
Sabic Electronic Limited	British Virgin Islands 英屬處女群島	US\$2 Ordinary shares 普通股2美元	100%	Investment holding 投資控股
T & S Industrial Company Limited 泰盛電子實業有限公司	Hong Kong 香港	HK\$200,000 Ordinary shares 普通股200,000港元	100%	Provision of purchasing agency services 提供購貨代理服務
Tachibana Limited	British Virgin Islands 英屬處女群島	US\$100 Ordinary shares 普通股100美元	100%	Investment holding 投資控股
Xinyu Electronics Limited 新域電子有限公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	Investment holding 投資控股

Only Redditch Enterprises Limited is directly held by the Company.

只有Redditch Enterprises Limited由本公司直接擁有。

All the subsidiaries established in the PRC are registered as foreign investment enterprise.

所有於中國成立之附屬公司均註冊為外資企業。

None of the subsidiaries had any debt securities outstanding as at 31 December 2006 or at any time during the year.

於二零零六年十二月三十一日或年內任何時間，附屬公司概無任何尚未償還之債務證券。