

For the year ended 31 December 2005
(Expressed in Hong Kong dollars)

截至二零零五年十二月三十一日止年度
(以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs for the current and prior accounting periods reflected in these financial statements is provided in note 2.

1. 主要會計政策

(a) 遵例聲明

本財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之所有適用《香港財務報告準則》（「財務報告準則」）（該詞泛指包括所有適用之個別《香港財務報告準則》、《香港會計準則》（「香港會計準則」）及詮釋）、香港公認會計原則及香港《公司條例》之規定編制。本財務報表同時符合適用的《香港聯合交易所有限公司證券上市規則》（「上市規則」）披露規定。以下是本集團所採納之重要會計政策概要。

香港會計師公會已頒佈多項新增及經修訂之財務報告準則，並於二零零五年一月一日或以後開展之會計期間正式生效或可供提前採納。有關首次應用該等新增及經修訂之財務報告準則導致本會計期間及過往會計期間的會計政策變動資料已於本財務報表內反映，並載於附註2。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2005 comprise the Company and its subsidiary (together referred to as the "Group").

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- freehold land and buildings (see note 1(e)); and
- leasehold land and buildings, for which the fair values cannot be measured separately at the inception of the lease and the entire lease is classified as a finance lease (see notes 1(e) and (g)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1. 主要會計政策 (續)

(b) 財務報表之編製基準

截至二零零五年十二月三十一日止年度之綜合財務報表，包括本公司及其附屬公司（統稱「本集團」）。

除根據下文載列之會計政策所闡釋下列資產按公允價值列賬外，本財務報表是以歷史成本作為編製基準。

- 永久業權土地及樓宇（見附註1(e)）；及
- 租賃土地及樓宇，而該土地及樓宇的公允價值於租約開始日期不能分別計量，而整份租約歸類為融資租約（見附註1(e)及(g)）。

編製此等符合財務報告準則之財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所申報之資產及負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成管理層就目前未能從其他來源而得出的資產及負債之賬面值所作出估計之基準。實際數字或會有別於估計數字。

本集團持續就所作估計及相關假設作出評估。會計估計之變動如僅影響當期，則有關會計估計變動將於當期確認。如該項會計估計變動影響當期及以後期間，則有關會計估計變動將於當期及以後期間確認。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Subsidiary

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital or controls more than half of the voting power or controls the composition of the board of directors.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Company's balance sheet an investment in a subsidiary is stated at cost less impairment losses (see note 1(h)).

(d) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investment in subsidiary, are as follows:

Other investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 1(h)).

Investments are recognised/derecognised on the date the Group and/or the Company commits to purchase/sell the investments.

1. 主要會計政策 (續)

(c) 附屬公司

按照香港《公司條例》規定，附屬公司是指本集團直接或間接持有其過半數已發行股本，或控制其過半數投票權，或控制其董事會組成之公司。

集團於附屬公司之投資自控制開始日期起在綜合財務報表內綜合計算，直至控制結束日期為止。集團內部往來之餘額和集團內部交易及其產生之未變現溢利，均在編製綜合財務報表時全數抵銷。集團內部交易所產生之未變現虧損之抵銷方法與未變現溢利相同，但抵銷額只限於沒有證據顯示已轉讓資產已出現減值。

本公司資產負債表所示於附屬公司之投資，是按成本減去減值虧損（見附註1(h)）後入賬。

(d) 其他股本證券投資

本集團及本公司對投資附屬公司以外之股本證券投資準則如下：

倘其他股本證券投資並無於活躍市場之市場報價及其公允價值無法準確計量，則該等投資在資產負債表中以成本減減值虧損確認入賬（見附註1(h)）。

投資於本集團及／或本公司承諾買入／賣出當日確認／終止確認。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Property, plant and equipment

The following properties held for own use are stated in the balance sheet at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation:

- freehold land and buildings; and
- land held under operating leases and buildings thereon, where the fair values of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is clearly not held under an operating lease (see note 1(g)).

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

Other items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 1(h)).

Changes arising on the revaluation of properties held for own use are generally dealt with in reserves. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

1. 主要會計政策 (續)

(e) 物業、機器及設備

以下持作自用之物業以其重估值(即根據它們在重估日之公允值, 減去任何其後之累計折舊後得出之數額)記入資產負債表:

- 永久業權土地及樓宇; 及
- 按經營租約持有之土地及建於該等土地之樓宇, 該等土地及樓宇租賃權益之公允價值於租約開始日期無法分別計度, 而有關樓宇明確並非根據經營租約持有(見附註1(g))。

重估工作乃定期進行, 以確保這些資產之賬面金額與採用結算日之公允價值釐定之數額之間不會出現重大差異。

其他物業、機器及設備項目以成本減去累計折舊及減值虧損(見附註1(h))後記入資產負債表。

重估持作自用物業而產生之變動一般會撥入儲備處理, 但下列情況除外:

- 如果出現重估虧損, 而且有關之虧損額超過就該項資產在截至重估前計入儲備之數額, 則差額會在損益表內扣除; 及
- 如果以往曾將同一項資產之重估虧損在損益表內扣除, 則在出現重估盈餘時, 以往曾在損益表扣除之數額會撥入損益表內。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Property, plant and equipment (Continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from revaluation reserve to retained profits.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Freehold land is not depreciated.
- Leasehold land and buildings situated thereon are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of purchase.
- Plant and machinery 4 – 10 years
- Other fixed assets 3 – 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

1. 主要會計政策 (續)

(e) 物業、機器及設備 (續)

報廢或出售物業、機器及設備項目所帶來之收益或虧損，將按該項目之出售所得款項淨額與賬面值之間之差額釐定，並於報廢或出售當日在損益表內確認。任何有關重估盈餘自重估儲備撥入保留溢利。

折舊是根據物業、機器及設備項目之預計可使用年限，以直線法減去其估計剩餘價值（如有）計算，以撇銷其成本或估值，詳情如下：

- 永久業權土地不計提折舊。
- 租賃土地及位於有關土地之樓宇按其尚未屆滿租期及預計可用年限兩者中較短之期間折舊，惟不超過自購買日期起計50年。
- 機器及設備 4至10年
- 其他固定資產 3至5年

當一項物業、機器及設備之各部份有不同的可使用年期，此項目各部份之成本值或估值將按合理基礎分配，而每部份將作個別折舊。資產之可用年限及其剩餘價值（如適合）於每年進行檢討。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Intangible assets

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

Club memberships are stated in the balance sheet at cost less accumulated amortisation and impairment losses (see note 1(h)). Amortisation of club memberships is charged to profit or loss on a straight-line basis over their estimated useful life of 20 years. The period of amortisation is reviewed annually.

(g) Leased assets

(i) Classification of assets leased to the Group

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, except land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group or taken over from the previous lessee.

1. 主要會計政策 (續)

(f) 無形資產

研究及開發成本包括所有直接由研究及開發活動產生之成本，或可合理地分配作有關活動之成本。由於集團之研究及開發活動之性質，把有關成本確認為資產之條件一般須在該項目研發階段之後期才能達致，而當時餘下之研發成本已微不足道。因此，研究成本及開發成本一般均於發生之期間內確認為開支。

會所會籍按成本值減累計攤銷及減值虧損於資產負債表列賬（見附註1(h)）。會所會籍之攤銷按直線法於20年之估計可用年限內於損益表扣減。攤銷期會每年進行檢討。

(g) 租賃資產

(i) 租賃予本集團之資產之分類

不會轉移絕大部份擁有權相關風險及利益予本集團之租賃乃分類為經營租賃，惟若根據經營租賃持作自用之土地，其公允價值不能夠與訂立租賃時已建於其上之建築物之公允價值分開計量，則當作融資租賃入賬，但如有關建築物確實亦是根據經營租賃持有則除外。就此而言，訂立租賃時指本集團首次訂立租賃時，或自前度承租人接收資產時。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(g) Leased assets (Continued)

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

(h) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities and current receivables that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for current receivables are reversed if in a subsequent period the amount of the impairment loss decreases. Impairment losses for equity securities are not reversed.
- For financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets).

1. 主要會計政策 (續)

(g) 租賃資產 (續)

(ii) 經營租賃費用

如本集團有權使用根據經營租賃持有之資產，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內，以等額在損益表列作費用；但如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。

(h) 資產減值

(i) 股本證券投資及其他應收款項之減值

本集團於各個結算日檢討按成本值或攤銷成本列賬之股本證券投資及其他流動應收款項，以判斷有否存在客觀減值證據。如存在任何上述證據，則會按如下方法釐定及確認減值虧損：

- 就按成本值列賬之無市場報價股本證券及流動應收款項而言，減值虧損按財務資產之賬面值與按類似財務資產之現行市場回報率折現(如折現影響重大)估計之未來現金流量之差額計算。倘於其後期間減值虧損之金額減少，則流動應收款項之減值虧損可予撥回。股本證券之減值虧損概不會撥回。
- 就按攤銷成本列賬之金融資產而言，減值虧損按資產之賬面值與按金融資產最初之實際利率(即此等資產最初確認時計算所得之實際利率)折現計算的估計未來現金流量現值之差額計算。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Impairment of assets (Continued)

(i) Impairment of investments in equity securities and other receivables (Continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- intangible assets; and
- investment in subsidiary.

If any such indication exists, the asset's recoverable amount is estimated.

1. 主要會計政策 (續)

(h) 資產減值 (續)

(i) 股本證券投資及其他應收款項之減值 (續)

倘於其後期間減值虧損金額有所減少，並可客觀地與確認減值虧損後發生之事件有關連，有關減值虧損會撥回損益表。惟所撥回之減值虧損以假設沒有在往年確認減值虧損而釐定之資產賬面值為限。

(ii) 其他資產之減值

本集團於每個結算日對內部及外界資訊進行評估，以決定是否有任何跡象顯示下列資產可能出現減值虧損，或有任何跡象顯示過往已確認之減值虧損不再存在或已經減少：

- 物業、機器及設備 (按重估數額列值之物業除外)；
- 無形資產；及
- 於附屬公司之投資。

倘出現上述任何減值跡象，則該資產之可收回金額須予以評估。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

- Calculation of recoverable amount
The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).
- Recognition of impairment losses
An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.
- Reversals of impairment losses
An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

1. 主要會計政策 (續)

(h) 資產減值 (續)

(ii) 其他資產之減值 (續)

- 計算可收回金額
資產之可收回金額按其銷售淨售價與使用價值之較高者釐定。在評估使用價值時，會採用反映當時市場對貨幣之時間值及資產特定風險評估之稅前折讓率，將估計未來現金流量折讓至現值。倘資產之現金流入基本上不能獨立於其他資產之現金流入時，則須就可獨立地產生現金流入之最小資產組合（即一個現金產生單位）確定可收回金額。
- 確認減值虧損
當資產或其所屬之現金產生單位之賬面金額高於其可收回金額時，便會在損益表中確認減值虧損。確認之減值虧損會按比例減少該單位（或一組單位）中資產之賬面金額，但減值不會使個別資產之賬面金額減至低於其公允價值減銷售成本，或其使用價值（如可釐定）。
- 減值虧損轉回
倘用以釐定可收回金額之估計數據出現有利變化，則減值虧損須予以轉回。減值虧損轉回僅以該等減值虧損從未於過往年度確認時所釐定之資產賬面值為限。減值虧損轉回於確認轉回之年度計入損益表。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1. 主要會計政策 (續)

(i) 存貨

存貨以成本及可變現淨值兩者中之較低數額入賬。

成本以先入先出法計算，其中包括所有採購成本、轉換之成本，以及將存貨運至現址和變成現狀之其他成本。

可變現淨值是以日常業務過程中之估計售價減去完成生產及銷售所需之估計成本後所得之數。

所出售存貨之賬面金額在相關收入獲確認之期間內確認為支出。存貨數額撇減至可變現淨值及存貨之所有虧損，均在出現減值或虧損之期間內確認為支出。存貨之任何減值轉回之數，均在出現轉回之期間內確認為已列作支出之存貨數額減少。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 1(h)), except the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 1(h)).

(k) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

1. 主要會計政策 (續)

(j) 應收貿易賬款及其他應收款項

應收貿易賬款及其他應收款項首先以公允價值列賬，其後以攤銷成本減呆壞賬之減值虧損(見附註1(h))列賬。惟倘折現之影響並不重大，有關應收款項按成本值減呆壞賬減值虧損列賬(見附註1(h))。

(k) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項首先以公允價值列賬，其後以攤銷成本列賬。如折現之影響並不重大，則以成本列賬。

(l) 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、銀行及其他金融機構之活期存款，以及短期而流通性高，可隨時轉換為已知數額之現金及所需承受之價值變動風險甚小，並自購入日期起計三個月內到期之投資。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Employee benefits

(i) *Short-term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) *Share based payments*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

1. 主要會計政策 (續)

(m) 僱員福利

(i) *短期僱員福利及界定供款退休計劃之供款*

薪酬、年終花紅、有薪年假、界定供款計劃供款及非現金福利成本於僱員提供相關服務之年度計提。倘延遲支付或結付之影響屬重大，此等數額以現值列賬。

(ii) *以股份為基礎之付款*

僱員獲授購股權之公允值會確認為員工成本，而在權益內之資本儲備則作相應之增加。公允值乃採用二項式點陣模式，並經考慮授出購股權之條款及條件，計算。當僱員須符合歸屬條件才可無條件享有該等購股權，預計購股權之公允值總額在歸屬期內經考慮購股權歸屬的或然率後攤分入賬。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Employee benefits (Continued)

(ii) Share based payments (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(n) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1. 主要會計政策 (續)

(m) 僱員福利 (續)

(ii) 以股份為基礎之付款 (續)

於歸屬期內，本集團會檢討估計可生效之購股權數目。除非原來的員工支出符合資產確認之要求，否則任何已在往年確認之累計公允價值之調整須在檢討年內之損益表中計入／回撥，並在資本儲備作相應調整。在歸屬日期，除非因純粹與本公司股份之市價有關而未能符合歸屬條件引致權利喪失，否則確認為支出之金額按歸屬購股權之實際數目作調整（並在資本儲備作相應調整）。權益金額在資本儲備中確認，直至購股權獲行使（轉撥至股份溢價賬），或購股權屆滿（直接轉入保留盈利）為止。

(n) 所得稅

本年度所得稅包括本期所得稅及遞延所得稅資產和負債的變動。本期所得稅及遞延所得稅資產和負債的變動均在損益表內確認，但與直接確認為股東權益項目相關的，則確認為股東權益。

本期所得稅是按本年度應課稅收入根據已執行或在結算日實質上已執行的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延所得稅資產和負債分別由可抵扣和應課稅暫時差異產生。暫時差異是指資產和負債在財務報表上的賬面金額與這些資產和負債的計稅基礎的差異。遞延所得稅資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(n) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset.

1. 主要會計政策 (續)

(n) 所得稅 (續)

除了某些例外情況外，所有遞延所得稅負債和遞延所得稅資產（只限於很可能獲得能利用該遞延所得稅資產來抵扣的未來應稅溢利）都會確認。不確認為遞延所得稅資產和負債的暫時差異是產生自以下有限例外情況：不影響會計或應稅溢利的資產或負債的初始確認（如屬業務合併的一部分則除外）；以及投資附屬公司（如屬應課稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回的暫時差異；或如屬可抵扣差異，則只限於可能在將來轉回的差異）。

遞延所得稅額是按照資產和負債賬面金額的預期實現或清償方式，根據已執行或在結算日實質上已執行的稅率計量。遞延所得稅資產和負債均不貼現計算。

本集團會在每個結算日評估遞延所得稅資產的賬面金額。如果集團預期不再可能獲得足夠的應稅溢利以抵扣相關的稅務利益，該遞延所得稅資產的賬面金額便會調低；但是如果日後又可能獲得足夠的應稅溢利，有關減額便會轉回。

本期所得稅結餘和遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(o) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(p) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue is after deduction of trade discounts and returns.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

1. 主要會計政策 (續)

(o) 準備及或有負債

倘若本集團或本公司須就已發生之事件承擔法律或推定義務，而履行該義務預期會導致含有經濟效益之資源外流，並可作出可靠之估計，便會就該時間或數額不定之負債計提準備。如果貨幣時間價值重大，則按預計履行義務所需資源之現值計列準備。

倘若含有經濟效益之資源外流之可能性不大，或是無法對有關數額作出可靠之估計，便會將該義務披露為或有負債；但假如這類資源外流之可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在義務，亦會披露為或然負債，但假如這類資源外流之可能性極低則除外。

(p) 收益確認

收入在經濟效益可能流入本集團，以及能夠可靠地計算收入和成本(如適用)時，根據下列方法在損益表內確認：

(i) 銷售貨品

收入在貨品送達客戶場地，而且客戶接收貨品及其所有權相關之風險及回報時確認。收入已扣除營業折扣及退貨。

(ii) 利息收入

利息收入乃按實際利息基準確認。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(q) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(r) Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred.

1. 主要會計政策 (續)

(q) 外幣換算

年內外幣交易按交易日之適用外幣匯率換算。以外幣為單位之貨幣性資產及負債按結算日之適用外幣匯率換算。匯兌盈虧於損益表內確認。

按歷史成本計算並以外幣為單位之非貨幣性資產及負債，乃按交易當日之適用匯率換算。以公允價值列賬並以外幣為單位之非貨幣性資產及負債按釐定其公允價值當日之外幣匯率折算。

海外業務業績以接近交易當日外幣匯率之兌換率換算為港元。資產負債表項目按結算日之外幣匯率折算為港元，所產生之匯兌差額直接於股東權益之獨立部分確認。

計算出售海外業務之損益包括於股東權益確認截至出售日因該項海外業務產生之累積兌換差額。

(r) 借貸成本

借貸成本於產生之期間在損益表內確認為支出。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

(t) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

1. 主要會計政策 (續)

(s) 關聯人士

就本財務報表而言，如果本集團能夠直接或間接監控另一方人士或對另一方人士之財務及經營決策發揮重大之影響力，或另一方人士能夠直接或間接監控本集團或對本集團之財務及經營決策發揮重大之影響力，或本集團與另一方人士均受制於共同之監控或共同之重大影響下，即被視為本集團之關聯人士。關聯人士可以是個別人士（主要管理人員、持重大股權股東及／或其直系親屬）或其他實體，包括受本集團關聯人士重大影響之實體（而關聯人士乃個人），以及僱員退休福利計劃（包括適用於本集團及作為本集團關聯人士之實體之員工）。

(t) 分部報告

分部是指本集團內可明顯區分之組成部分，並且負責提供單項產品（業務分部）或在一個特定之經濟環境中提供產品（地區分部），並且承擔不同於其他分部之風險和回報。

按照本集團之內部財務報告系統，本集團已就本財務報表選擇以業務分部為報告分部信息之主要形式，而地區分部則是次要之分部報告形式。

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1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Segment reporting (Continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and fixed assets. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, tax balances, corporate and financing expenses.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs that are effective for accounting periods beginning on or after 1 January 2005.

The accounting policies of the Group and/or the Company after the adoption of these new and revised HKFRSs have been summarised in note 1. The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 32).

1. 主要會計政策 (續)

(t) 分部報告 (續)

分部收入、支出、經營成果、資產及負債包含直接歸屬某一分部，以及可按合理之基準分配至該分部之項目之數額。例如，分部資產可能包括存貨、應收賬款及固定資產。分部收入、支出、資產及負債包含須在編製綜合財務報表時抵銷之集團內部往來之餘額和集團內部交易；但同屬一個分部之集團企業之間之集團內部往來之餘額和交易則除外。分部之間之轉移事項定價按與其他外界人士相若之條款計算。

分部資本開支是指，在期內購入預計可於超過一個會計期間使用之分部資產（包括有形和無形資產）所產生之成本總額。

未歸類之項目，主要包括金融及企業資產、稅款結餘、企業及融資費用。

2. 會計政策之變動

香港會計師公會已頒佈多項新增及經修訂之財務報告準則，並於二零零五年一月一日或其後開始之會計期間生效。

本集團及／或本公司於採納有關新增及經修訂財務報告準則後之會計政策概要載於附註1。與本會計期間及過往會計期間有關，並已在財務報表中反映之會計政策主要變動詳情如下。

本集團並無採用任何尚未於本會計期間生效之全新準則或詮釋（見附註32）。

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2. CHANGES IN ACCOUNTING POLICIES

(Continued)

(a) Employee share option scheme (HKFRS 2, Share-based payment)

In prior years, no amounts were recognised when employees (which term includes directors) and other eligible persons (collectively the “grantees”) were granted share options over shares in the Company. If the grantees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option’s exercise price receivable.

With effect from 1 January 2005, in order to comply with HKFRS 2, the Group adopted a new policy for share options. Under the new policy, the Group recognises the fair value of such share options as an expense with a corresponding increase recognised in a capital reserve within equity. Further details of the new policy are set out in note 1(m) (ii).

The new accounting policy has been applied retrospectively with comparatives restated, except that the Group has taken advantage of the transitional provisions set out in HKFRS 2, under which the new recognition and measurement policies have not been applied to options vested before 1 January 2005.

The effect of this change in accounting policy on the consolidated income statement for the year ended 31 December 2005 is to increase cost of sales by \$308,000 (2004: \$582,000), selling and distribution expenses by \$320,000 (2004: \$355,000), administrative expenses by \$145,000 (2004: \$198,000), and research and development expenses by \$1,025,000 (2004: \$1,394,000), with the corresponding amounts totalling \$1,798,000 (2004: \$2,529,000) credited to the capital reserve. The amounts of prior period adjustments to the reserves as at 1 January 2004 and 1 January 2005 are set out in note 24.

2. 會計政策之變動 (續)

(a) 僱員購股權計劃 (香港財務報告準則第2號「股權支付」)

在以往年度，當僱員（包括董事）及其他合資格人士（統稱「承授人」）獲授本集團股份購股權時沒有任何款項被確認入賬。如承授人選擇行使購股權，股本面值及股份溢價賬項只限於購股權行使價的應收金額入賬。

由二零零五年一月一日起，為符合香港財務報告準則第2號，本集團已採納新的購股權政策。根據新政策，本集團須將購股權的公平價值確認為支出，及在股東權益內的資本儲備作相應的增加。有關新政策之進一步詳情見附註1(m)(ii)。

此新會計政策的採用具有追溯性，除本集團受惠於香港財務報告準則第2號的過渡條文，故並未對在二零零五年一月一日前歸屬的購股權採用新的確認及計量政策外，比較數字已重新編列。

受此項會計政策轉變影響，於截至二零零五年十二月三十一日止年度的綜合損益表，銷售成本已增加308,000元（二零零四年：582,000元），銷售及分銷開支增加320,000元（二零零四年：355,000元），行政開支增加145,000元（二零零四年：198,000元），研究及開發開支增加1,025,000元（二零零四年：1,394,000元），而相應計入資本儲備的金額合共為1,798,000元（二零零四年：2,529,000元）。對於二零零四年一月一日及二零零五年一月一日之儲備作出之前期調整金額載於附註24。

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2. CHANGES IN ACCOUNTING POLICIES

(Continued)

(a) Employee share option scheme (HKFRS 2, Share-based payment) (Continued)

In addition to the above, the effect of this change in accounting policy on other items is set out below:

2. 會計政策之變動 (續)

(a) 僱員購股權計劃 (香港財務報告準則第2號「股份付款」) (續)

除上述者外，此項會計政策變動對其他賬項的影響載列如下：

		Increase/(decrease) 增加／(減少)	
		2005 二零零五年	2004 二零零四年
Earnings per share	每股盈利		
– Basic (cents)	– 基本 (仙)	(0.57)	(0.81)
– Diluted (cents)	– 攤薄 (仙)	(0.57)	(0.80)
Other significant disclosure items	其他重大披露事項		
Staff costs (\$'000)	員工成本 (千元)	1,172	1,552
Research and development expenses (\$'000)	研究及開發開支 (千元)	626	977
		1,798	2,529

Details of the Company's share option scheme are set out in note 22.

本公司購股權之詳情載於附註22。

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2. CHANGES IN ACCOUNTING POLICIES

(Continued)

(b) Definition of related parties (HKAS 24, Related party disclosures)

As a result of the adoption of HKAS 24, *Related party disclosures*, the definition of related parties as disclosed in note 1(s) has been expanded to clarify that related parties include entities that are under the significant influence of a related party that is an individual (i.e. key management personnel, significant shareholders and/or their close family members) and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group. The clarification of the definition of related parties has not resulted in any material changes to the previously reported disclosures of related party transactions nor has it had any material effect on the disclosures made in the current period, as compared to those that would have been reported had Statement of Standard Accounting Practice 20, *Related party disclosures*, still been in effect.

3. TURNOVER

The principal activities of the Group are the manufacture and sale of electronic components.

Turnover represents the sales value of goods supplied to customers less goods returned and trade discounts.

4. OTHER REVENUE

Interest income	利息收入
Write back of trade payables	應付貿易賬款回撥
Scrap sales	廢料銷售
Others	其他

2. 會計政策之變動 (續)

(b) 關連人士的定義 (香港會計準則第24號「關連人士的披露」)

採納香港會計準則第24號「關連人士的披露」後，關連人士定義(誠如附註1(s)所披露)範圍有所擴大，有關定義表明關連人士包括受關連人士(屬個人，即主要管理人員、持重大股權股東及／或其直系親屬)重大影響的實體，以及為本集團僱員或屬本集團關連人士的任何實體的利益而設立的僱員退休福利計劃的受益人。與倘若會計實務準則第20號「關連人士的披露」仍然有效而須呈報者相比，闡明關連人士定義並無導致先前呈報的關連人士交易披露出現任何重大變動，亦無對本期所作出的有關披露構成重大影響。

3. 營業額

本集團之主要業務是製造及銷售電子元件。

營業額包括供予客戶之產品銷售價值，扣除退貨及營業折扣。

4. 其他收益

2005 二零零五年	2004 二零零四年
\$'000 千元	\$'000 千元
2,374	703
893	—
122	128
662	341
4,051	1,172

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5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

5. 除稅前溢利

除稅前溢利已扣除／(計入)下列各項：

		2005 二零零五年 \$'000 千元	2004 二零零四年 (restated) (重列) \$'000 千元
(a) Finance costs:	(a) 融資成本：		
Interest on bank advances and other borrowing wholly repayable within five years	銀行墊款及須於五年內悉數償還之其他貸款之利息	4	—
(b) Staff costs: #/*	(b) 員工成本：#/*		
Contributions to defined contribution retirement plans	界定供款退休計劃之供款	1,727	1,112
Equity-settled share-based payment expenses	以股本支付之股份付款開支	1,172	1,552
Salaries, wages and other benefits	工資、薪金及其他福利	71,165	52,110
		74,064	54,774
(c) Other items:	(c) 其他項目：		
Cost of inventories # (note 17)	存貨成本# (附註17)	558,615	516,252
Auditors' remuneration	核數師酬金		
— audit services	— 核數服務	483	465
— tax services	— 稅項服務	41	39
— other services	— 其他服務	147	140
Depreciation #	折舊#	18,690	15,598
Amortisation	攤銷	44	—
Operating lease charges: minimum lease payments	經營租賃費用：		
— hire of properties #/*	最低租賃款項 — 租用物業#/*	4,866	4,988
Equity-settled share-based payment expenses *	以股份為基礎之付款開支*	1,798	2,529
Net foreign exchange (gain)/loss	匯兌(收益)／虧損淨額	(1,320)	770
Impairment loss on intangible assets (note 15)	無形資產減值虧損(附註15)	148	—

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5. PROFIT BEFORE TAXATION (Continued)

Cost of inventories includes \$58,145,000 (2004 (restated): \$50,308,000) relating to staff costs, depreciation expenses and operating lease charges in respect of properties, which amount is also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

* Staff costs included operating lease charges of \$1,457,000 (2004: \$1,006,000) and equity-settled share-based payment expenses of \$1,172,000 (2004: \$1,552,000) which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

5. 除稅前溢利 (續)

存貨成本包括與員工成本、折舊開支及就物業之經營租賃費用有關的58,145,000元(二零零四年(重列): 50,308,000元)。這些金額已個別計入上表或附註5(b)分開披露之各類開支之總金額內。

* 員工成本包括經營租賃費用1,457,000元(二零零四年: 1,006,000元)及以股份為基礎之付款開支1,172,000元(二零零四年: 1,552,000元)。這些金額已個別計入上表分開披露之各類開支之總金額內。

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

6. 綜合損益表內所列之所得稅

(a) 綜合損益表內所列之稅項為:

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Current tax	本期稅項		
Provision for Hong Kong Profits Tax	香港利得稅準備	2,388	3,149
Over provision for Hong Kong Profits Tax in respect of prior years	以往年度就香港利得稅之準備過剩	(494)	(58)
		1,894	3,091
PRC taxation	中國稅項	1,316	858
		3,210	3,949
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差異之產生及轉回	220	741
		3,430	4,690

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6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

Provision for Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the Group's estimated assessable profits arising in Hong Kong for the year.

The Group carries out manufacturing activities in the People's Republic of China ("PRC") under the terms of various assembling and processing agreements with PRC entities and has substantial involvement in these manufacturing activities undertaken in the PRC. The profits earned are thus considered to be partly arising and derived from the manufacturing activities carried out in the PRC and partly from other activities performed in Hong Kong. As such, the Company is granted a 50:50 offshore exemption in respect of Hong Kong Profits Tax.

Provision for income tax in respect of the subsidiary in the PRC is calculated at 15% (2004: 15%) of its estimated assessable profits for the year.

- (b) Reconciliation between tax expense and accounting profit at applicable tax rates:

6. 綜合損益表內所列之所得稅 (續)

香港利得稅之準備乃按年內本集團於香港產生之估計應課稅溢利之17.5% (二零零四年：17.5%) 計算。

本集團根據與中國加工工廠訂立之多項裝配及加工協議之條款在中華人民共和國(「中國」)進行製造活動，並積極參與在中國進行之該等製造活動。由此所賺取之溢利，部分被視為從中國進行之製造活動所產生及取得，而部分被視為從香港進行之其他活動所產生及取得。故此，本公司就香港利得稅享有50:50之離岸豁免。

在中國之附屬公司之所得稅準備是按該年度之估計應課稅溢利之15% (二零零四年：15%) 計算。

- (b) 所得稅費用和會計溢利按適用稅率計算的對賬：

		2005 二零零五年	2004 二零零四年 (restated) (重列)
		\$'000 千元	\$'000 千元
Profit before tax	除稅前溢利	28,991	41,102
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	按照在相關稅務司法地區獲得溢利的適用稅率計算除稅前溢利的名義稅項	4,874	7,062
Tax effect of non-deductible expenses	不可扣除開支之稅務影響	635	709
Tax effect of non-taxable net revenue	毋須課稅收入淨額之稅務影響	(1,585)	(3,023)
Over provision in respect of prior years	以往年度之準備過剩	(494)	(58)
Actual tax expense	實際稅項支出	3,430	4,690

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7. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

7. 董事酬金

根據香港《公司條例》第161條作出披露之董事酬金如下：

		Directors' fees	Salaries, allowances and benefits in kind 薪金、津貼及實物福利	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款	Sub-total	Share-based payments 以股份為基礎之付款	2005 Total 二零零五年合計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<i>Executive directors</i>	執行董事							
Yang Jai Sung	梁在星	—	1,128	50	12	1,190	—	1,190
Kim Sun Cheol	金善哲	—	740	55	12	807	81	888
Woo Nam Jin	禹南珍	—	940	—	12	952	231	1,183
<i>Non-executive director</i>	非執行董事							
Yang Ho Sung	梁皓星	455	55	—	—	510	—	510
<i>Independent non-executive directors</i>	獨立非執行董事							
Kim Chung Kweon	金正權	80	—	—	—	80	—	80
Han Byung Joon	韓丙濬	80	—	—	—	80	—	80
Kim Chan Su	金鑽洙	80	—	—	—	80	—	80
		695	2,863	105	36	3,699	312	4,011

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7. DIRECTORS' REMUNERATION (Continued)

7. 董事酬金 (續)

		Salaries, allowances and benefits in kind 薪金、津貼及 實物福利	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休 計劃供款	Sub-total 小計	Share- based payments 以股份為 基礎之付款 (restated) (重列)	2004 Total 二零零四年 合計 (restated) (重列)
		Directors' fees 董事袍金					
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Executive directors	執行董事						
Yang Jai Sung	梁在星	—	1,245	—	12	1,257	1,257
Kim Sun Cheol	金善哲	—	874	—	12	886	996
Woo Nam Jin	禹南珍	—	677	—	8	685	919
Lee Byung Kwan	李炳寬	—	816	—	12	(55)	773
Non-executive director	非執行董事						
Yang Ho Sung	梁皓星	455	—	—	—	455	455
Independent non-executive directors	獨立非執行董事						
Kim Chung Kweon	金正權	80	—	—	—	80	80
Han Byung Joon	韓丙濬	80	—	—	—	80	80
Kim Chan Su	金鑽洙	23	—	—	—	23	23
		638	3,612	—	44	4,294	4,583

The above emoluments include the estimated value of share options granted to certain directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policy for share-based payments in note 1(m)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of share options are lapsed prior to vesting. The details of these benefits in kind are disclosed under the paragraph "Share option scheme" in the directors' report and in note 22.

As approved by the board of directors, during the year ended 31 December 2005, Yang Jai Sung and Kim Sun Cheol waived part of their remuneration totalling \$10,000 (2004: \$Nil) and \$5,000 (2004: \$Nil) respectively.

上述酬金包括根據本公司購股權計劃授予若干董事之購股權。該等購股權之價值乃根據附註1(m)(ii)所述本集團關於以股份為基礎之付款之會計政策而計量，及根據該政策，包括撥回以往年度授出購股權而於歸屬前失效應計之數額。該等實物利益之詳情乃於董事會報告「購股權計劃」一段及附註22作出披露。

於截至二零零五年十二月三十一日止年度內，誠如董事會批准，梁在星及金善哲放棄彼等部分之酬金，分別合共為10,000元(二零零四年：零元)及5,000元(二零零四年：零元)。

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8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three are directors (2004: four, including Woo Nam Jin who was appointed in 2004) whose emoluments are disclosed in note 7. The aggregate of the emoluments for the year in respect of the other two individuals (2004: two, including the total emoluments of Woo Nam Jin for 2004, of which \$919,000 has also been disclosed in note 7) are as follows:

Salaries and other emoluments	薪金及其他酬金
Bonus payable on joining the Group	加入本集團時支付之獎金
Discretionary bonuses	酌情花紅
Share-based payments	以股份為基礎之付款
Retirement scheme contributions	退休計劃供款

8. 最高薪人士

五名最高薪人士中，其中三名為董事（二零零四年：四名，包括於二零零四年委任之禹南珍），其酬金已於上文附註7作出披露。其他兩名最高薪人士（二零零四年：兩名，包括禹南珍於二零零四年之酬金總額，其中919,000元亦已於附註7披露）於年內之酬金總額載列如下：

2005 二零零五年	2004 二零零四年 (restated) (重列)
\$'000 千元	\$'000 千元
1,538	1,846
—	1,170
16	45
113	333
24	24
1,691	3,418

The emoluments of the two (2004: two) individuals with the highest emoluments are within the following bands:

兩名（二零零四年：兩名）最高薪人士之酬金範圍如下：

\$Nil – \$1,000,000	零元至1,000,000元
\$2,000,001 – \$2,500,000	2,000,001元至2,500,000元

Number of individuals 人數	
2005 二零零五年	2004 二零零四年
2	1
—	1
2	2

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9. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of \$25,561,000 (2004 (restated): \$36,412,000) which has been dealt with in the Company's financial statements.

9. 本公司股本持有人應佔溢利

本公司股本持有人應佔綜合溢利包括一筆已列入本公司財務報表的25,561,000元之溢利(二零零四年(重列): 36,412,000元)。

10. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year:

10. 股息

(a) 本年度應付予本公司股本持有人之股息：

Interim dividend declared and paid of 1.3 cents (2004: 2.4 cents) per ordinary share	已宣派及支付中期股息每普通股1.3仙(二零零四年: 2.4仙)
Final dividend proposed after the balance sheet date of 1.9 cents (2004: 1.4 cents) per ordinary share	資產負債表日後建議末期股息每普通股1.9仙(二零零四年: 1.4仙)

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
4,073	7,519
5,953	4,386
10,026	11,905

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date. The calculation of the 2005 final dividend is based on the number of ordinary shares outstanding at the date of this annual report.

於資產負債表日後派付之末期股息尚未在資產負債表日被確認為負債。二零零五年度末期股息是按本年報公佈日期之已發行普通股數目計算。

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10. DIVIDENDS (Continued)

- (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

Final dividend in respect of the previous financial year, approved and paid during the year, of 1.4 cents (2004: 5.5 cents) per ordinary share

年內批准及派付之過往財政年度末期股息每股普通股1.4仙
(二零零四年：5.5仙)

10. 股息 (續)

- (b) 年內批准及派付予本公司股本持有人之過往財政年度股息：

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
4,386	17,232

11. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$25,561,000 (2004 (restated): \$36,412,000) and the weighted average number of ordinary shares of 313,300,000 (2004: 313,300,000) in issue during the year.

(b) Diluted earnings per share

Diluted earnings per share for the year ended 31 December 2005 is same as the basic earnings per share as the inclusion of the effect of deemed issue of ordinary shares under the share option scheme would have an anti-dilutive effect on the earnings per share.

11. 每股盈利

(a) 每股基本盈利

每股基本盈利是按本公司股本持有人應佔溢利25,561,000元(二零零四年(重列): 36,412,000元)及年內已發行普通股的加權平均數313,300,000股(二零零四年: 313,300,000)計算。

(b) 每股攤薄盈利

由於計入購股權計劃下視作發行之普通股會對每股盈利構成反攤薄影響，故截至二零零五年十二月三十一日止年度之每股攤薄盈利等同每股基本盈利。

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11. EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share (Continued)

The calculation of diluted earnings per share for the year ended 31 December 2004 was based on the profit attributable to equity shareholders of the Company of \$36,412,000 (restated) and the weighted average number of ordinary shares of 315,293,642, calculated as follows:

Weighted average number of ordinary shares (diluted)

11. 每股盈利 (續)

(b) 每股攤薄盈利 (續)

截至二零零四年十二月三十一日止年度，每股攤薄盈利是按本公司股本持有人應佔溢利36,412,000元（重列）及普通股加權平均數315,293,642股計算。普通股加權平均數之計算如下：

普通股加權平均數（攤薄）

		Number of shares 股份數目
Weighted average number of ordinary shares at 31 December 2004	於二零零四年十二月三十一日之 普通股加權平均數	313,300,000
Effect of deemed issue of ordinary shares under the share option scheme for nil consideration (note 22)	根據購股權計劃下視作無償 發行普通股之影響（附註22）	1,993,642
Weighted average number of ordinary shares (diluted) at 31 December 2004	於二零零四年十二月三十一日之 普通股加權平均數（攤薄）	315,293,642

12. SEGMENTAL REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

12. 分部資料

分部資料乃按本集團之業務及地區分部呈列。本集團選擇以業務分部資料為首要呈報格式，因為這樣更切合本集團內部之財務申報。

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12. SEGMENTAL REPORTING (Continued)

(a) Business segment

The Group is engaged in the manufacture and sale of electronic components which can be divided into two product segments – composite components and unit electronic components. An analysis of the Group's results of operations and the Group's financial position by product segments is as follows:

12. 分部資料 (續)

(a) 業務分部

本集團從事製造及銷售電子元件。電子元件可分為兩大類－複合元件及單位電子元件。本集團之經營業績及本集團之財務狀況按產品分類分析如下：

		Composite components 複合元件		Unit electronic components 單位電子元件		Consolidated 綜合	
		2005 二零零五年	2004 二零零四年 (restated) (重列)	2005 二零零五年	2004 二零零四年 (restated) (重列)	2005 二零零五年	2004 二零零四年 (restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Turnover	營業額	520,269	494,449	128,290	119,158	648,559	613,607
Segment result	分部業績	17,435	31,771	9,472	10,394	26,907	42,165
Unallocated operating income and expenses	未分配經營收入及費用					2,088	(1,063)
Profit from operations	經營溢利					28,995	41,102
Finance costs	融資成本					(4)	—
Income tax	所得稅					(3,430)	(4,690)
Profit after tax	除稅後溢利					25,561	36,412
Depreciation	折舊	14,633	12,511	4,057	3,087	18,690	15,598

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12. SEGMENTAL REPORTING (Continued)

(a) Business segment (Continued)

		Composite components		Unit electronic components		Consolidated	
		複合元件		單位電子元件		綜合	
		2005	2004	2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Segment assets	分部資產	202,792	220,529	60,313	42,692	263,105	263,221
Unallocated assets	未分配資產					178,337	133,350
Total assets	資產總值					441,442	396,571
Segment liabilities	分部負債	55,702	41,285	24,377	17,556	80,079	58,841
Unallocated liabilities	未分配負債					10,625	9,794
Total liabilities	負債總額					90,704	68,635
Capital expenditure incurred during the year	年內產生之資本開支	11,380	43,062	9,367	7,473	20,747	50,535

(b) Geographical segments

The Group's business is principally managed in Hong Kong and other parts of the PRC. The principal markets for the Group's products are the PRC (including Hong Kong) and Korea.

In presenting information on the basis of geographical segments, segment turnover is based on the destination of the Group's products. Segment assets and capital expenditure are based on the geographical location of the assets.

12. 分部資料 (續)

(a) 業務分部 (續)

		Unit electronic components		Consolidated	
		單位電子元件		綜合	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Segment assets	分部資產	60,313	42,692	263,105	263,221
Unallocated assets	未分配資產			178,337	133,350
Total assets	資產總值			441,442	396,571
Segment liabilities	分部負債	24,377	17,556	80,079	58,841
Unallocated liabilities	未分配負債			10,625	9,794
Total liabilities	負債總額			90,704	68,635
Capital expenditure incurred during the year	年內產生之資本開支	9,367	7,473	20,747	50,535

(b) 地區分部

本集團之業務主要於香港及中國其他地方進行。本集團產品之主要市場為中國(包括香港)及韓國。

按地區分部呈列資料時，分部營業額乃按本集團產品目的地釐定。分部資產及資本開支乃按資產之地理位置釐定。

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12. SEGMENTAL REPORTING (Continued)

(b) Geographical segments (Continued)

12. 分部資料 (續)

(b) 地區分部 (續)

		Turnover		Segment assets		Capital expenditure incurred during the year	
		營業額		分部資產		年內產生之資本開支	
		2005	2004	2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
PRC (other than Hong Kong)	中國(香港以外)	358,034	327,046	160,749	168,804	14,468	18,275
Hong Kong	香港	202,800	155,093	52,588	44,734	187	3,343
Korea	韓國	74,150	106,371	48,844	49,165	6,092	28,917
Others	其他	13,575	25,097	924	518	—	—

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13. FIXED ASSETS

(a) The Group

13. 固定資產

(a) 本集團

		Land and buildings held for own use carried at fair value 持作自用以 公允價值列賬之 土地及樓宇 \$'000 千元	Plant and machinery 機器及 設備 \$'000 千元	Other fixed assets 其他 固定資產 \$'000 千元	Total 總計 \$'000 千元
Cost or valuation:	成本或估值：				
At 1 January 2004	於二零零四年一月一日	1,200	66,100	14,301	81,601
Additions	增添	14,996	27,228	8,311	50,535
Disposals	出售	—	—	(103)	(103)
At 31 December 2004	於二零零四年 十二月三十一日	16,196	93,328	22,509	132,033
Representing:	代表：				
Cost	成本	14,996	93,328	22,509	130,833
Valuation – 2003	二零零三年估值	1,200	—	—	1,200
		16,196	93,328	22,509	132,033
Accumulated depreciation:	累計折舊：				
At 1 January 2004	於二零零四年一月一日	25	28,638	8,298	36,961
Charge for the year	年度折舊費用	271	12,070	3,257	15,598
Written back on disposal	因出售撥回	—	—	(83)	(83)
At 31 December 2004	於二零零四年 十二月三十一日	296	40,708	11,472	52,476
Net book value:	賬面淨值：				
At 31 December 2004	於二零零四年 十二月三十一日	15,900	52,620	11,037	79,557

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13. FIXED ASSETS (Continued)

(a) The Group (Continued)

13. 固定資產 (續)

(a) 本集團 (續)

		Land and buildings held for own use carried at fair value 持作自用以 公允價值列賬之 土地及樓宇 \$'000 千元	Plant and machinery 機器及 設備 \$'000 千元	Other fixed assets 其他 固定資產 \$'000 千元	Total 總計 \$'000 千元
Cost or valuation:	成本或估值：				
At 1 January 2005	於二零零五年一月一日	16,196	93,328	22,509	132,033
Additions	增添	695	15,444	4,608	20,747
Disposals	出售	—	(557)	—	(557)
Surplus on revaluation	重估盈餘	5,149	—	—	5,149
Less: Elimination of accumulated depreciation	減：累計折舊抵銷	(474)	—	—	(474)
At 31 December 2005	於二零零五年 十二月三十一日	21,566	108,215	27,117	156,898
Representing:	代表：				
Cost	成本	—	108,215	27,117	135,332
Valuation – 2005	二零零五年估值	21,566	—	—	21,566
		21,566	108,215	27,117	156,898
Accumulated depreciation:	累計折舊：				
At 1 January 2005	於二零零五年一月一日	296	40,708	11,472	52,476
Charge for the year	年度折舊費用	454	13,772	4,464	18,690
Written back on disposal	因出售撥回	—	(557)	—	(557)
Elimination on revaluation	重估抵銷	(474)	—	—	(474)
At 31 December 2005	於二零零五年 十二月三十一日	276	53,923	15,936	70,135
Net book value:	賬面淨值：				
At 31 December 2005	於二零零五年 十二月三十一日	21,290	54,292	11,181	86,763

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13. FIXED ASSETS (Continued)

(b) The Company

13. 固定資產 (續)

(b) 本公司

		Land and buildings held for own use carried at fair value 持作自用以 公允價值列賬之 土地及樓宇 \$'000 千元	Plant and machinery 機器及 設備 \$'000 千元	Other fixed assets 其他 固定資產 \$'000 千元	Total 總計 \$'000 千元
Cost or valuation:	成本或估值：				
At 1 January 2004	於二零零四年一月一日	1,200	4,110	3,210	8,520
Additions	增添	14,996	11,397	5,865	32,258
Disposals	出售	—	—	(103)	(103)
At 31 December 2004	於二零零四年 十二月三十一日	16,196	15,507	8,972	40,675
Representing:	代表：				
Cost	成本	14,996	15,507	8,972	39,475
Valuation – 2003	二零零三年估值	1,200	—	—	1,200
		16,196	15,507	8,972	40,675
Accumulated depreciation:	累計折舊：				
At 1 January 2004	於二零零四年一月一日	25	727	1,554	2,306
Charge for the year	年度折舊費用	271	1,815	1,187	3,273
Written back on disposal	因出售撥回	—	—	(83)	(83)
At 31 December 2004	於二零零四年 十二月三十一日	296	2,542	2,658	5,496
Net book value:	賬面淨值：				
At 31 December 2004	於二零零四年 十二月三十一日	15,900	12,965	6,314	35,179

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13. FIXED ASSETS (Continued)

(b) The Company (Continued)

13. 固定資產 (續)

(b) 本公司 (續)

		Land and buildings held for own use carried at fair value 持作自用以 公允價值列賬之 土地及樓宇 \$'000 千元	Plant and machinery 機器及 設備 \$'000 千元	Other fixed assets 其他 固定資產 \$'000 千元	Total 總計 \$'000 千元
Cost or valuation:	成本或估值：				
At 1 January 2005	於二零零五年一月一日	16,196	15,507	8,972	40,675
Additions	增添	695	3,432	2,152	6,279
Surplus on revaluation	重估盈餘	5,149	—	—	5,149
Less: Elimination of accumulated depreciation	減：累計折舊抵銷	(474)	—	—	(474)
At 31 December 2005	於二零零五年 十二月三十一日	21,566	18,939	11,124	51,629
Representing:	代表：				
Cost	成本	—	18,939	11,124	30,063
Valuation – 2005	二零零五年估值	21,566	—	—	21,566
		21,566	18,939	11,124	51,629
Accumulated depreciation:	累計折舊：				
At 1 January 2005	於二零零五年一月一日	296	2,542	2,658	5,496
Charge for the year	年度折舊費用	454	2,734	2,143	5,331
Elimination on revaluation	重估抵銷	(474)	—	—	(474)
At 31 December 2005	於二零零五年 十二月三十一日	276	5,276	4,801	10,353
Net book value:	賬面淨值：				
At 31 December 2005	於二零零五年 十二月三十一日	21,290	13,663	6,323	41,276

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13. FIXED ASSETS (Continued)

- (c) The analysis of net book value of land and buildings held for own use carried at fair value is as follows:

Freehold outside Hong Kong	在香港境外按永久業權持有
Medium-term leases in Hong Kong	在香港按中期租約持有

- (d) The Group's and the Company's land and buildings held for own use were revalued as at 30 June 2005 by DTZ Debenham Tie Leung Limited, an independent firm of professional surveyors who have among their staff members of the Hong Kong Institute of Surveyors, at their open market value by direct comparison approach by making reference to comparable sales transactions as available in the relevant market. As a result of the update, revaluation surplus of \$3,902,000 (2004: \$Nil), net of deferred tax, has been transferred to land and buildings revaluation reserve of the Group and the Company (see note 24) and a net gain of \$987,000 (2004: \$Nil) and the deferred tax thereon of \$43,000 (2004: \$Nil) have been included in the consolidated income statement for the year ended 31 December 2005.

13. 固定資產 (續)

- (c) 持有作自用以公允價值列賬之土地及樓宇之賬面淨值分析如下：

The Group and the Company 本集團及本公司	
2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
19,225	14,766
2,065	1,134
21,290	15,900

- (d) 於二零零五年六月三十日，戴德梁行有限公司按直接比較法，並參考於有關市場可供比較之銷售交易就本集團及本公司持有作自用之土地及樓宇之公開市值進行重估。戴德梁行有限公司為獨立專業估值師，其部份員工為香港測量師學會成員。由於重估的關係，3,902,000元重估盈餘(二零零四年：零元)(扣除遞延稅項)已被轉撥至本集團及本公司之土地及樓宇重估儲備(見附註24)，而收入淨額987,000元(二零零四年：零元)及據此之遞延稅項43,000元(二零零四年：零元)已被納入截至二零零五年十二月三十一日止年度之綜合損益表。

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13. FIXED ASSETS (Continued)

Had the above land and buildings been carried at cost less accumulated depreciation, the carrying amounts would have been:

13. 固定資產 (續)

倘上述土地及樓宇已按成本減累計折舊列值，面值將為：

		The Group and the Company 本集團及本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Freehold land and buildings	按永久業權持有之土地及樓宇	15,001	14,766
Leasehold land and buildings	按租賃持有之土地及樓宇	3,335	3,378
		18,336	18,144

14. INTEREST IN SUBSIDIARY

Investment, at cost
Amount due to subsidiary

投資，按成本值
應付附屬公司金額

14. 於附屬公司之權益

		The Company 本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Investment, at cost	投資，按成本值	56,719	56,719
Amount due to subsidiary	應付附屬公司金額	(11,232)	(12,341)
		45,487	44,378

Amount due to subsidiary is unsecured, interest-free and has no fixed repayment terms.

應付附屬公司款項為無抵押、免息及並無固定還款期。

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14. INTEREST IN SUBSIDIARY (Continued)

Details of the subsidiary are as follows:

Name of company	Country of establishment and operation	Particulars of paid-up capital	Proportion of ownership interest held by the Company 本公司持有所有權權益比例	Principal activity 主要業務
公司名稱	成立及經營國家	實繳股本詳情		
Shenzhen Kwang Sung Electronics Co., Ltd. 深圳光星電子有限公司	PRC 中國	US\$7,271,780 7,271,780美元	100%	Manufacture and sale of electronic components 製造及銷售電子元件

The subsidiary is a wholly-foreign owned enterprise established in the PRC with an operating period of 30 years up to 2024.

附屬公司之詳情如下：

該附屬公司為於中國成立之外商獨資企業，經營期為直至二零二四年止三十年。

15. INTANGIBLE ASSETS

Club memberships, at cost	會所會籍，按成本值
Less: Charge for the year	減：本年度攤銷
Less: Impairment loss	減：減值虧損

In 2005, the Group assessed the recoverable amount based on recent market price and resulted an impairment loss of \$148,000. The impairment loss and amortisation charge for the year are included in "Other operating expenses".

15. 無形資產

The Group and the Company 本集團及本公司

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
889	889
(44)	—
845	889
(148)	—
697	889

於二零零五年，本集團按近期市場價格評估可收回數額，因而得出減值虧損148,000元。減值虧損及本年度攤銷已計入「其他經營開支」。

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16. OTHER EQUITY SECURITIES

Unlisted equity securities, at cost (2004: Investment securities)	非上市股本證券，按成本值 (二零零四年：投資證券)
Less: Impairment loss	減：減值虧損

In 2004, the Company acquired certain unlisted equity securities in a corporate entity (the "entity") for a cash consideration of \$1,500,000. These equity securities are stated at cost less impairment losses as their fair value cannot be measured reliably because the entity is unlisted and no sufficient financial information is made available to the Company to enable it to determine the fair value of the entity.

In view of the substantial losses incurred by the entity, during the year ended 31 December 2004, the directors of the Company assessed the recoverable amount of these equity securities by reference to the net assets value of the entity, where the directors considered the best estimate of the fair value of the entity. Based on their assessment, a full provision for impairment loss was made at 31 December 2004.

17. INVENTORIES

(a) Inventories in the balance sheets comprise:

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

16. 其他股本證券

The Group and the Company

本集團及本公司

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
1,500	1,500
(1,500)	(1,500)
-	-

於二零零四年，本公司以現金代價1,500,000元購入一間企業實體（「實體」）之若干非上市股本證券。由於實體為非上市而加上本公司並無獲提供充份財務資料以讓本公司釐定實體之公允價值，令該等證券之公允價值未能可靠地計量，因此該等股本證券乃按成本值減去減值虧損列賬。

鑒於實體出現重大虧損，於截至二零零四年十二月三十一日止年度，本公司董事參考實體之資產淨值而評估該等股本證券之可收回數額，而董事認為此乃對實體之公允價值作出之最佳估算。按董事之評估，已於二零零四年十二月三十一日就減值虧損作出全數準備。

17. 存貨

(a) 於資產負債表存貨包括：

The Group and the Company

本集團及本公司

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
13,716	32,857
14,713	12,272
13,257	20,889
41,686	66,018

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17. INVENTORIES (Continued)

- (b) The analysis of the amount of inventories recognised as an expense is as follows:

17. 存貨 (續)

- (b) 確認為開支之存貨之分析如下：

		The Group 本集團	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Carrying amount of inventories sold	所出售存貨之賬面值	556,967	506,177
Write down of inventories	撇減存貨	1,648	10,075
		558,615	516,252

18. TRADE AND OTHER RECEIVABLES

- Trade receivables 應收貿易賬款
Prepayments, deposits and other receivables 預付款項、按金及其他應收款項

18. 應收貿易賬款及其他應收款項

		The Group and the Company 本集團及本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
		134,901	116,209
		3,894	2,517
		138,795	118,726

All of the trade and other receivables are expected to be recovered within one year.

所有應收貿易賬款及其他應收款項預期可於一年內收回。

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18. TRADE AND OTHER RECEIVABLES

(Continued)

The ageing analysis of trade receivables (net of impairment losses for bad and doubtful debts) as of the balance sheet date is as follows:

Current	未逾期
Less than 1 month overdue	逾期少於一個月
Over 1 month but less than 3 months overdue	逾期超過一個月但不超過三個月
Over 3 months but less than 12 months overdue	逾期超過三個月但不超過十二個月

Included in trade receivables is an amount of \$9,754,000 (2004: \$12,820,000) due from a shareholder (note 27).

The Group's credit policy is set out in note 25(a).

Included in trade and other receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

United States Dollars	美元
Japanese Yen	日圓
Korean Won	韓圓

18. 應收貿易賬款及其他應收款項

(續)

於資產負債表日，應收貿易賬款（減去呆壞賬減值撥備）之賬齡分析如下：

The Group and the Company

本集團及本公司

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
83,119	69,614
30,324	18,326
18,910	23,438
2,548	4,831
134,901	116,209

應收貿易賬款包含應收一名股東之款項 9,754,000元（二零零四年：12,820,000元）（附註27）。

本集團之信貸政策載述於附註25(a)。

應收貿易賬款及其他應收款項包括下列以實體之功能貨幣以外之貨幣計值之金額：

The Group and the Company

本集團及本公司

2005 二零零五年 '000 千	2004 二零零四年 '000 千
USD15,634	USD12,030
JPY11,658	JPY2,135
KRW175,248	KRW66,972

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19. CASH AND CASH EQUIVALENTS

19. 現金及現金等價物

		The Group and the Company 本集團及本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Deposits with banks and other financial institutions	銀行及其他財務機構存款	92,339	94,379
Cash at bank and in hand	銀行存款及現金	80,895	36,442
Cash and cash equivalents in the balance sheets	資產負債表之現金及現金等價物	173,234	130,821
Less: deposits with banks and other financial institutions with more than three months of maturity when placed	減：存入銀行及其他財務機構時到期日多於三個月之存款	(15,859)	(9,435)
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流量表之現金及現金等價物	157,375	121,386
Included in cash and cash equivalents are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:		現金及現金等價物包括下列以實體之功能貨幣以外之貨幣計值之金額：	

		The Group and the Company 本集團及本公司	
		2005 二零零五年 '000 千	2004 二零零四年 '000 千
United States Dollars	美元	USD17,126	USD12,840
Japanese Yen	日圓	JPY649	JPY5,051
Korean Won	韓圓	KRW737,563	KRW43,287

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20. TRADE AND OTHER PAYABLES

20. 應付貿易賬款及其他應付款項

		The Group and the Company 本集團及本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Trade payables	應付貿易賬款	76,453	56,709
Accrued expenses and other payables	應計費用及其他應付款項	12,541	10,831
		88,994	67,540

All of the trade and other payables are expected to be settled within one year.

所有應付貿易賬款及其他應付款項預期可於一年內償還。

The ageing analysis of trade payables as of the balance sheet date is as follows:

於資產負債表日，應付貿易賬款之賬齡分析如下：

		The Group and the Company 本集團及本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Due within 1 month or on demand	於一個月內到期或須於 提出要求時支付	47,701	35,987
Due after 1 month but within 3 months	一個月後但三個月內到期	28,752	20,722
		76,453	56,709

Included in trade payables is an amount of \$2,416,000 (2004: \$3,722,000) due to a shareholder (note 27).

應付貿易賬款包括應付一名股東之款項 2,416,000元 (二零零四年：3,722,000元) (附註 27)。

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20. TRADE AND OTHER PAYABLES (Continued)

Included in trade and other payables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

United States Dollars	美元
Japanese Yen	日圓
Korean Won	韓圓

20. 應付貿易賬款及其他應付款項 (續)

應付貿易賬款及其他應付款項包括下列以實體之功能貨幣以外之貨幣計值之金額：

The Group and the Company 本集團及本公司

2005 二零零五年 '000 千	2004 二零零四年 '000 千
USD4,389	USD2,952
JPY47,513	JPY32,050
KRW444,121	KRW124,826

21. EMPLOYEE RETIREMENT BENEFITS

- (i) The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the MPF scheme vest immediately.
- (ii) Employees in Korea participate in a National Pension Scheme which is a mandatory insurance scheme under the National Pension Act (the "Scheme"). Under the scheme, the employer and its employees are each required to make contributions to the scheme at 4.5% of the employees' monthly income, subject to adjustments stipulated in the scheme and a cap of monthly income of KRW3.6 million (equivalent to approximately \$27,000). Contributions to the scheme vest immediately.

21. 僱員退休福利

- (i) 本集團根據《香港強制性公積金計劃條例》為根據香港《僱傭條例》所僱用之僱員提供強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立信託人管理之界定供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入之5%之比例就計劃作出供款，而每月相關收入之上限為20,000元。強積金計劃之供款即時成為既定僱員福利。
- (ii) 在韓國之僱員參與國家退休金計劃，其為一項按國家退休金法設立之強制性保險計劃（「計劃」）。根據計劃，僱主及其僱員各自須按僱員每月收入之4.5%之比例就計劃作出供款（每月收入須就計劃之規定調整及上限為3,600,000韓圓（約相等於27,000元））。計劃之供款即時成為既定僱員福利。

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21. EMPLOYEE RETIREMENT BENEFITS

(Continued)

(iii) The subsidiary in the PRC participates in a defined contribution scheme organised by the PRC municipal government. The subsidiary is required to make contributions at 13% of the relevant PRC employees' salaries to the scheme. Contributions to the scheme vest immediately.

Save as set out above, the Group has no other material obligations to make payments in respect of retirement benefits of the employees.

22. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 16 June 2003 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, advisers and consultants, to take up options to subscribe for shares of the Company. The options are exercisable progressively between one to three years from the date of grant and will expire at the end of a period to be notified by the directors to each option-holder upon the grant of option, such period not to exceed ten years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share of the Company.

21. 僱員退休福利 (續)

(iii) 於中國之附屬公司參與由中國市政府籌辦之定額供款計劃。附屬公司須按相關中國僱員薪金之13%之比例就計劃作出供款。計劃之供款即時成為既定僱員福利。

除上文披露者外，本集團概無就僱員退休福利作出付款之其他重大承擔。

22. 以股份為基礎之股本付款交易

根據本公司一項於二零零三年六月十六日採納之購股權計劃，本公司董事獲授權酌情向本集團僱員（包括本集團內任何公司之董事）、顧問及諮詢人提出接納購股權之要約，以認購本公司股份。購股權可由授出日期起計一年至三年內逐步行使，並將於董事授出購股權時知會各個購股權持有人之期間終結時屆滿，惟該期間不得超過由授出日期起計十年。各份購股權均授權持有人認購一股本公司普通股。

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22. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

- (a) The terms and conditions of the grants that existed during the years are as follows, whereby all options are settled by physical delivery of shares:

22. 以股份為基礎之股本付款交易 (續)

- (a) 以下為年內已存在購股權之條款及條件，而所有購股權以實質上交付股份之方式支付：

		Number of options	Exercise period	Contractual life of options
		購股權數目	行使期	購股權之合約年期
Options granted to directors:	授予董事之購股權：			
– on 7 July 2003	– 於二零零三年七月七日	2,000,000	1 July 2004 to 30 June 2008	5 years
			二零零四年七月一日至二零零八年六月三十日	五年
– on 6 May 2004	– 於二零零四年五月六日	1,000,000	1 May 2005 to 30 April 2009	5 years
			二零零五年五月一日至二零零九年四月三十日	五年
Options granted to employees and other eligible persons:	授予僱員及其他合資格人士之購股權：			
– on 7 July 2003	– 於二零零三年七月七日	18,900,000	1 July 2004 to 30 June 2008	5 years
			二零零四年七月一日至二零零八年六月三十日	五年
Total share options	購股權總額	21,900,000		

The maximum percentage of the share options which are vested is determined in stages as follows:

界定為既定僱員福利之購股權最高百分比按以下階段定出：

On or after the first year anniversary	於第一週年或以後	30%
On or after the second year anniversary	於第二週年或以後	another 30%
		另外30%
On or after the third year anniversary	於第三週年或以後	another 40%
		另外40%

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22. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

- (b) The number and weighted average exercise prices of share options are as follows:

Outstanding at 1 January	於一月一日	\$1.311	21,900,000
Lapsed during the year	年內失效	\$1.294	(1,500,000)
Granted during the year	年內授出	—	—
Outstanding at 31 December	於十二月三十一日	\$1.312	20,400,000
Exercisable at 31 December	於十二月三十一日 可予以行使	\$1.303	11,940,000

The options outstanding at 31 December 2005 and 2004 had an exercise price of \$1.294 or \$1.666 and a weighted average remaining contractual life of 2.5 years (2004: 3.5 years).

- (c) Fair value of share options and assumptions
The fair value of services rendered in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a binomial lattice model. The contractual life of the option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

22. 以股份為基礎之股本付款交易 (續)

- (b) 購股權之數目及加權平均行使價如下：

2005 二零零五年		2004 二零零四年	
Weighted average exercise price 加權平均 行使價	Number of options 購股權 數目	Weighted average exercise price 加權平均 行使價	Number of options 購股權 數目
\$1.311	21,900,000	\$1.294	20,900,000
\$1.294	(1,500,000)	—	—
—	—	\$1.666	1,000,000
\$1.312	20,400,000	\$1.311	21,900,000
\$1.303	11,940,000	\$1.294	6,270,000

於二零零五年及二零零四年十二月三十一日尚未行使之購股權之行使價為1.294元或1.666元，而加權平均剩餘合約年期為兩年半（二零零四年：三年半）。

- (c) 購股權之公允價值及假設
以授出購股權為代價所提供之服務的公允價值，乃參照已獲授出購股權之公允價值計量。已收取服務的估計公允價值乃根據二項式點陣模式為基準計量。購股權之合約年期乃此模式所用之計算資料。對提早行使之預期亦已納入二項式點陣模式內。

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22. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(c) Fair value of share options and assumptions (Continued)

Fair value of share options and assumptions

Fair value at measurement date	於計量日期之公允值
Share price	股價
Exercise price	行使價
Expected volatility	預期波幅
Option life	購股權年期
Expected dividends	預期股息
Risk-free interest rate	無風險利率

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

22. 以股份為基礎之股本付款交易 (續)

(c) 購股權之公允價值及假設 (續)

購股權公允價值及假設

Date of grant 授出日期	
6 May 2004 二零零四年 五月六日	7 July 2003 二零零三年 七月七日

\$ 0.6025	\$ 0.3875
\$ 1.66	\$ 1.25
\$ 1.666	\$ 1.294
46%	41%
5 years 5年	5 years 5年
5%	4.25%
3.55%	2.7%

預期波幅是根據歷史波幅而得出，並根據公開資料而預期對未來波幅可能產生之任何變動予以調整。預期股息乃以過往股息為基準。具主觀成份之計算資料及假設如有變動，可能重大影響公允價值之估計。

購股權是根據服務條件而授出。此項條件在計量所得服務的公允價值(於授出購股權日)時不在考慮之列。授出購股權並無附有市場條件。

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23. INCOME TAX IN THE BALANCE SHEET

(a) Current taxation in the balance sheets represents:

23. 資產負債表內所列之所得稅

(a) 資產負債表內所列本期稅項為：

		The Group and the Company 本集團及本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度之香港利得稅準備	2,388	3,149
Provisional Profits Tax paid	已付暫繳利得稅	(2,655)	(3,709)
		(267)	(560)
PRC taxation	中國稅項	375	240
		108	(320)
Representing:	代表：		
Current tax recoverable	本期可收回稅項	(267)	(560)
Current tax payable	本期應付稅項	375	240
		108	(320)

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23. INCOME TAX IN THE BALANCE SHEET

(Continued)

(b) Deferred tax (assets)/liabilities recognised

The components of deferred tax (assets)/liabilities recognised in the balance sheets and the movements during the year are as follows:

23. 資產負債表內所列之所得稅 (續)

(b) 已確認之遞延稅項(資產)/負債:

於資產負債表內確認之遞延稅項(資產)/負債組成部份及於年內之變動如下:

		The Group and the Company 本集團及本公司			
		Depreciation allowances in excess of related depreciation	Revaluation of land and buildings 重估 土地及樓宇	Provisions	Total
Deferred tax arising from:		超過相關折舊 的折舊免稅額		準備	總計
由以下項目產生之遞延稅項:		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1 January 2004	於二零零四年一月一日	402	(106)	(182)	114
Charged/(credited) to profit or loss	於損益表扣除/(計入)	743	4	(6)	741
At 31 December 2004	於二零零四年十二月三十一日	1,145	(102)	(188)	855
At 1 January 2005	於二零零五年一月一日	1,145	(102)	(188)	855
Charged/(credited) to profit or loss	於損益表中扣除/(計入)	200	42	(22)	220
Charged to reserves	在儲備扣除	—	260	—	260
At 31 December 2005	於二零零五年十二月三十一日	1,345	200	(210)	1,335

		The Group and the Company 本集團及本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Net deferred tax liability recognised in the balance sheets	在資產負債表確認之 遞延稅項負債淨額	1,335	855

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23. INCOME TAX IN THE BALANCE SHEET

(Continued)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 1(n), the Group and the Company have not recognised deferred tax assets of approximately \$1,392,000 (2004: \$616,000) in respect of tax losses of \$5,566,000 (2004: \$2,465,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses will expire in five years.

23. 資產負債表內所列之所得稅 (續)

(c) 未確認遞延稅項資產

根據附註1(n)所載之會計政策，本集團及本公司並無確認就稅務虧損5,566,000元（二零零四年：2,465,000元）之遞延稅項資產1,392,000元（二零零四年：616,000元），原因為在有關稅務司法權區及實體不大可能取得應課稅盈利而令該項資產得以運用。上述稅務虧損將於五年後屆滿。

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24. CAPITAL AND RESERVES

(a) The Group

		Share capital	Share premium	Capital reserve	Land and buildings revaluation reserve 土地及樓宇 重估儲備	General reserve fund 一般 儲備基金	Retained profits	Total
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1 January 2004	於二零零四年一月一日							
– as previously reported	一如前呈報	31,330	52,900	–	–	360	229,156	313,746
– prior period adjustment in respect of equity settled share-based transactions (note 2)	一就以股份為基礎 之股本付款交易 之前期調整 (附註2)	–	–	1,147	–	–	(1,147)	–
– as restated	一重列	31,330	52,900	1,147	–	360	228,009	313,746
Final dividend approved in respect of the previous year (note 10(b))	就以往年度批准之末 期股息(附註10(b))	–	–	–	–	–	(17,232)	(17,232)
Transfer between reserves	儲備間之轉撥	–	–	–	–	442	(442)	–
Equity settled share-based transactions	以股份為基礎之 股本付款交易	–	–	2,529	–	–	–	2,529
Profit for the year (as restated)	年度溢利(重列)	–	–	–	–	–	36,412	36,412
Dividend declared in respect of the current year (note 10(a))	就本年度宣派之 股息(附註10(a))	–	–	–	–	–	(7,519)	(7,519)
At 31 December 2004 (as restated)	於二零零四年十二月 三十一日(重列)	31,330	52,900	3,676	–	802	239,228	327,936
At 1 January 2005	於二零零五年一月一日							
– as previously reported	一如前呈報	31,330	52,900	–	–	802	242,904	327,936
– prior period adjustment in respect of equity settled share-based transactions (note 2)	一就以股份為基礎 之股本付款交易 之前期調整 (附註2)	–	–	3,676	–	–	(3,676)	–
– as restated	一重列	31,330	52,900	3,676	–	802	239,228	327,936
Final dividend approved in respect of the previous year (note 10(b))	就以往年度批准之 末期股息(附註10(b))	–	–	–	–	–	(4,386)	(4,386)
Transfer between reserves	儲備間之轉撥	–	–	(247)	–	684	(437)	–
Revaluation surplus, net of deferred tax (note 13(d))	扣除遞延稅項後之 重估盈餘(附註13(d))	–	–	–	3,902	–	–	3,902
Equity settled share-based transactions	以股份為基礎之 股本付款交易	–	–	1,798	–	–	–	1,798
Profit for the year	年度溢利	–	–	–	–	–	25,561	25,561
Dividend declared in respect of the current year (note 10(a))	就本年度宣派之 股息(附註10(a))	–	–	–	–	–	(4,073)	(4,073)
At 31 December 2005	於二零零五年 十二月三十一日	31,330	52,900	5,227	3,902	1,486	255,893	350,738

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24. CAPITAL AND RESERVES (Continued)

(b) The Company

24. 資本及儲備 (續)

(b) 本公司

		Share capital	Share premium	Capital reserve	Land and buildings revaluation reserve 土地及樓宇 重估儲備	General reserve fund 一般 儲備基金	Retained profits 保留盈利	Total 總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1 January 2004	於二零零四年一月一日							
– as previously reported	– 如前呈報	31,330	52,900	–	–	–	229,516	313,746
– prior period adjustment in respect of equity settled share-based transactions (note 2)	– 就以股份為基礎之股本付款交易之前期調整 (附註2)	–	–	1,147	–	–	(1,147)	–
– as restated	– 重列	31,330	52,900	1,147	–	–	228,369	313,746
Final dividend approved in respect of the previous year (note 10(b))	就以往年度批准之末期股息 (附註10(b))	–	–	–	–	–	(17,232)	(17,232)
Transfer between reserves	儲備間之轉撥	–	–	–	–	802	(802)	–
Equity settled share-based transactions	以股份為基礎之股本付款交易	–	–	2,529	–	–	–	2,529
Profit for the year (as restated)	年度溢利 (重列)	–	–	–	–	–	36,412	36,412
Dividend declared in respect of the current year (note 10(a))	就本年度宣派之股息 (附註10(a))	–	–	–	–	–	(7,519)	(7,519)
At 31 December 2004 (as restated)	於二零零四年十二月三十一日 (重列)	31,330	52,900	3,676	–	802	239,228	327,936
At 1 January 2005	於二零零五年一月一日							
– as previously reported	– 如前呈報	31,330	52,900	–	–	802	242,904	327,936
– prior period adjustment in respect of equity settled share-based transactions (note 2)	– 就以股份為基礎之股本付款交易之前期調整 (附註2)	–	–	3,676	–	–	(3,676)	–
– as restated	– 重列	31,330	52,900	3,676	–	802	239,228	327,936
Final dividend approved in respect of the previous year (note 10(b))	就以往年度批准之末期股息 (附註10(b))	–	–	–	–	–	(4,386)	(4,386)
Transfer between reserves	儲備間之轉撥	–	–	(247)	–	684	(437)	–
Revaluation surplus, net of deferred tax (note 13(d))	扣除遞延稅項後之重估盈餘 (附註13(d))	–	–	–	3,902	–	–	3,902
Equity settled share-based transactions	以股份為基礎之股本付款交易	–	–	1,798	–	–	–	1,798
Profit for the year	年度溢利	–	–	–	–	–	25,561	25,561
Dividend declared in respect of the current year (note 10(a))	就本年度宣派之股息 (附註10(a))	–	–	–	–	–	(4,073)	(4,073)
At 31 December 2005	於二零零五年十二月三十一日	31,330	52,900	5,227	3,902	1,486	255,893	350,738

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24. CAPITAL AND RESERVES (Continued)

(c) Share capital

24. 資本及儲備 (續)

(c) 股本

		2005		2004	
		二零零五年		二零零四年	
	Number			Number	
	of shares	Amount		of shares	Amount
	股份數目	金額		股份數目	金額
	'000	\$'000		'000	\$'000
	千	千元		千	千元
Authorised:	法定：				
Ordinary shares of \$0.1 each	每股面值0.1元之				
	普通股	1,500,000	150,000	1,500,000	150,000
Ordinary shares, issued	已發行及繳足之				
and fully paid:	普通股：				
At 1 January and 31 December	於一月一日及				
	十二月三十一日	313,300	31,330	313,300	31,330

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派之股息，並於本公司大會上可就每股股份享有一票投票權。就本公司之剩餘資產而言，所有普通股享有同等權利。

(d) Nature and purpose of reserves

(i) *Share premium*

The application of the share premium account is governed by section 48B of the Hong Kong Companies Ordinance.

(ii) *Capital reserve*

The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Company and other eligible persons recognised in accordance with the accounting policy adopted for share-based payments in note 1(m)(ii).

(d) 儲備性質及目的

(i) 股份溢價

股份溢價賬之用途受香港《公司條例》
第48B條規管。

(ii) 資本儲備

資本儲備為根據載於附註1(m)(ii)就以股份為基礎之付款而採納的會計政策所確認已授予本公司僱員及其他合資格人士的尚未行使購股權的實際或估計數目的公允價值。

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24. CAPITAL AND RESERVES (Continued)

(d) Nature and purpose of reserves (Continued)

(iii) Land and buildings revaluation reserve

The land and buildings revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for land and buildings in note 1(e).

The revaluation reserve of the Company in respect of land and buildings is distributable to the extent of \$33,000 (2004: not applicable).

(iv) General reserve fund

In accordance with the PRC laws applicable to wholly-foreign owned investment enterprises, the subsidiary of the Company is required to set up a general reserve fund and appropriate at least 10% of its annual net profit after taxation, as determined under PRC accounting rules and regulations, to the general reserve fund until the balance of the reserve equals to 50% of the subsidiary's registered capital. This fund can be used to make good losses and to convert into paid-up capital.

(e) Distributability of reserves

At 31 December 2005, the aggregate amount of reserves available for distribution to equity shareholders of the Company was \$255,926,000 (2004 (restated): \$239,228,000). After the balance sheet date, the directors proposed a final dividend of 1.9 cents (2004: 1.4 cents) per ordinary share, amounting to \$5,953,000 (2004: \$4,386,000). This dividend has not been recognised as a liability at the balance sheet date.

24. 資本及儲備 (續)

(d) 儲備性質及目的 (續)

(iii) 土地及樓宇重估儲備

土地及樓宇重估儲備乃按附註1(e)所載有關土地及樓宇之會計政策設立及處理。

本公司之土地及樓宇重估儲備中可供分派之金額達33,000元(二零零四年：不適用)。

(iv) 一般儲備基金

根據適用於外商獨資企業的中國法律，本公司之附屬公司需要設立一般儲備基金，並把最少10%之年度稅後純利(按中國會計規則及條例計算)撥入一般儲備基金，直至儲備結餘達至該附屬公司註冊資本50%為止。一般儲備基金可用作彌補虧損及轉換為已繳股本。

(e) 可供分派儲備

於二零零五年十二月三十一日，可供分派予本公司股權持有人之儲備為255,926,000元(二零零四年(重列)：239,228,000元)。於結算日後，董事建議派發末期股息每股普通股1.9仙(二零零四年：1.4仙)，合共5,953,000元(二零零四年：4,386,000元)。於結算日，該股息並未確認為負債。

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25. FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The credit terms granted by the Group to its customers generally range from one to two months. New customers are normally required to trade on a cash basis. Credit is offered to existing customers following an established payment record. Professional staff monitor trade receivables and follow up collections. Normally, the Group does not obtain collateral from customers.

At the balance sheet date, the Group has a certain concentration of credit risk as 23% (2004: 19%) and 64% (2004: 53%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Group does not provide guarantees which would expose the Group to credit risk.

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate lines of funding from financial institutions to meet its liquidity requirements in the short and longer term.

25. 金融工具

本集團之一般業務過程中會面臨信貸、流動資金、利率及外匯風險。本集團之財務管理政策及慣例能限制有關風險，載述如下。

(a) 信貸風險

本集團之信貸風險主要由應收貿易賬款產生。管理層有一套信貸政策，並會對所承受之信貸風險作持續監察。

本集團給予客戶之除賬期，一般介乎一至兩個月。新客戶一般會以現金方式而進行交易。在評估付款記錄之情況下，會給與現有客戶信貸。本集團有專人監察應收貿易賬款及跟進收款事宜，一般情況下，本集團並沒有向客戶收取抵押物。

於結算日，本集團存有集中信貸風險，因其應收貿易賬款中有約23%（二零零四年：19%）及64%（二零零四年：53%）分別來自本集團之最大客戶及五大客戶。

所承受之信貸風險上限為資產負債表內各金融資產之賬面值。本集團並無出具任何擔保而使本集團須承受信貸風險。

(b) 流動資金風險

本集團之政策為定期監察現時及預期之流動資金需求，以確保其備有足夠現金儲備及可向財務機構取得足夠資金應付短期及長期之流動資金所需。

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25. FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk

The Group did not have significant borrowings during the year. In respect of income-earning financial assets, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or the maturity dates, if earlier.

Repricing dates for assets which reprice before maturity	資產之重新訂價日期 (在到期前重新訂價)
Cash at bank and in hand	銀行及手頭現金
Maturity dates for assets which do not reprice before maturity	資產之到期日(並無於 到期前重新訂價)
Deposits with banks and other financial institutions	銀行及其他財務 機構之存款

25. 金融工具(續)

(c) 利率風險

年內，本集團並無任何重大借貸。就賺取收入之金融資產而言，下表列示彼等於結算日及重新訂價之期間或到期日時(以較早者為準)之實際利率。

The Group and the Company 本集團及本公司			
2005 二零零五年		2004 二零零四年	
Effective interest rate	Total- one year or less 總計一 年或以內 \$'000 千元	Effective interest rate	Total- one year or less 總計一 年或以內 \$'000 千元
0.23%	80,895	0.20%	36,442
3.78%	92,339	2.13%	94,379

(d) Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in United States Dollars ("USD") and Japanese Yen ("JPY") and its foreign operation in Korea where the operating expenses are paid in Korean Won ("KRW").

As USD is pegged to Hong Kong dollars ("HKD"), the Group does not expect any significant movements in the USD/HKD exchange rate. For other currencies like JPY and KRW, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

(d) 外匯風險

本集團所承受之外匯風險主要因以美元(「美元」)及日圓(「日圓」)計值之買賣，以及以韓圓(「韓圓」)支付經營開支之韓國海外業務而產生。

由於美元與港元(「港元」)掛鈎，本集團預期不會因美元／港元間之匯率會出現重大變動。至於其他貨幣(如日圓及韓圓)，本集團將於有需要時按現貨兌換率買賣外匯解決短期失衡之問題，以確保所承受之風險處於可接受之水平。

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25. FINANCIAL INSTRUMENTS (Continued)

(e) Sensitivity analysis

In managing interest rate and foreign currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings.

(f) Fair values

All significant financial assets and liabilities are carried at amounts not materially different from their fair values as at 31 December 2005 and 2004 except other equity securities as disclosed in note 16 and amount due to subsidiary of \$11,232,000 (2004: \$12,341,000). Amount due to subsidiary is unsecured, interest-free and has no fixed repayment terms. Given these terms, it is not meaningful to disclose its fair value.

26. COMMITMENTS

- (a) Capital commitments outstanding at 31 December 2005 not provided for in the financial statements are as follows:

Contracted for:

– Purchase of fixed assets

已訂約：

– 購置固定資產

25. 金融工具 (續)

(e) 敏感性分析

於管理匯率及外匯風險時，本集團旨在降低對本集團盈利之短期影響。然而，長期而言，匯率及利率之永久性變動將對綜合盈利構成影響。

(f) 公允價值

除附註16所披露之其他股本證券，以及應付附屬公司之款項11,232,000元（二零零四年：12,341,000元）外，所有重大資產及負債均按大致相等於彼等於二零零五年及二零零四年十二月三十一日之公允價值列賬。應付附屬公司之款項為無抵押、免息及並無固定還款期。鑒於該等條款，披露其公允價值並無意義。

26. 承擔

- (a) 於二零零五年十二月三十一日未償付而又未在財務報表內提撥準備之資本承擔如下：

The Group 本集團		The Company 本公司	
2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
1,529	48	—	—

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26. COMMITMENTS (Continued)

- (b) At 31 December 2005, the total future minimum lease payments under non-cancellable operating leases in respect of land and buildings are payable as follows:

26. 承擔 (續)

- (b) 於二零零五年十二月三十一日，根據不可解除經營租賃就土地及樓宇在日後應付之最低租賃付款額總數如下：

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Within 1 year	一年內	3,454	3,145	522	824
After 1 year but within 5 years	一年後但五年內	11,722	9,294	17	48
After 5 years	五年後	6,331	7,755	—	—
		21,507	20,194	539	872

The Group and the Company lease a number of properties under operating leases. The leases typically run for an initial period of two to ten years, with an option to renew the leases when all terms are renegotiated. None of the leases includes contingent rentals.

本集團及本公司根據經營租約租入若干物業。租約一般初步為期兩年至十年，並可於重新磋商所有條款時續約。該等租約均不包含或然租金。

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27. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

(a) Transactions with shareholder

During the year, the Group entered into the following transactions with Kwang Sung Electronics Co., Ltd. ("Kwang Sung Korea"), a major shareholder of the Company:

Sales of finished goods	銷售製成品
Purchases of raw materials	購買原材料
Referral commission paid/payable	已付／應付轉介佣金
Research and development and technical support fee paid/payable	已付／應付研發及技術支援費用

At 31 December 2005, included in the following balance sheet captions are the amounts due from/(to) Kwang Sung Korea:

Trade receivables	應收貿易賬款
Trade payables	應付貿易賬款
Accrued expenses and other payables	應計費用及其他應付款項

The directors of the Company are of the opinion that the above transactions were conducted in the ordinary course of business on normal commercial terms.

The above transactions constituted continuing connected transactions for the Company under the Listing Rules. Further details of these transactions are disclosed under the section "Connected transactions" in the directors' report.

27. 重大關連人士交易

除本財務報表其他地方所披露之交易外，本集團訂立以下重大關連人士交易。

(a) 與股東之交易

於年內，本集團與本公司主要股東株式會社光星電子（「韓國光星」）訂立以下交易：

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
61,495	90,333
38,954	62,584
8,868	10,471
-	5,148

於二零零五年十二月三十一日，下列資產負債表項目中包括應收／（應付）韓國光星之款項：

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
9,754	12,820
(2,416)	(3,722)
(1,549)	(1,549)

本公司之董事認為，上述交易，是在日常及一般業務過程中按正常商業條款進行。

根據上市規則，上述交易構成本公司之持續關連交易。該等交易之進一步詳情已於董事會報告書內「關連交易」一節中披露。

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27. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職後福利
Equity compensation benefits	股本補償福利

Total remuneration is included in "staff costs" (see note 5(b)).

27. 重大關連人士交易 (續)

(b) 主要管理人員之酬金

主要管理人員酬金(包括已於附註7中所披露支付予本公司董事之金額及已於附註8中披露支付予若干最高薪僱員之金額)載列如下:

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
10,328	11,174
187	150
852	762
11,367	12,086

酬金總額已包括於「員工成本」(見附註5(b))。

28. POST BALANCE SHEET EVENT

After the balance sheet date, the directors proposed a final dividend. Further details are disclosed in note 10.

28. 結算日後事項

於結算日後，董事建議派發末期股息。進一步詳情於附註10中披露。

29. COMPARATIVE FIGURES

(a) Certain comparative figures have been adjusted as a result of the changes in accounting policies. Further details are disclosed in note 2.

(b) Club memberships with aggregate carrying amount of \$697,000 (2004: \$889,000) for the Group and the Company have been reclassified from "Prepayments, deposits and other receivables" to "Intangible assets". The directors consider that the revised presentation reflects more appropriately the nature of these assets.

29. 比較數字

(a) 因會計政策變動，若干比較數字已作出調整，詳情已於附註2中披露。

(b) 本集團及本公司賬面總值697,000元(二零零四年: 889,000元)之會所會籍已由「預付款項、按金及其他應收款項」重新分類至「無形資產」。董事認為經修訂之呈列方式能更恰當反映該等資產之性質。

30. ULTIMATE CONTROLLING PARTY

At 31 December 2005, the directors consider the ultimate controlling party of the Group to be Mr. Yang Jai Sung.

30. 最終控股人士

於二零零五年十二月三十一日，董事認為本集團之最終控股人士為梁在星先生。

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31. ACCOUNTING ESTIMATES AND JUDGEMENTS

Notes 16, 22 and 25 contain information about the assumptions and their risk factors relating to other equity securities, fair value of share options granted and financial instruments. The Group believes the following critical accounting policies involve significant judgements and estimates used in the preparation of the financial statements.

(a) Impairment of trade receivables

If circumstances indicate that the carrying amount of trade receivables may not be recoverable, the assets may be considered “impaired” and an impairment loss may be recognised in accordance with HKAS 36 “Impairment of Assets”. The carrying amounts of trade receivables are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. The recoverable amount of trade receivables is the estimated future cash flows discounted at the current market rate of return of similar assets. The Group uses all available information in determining an amount that is reasonable approximation of recoverable amount.

(b) Write down of inventories

The Group performs regular review of the carrying amounts of inventories with reference to aged inventories analysis, expected future consumption and management judgement. Based on this review, write down of inventories will be made when the carrying amounts of inventories decline below their estimated net realisable value. Due to changes in technology, actual consumption may be different from estimation and profit or loss could be affected by differences in this estimation.

32. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2005

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the accounting period ended 31 December 2005 and which have not been adopted in these financial statements.

31. 會計估計及判斷

附註16、22及25載有關於其他股本證券、已授出購股權之公允價值及金融工具之假設及其風險因素之資料。本集團相信以下會計政策牽涉編製財務報表所需之重要判斷及估計。

(a) 應收貿易賬款減值

倘有跡象顯示應收貿易賬款之賬面值可能不能收回，資產可被認為已「減值」，而減值虧損根據香港會計準則36「資產減值」可能予以確認。定期檢討應收貿易賬款之賬面值，以計量可收回數額是否已減至低於賬面值。應收貿易賬款之可收回數額為按同類資產之現行市場回報率變現未來現金流量計算。本集團使用所有可動用資料以釐定一個與可收回數額合理相約之數額。

(b) 撇減存貨

本集團經參考存貨之賬齡分析、預期未來使用量及管理層判斷就存貨之賬面值進行定期檢討。根據該檢討，倘存貨之賬面值低於其估計可變現淨值則作出撇減。由於技術變化，實際使用量可能與估計不同，而損益可能因估計之不同而受影響。

32. 已頒佈但未於截至二零零五年十二月三十一日止期間生效之經修訂或新訂準則及詮釋可能出現之影響

截至本財務報表刊發當日，香港會計師公會已頒佈若干經修訂及新訂，但未於截至二零零五年十二月三十一日止期間生效之準則及詮釋，亦並無於本財務報表內採納該等準則及詮釋。

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32. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2005 (Continued)

Of these developments, the following relate to matters that may be relevant to the Group's operations and financial statements:

32. 已頒佈但未於截至二零零五年十二月三十一日止期間生效之經修訂或新訂準則及詮釋可能出現之影響 (續)

於該等修訂及新訂之準則及詮釋中，與本集團之業務及財務報表可能有關事宜載列如下：

*Effective for
accounting periods
beginning on or after
於下列日期或之後開始
的會計期間生效*

Amendments, as a consequence of the Hong Kong Companies (Amendment) Ordinance 2005, to:

因應二零零五年香港公司(修訂)條例作出條訂：

– HKAS 1	Presentation of financial statements	1 January 2006
香港會計準則第1號	財務報表之呈列	二零零六年一月一日
– HKAS 27	Consolidated and separate financial statements	1 January 2006
香港會計準則第27號	綜合及獨立財務報表	二零零六年一月一日
– HKFRS 3	Business combinations	1 January 2006
香港財務報告準則第3號	業務合併	二零零六年一月一日
HKFRS 7	Financial instruments: disclosures	1 January 2007
香港財務報告準則第7號	金融工具：披露	二零零七年一月一日
Amendment to HKAS 1	Presentation of financial statements: capital disclosures	1 January 2007
香港會計準則第1號之修訂	財務報表之呈列：資本披露	二零零七年一月一日

In addition, the Hong Kong Companies (Amendment) Ordinance 2005 came into effect on 1 December 2005 and would be first applicable to the Group's financial statements for the period beginning 1 January 2006.

此外，二零零五年香港公司(修訂)條例於二零零五年十二月一日起生效，並將首次應用於本集團由二零零六年一月一日起之財務報表。

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that while the adoption of them may result in new or amended disclosures, it is unlikely to have a significant impact on the Group's results of operations and financial position.

本集團現正評估該等經修訂及新訂之準則及詮釋於首次應用期間時預期帶來之影響。目前之結論為採納該等準則及詮釋或會導致新增或經修訂之披露事宜，但應不會對本集團之營運業績及財務狀況構成重大影響。