

### 1. CORPORATE INFORMATION

During the year, the principal activities of the Group consist of the manufacture and trading of electronic components and the trading of electrical products and raw materials.

### 2. IMPACT OF RECENTLY ISSUED HONG KONG FINANCIAL REPORTING STANDARD (“HKFRS”)

The Hong Kong Institute of Certified Public Accountants has issued a number of new Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, herein collectively referred to as the new HKFRSs, which are generally effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Statements of Standard Accounting Practice (“SSAPs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the periodic revaluation of certain fixed assets and equity investments, as further explained below.

### 1. 公司資料

年內，本集團主要從事製造及買賣電子零件、買賣電子產品及買賣原材料。

### 2. 最近頒佈之香港財務報告準則之影響

香港會計師公會已頒佈多項新訂及經修訂新香港財務報告準則及香港會計準則（統稱「新香港財務報告準則」），於二零零五年一月一日或之後之會計期間全面生效。本集團並未提早採納該等新香港財務報告準則來編製截至二零零四年十二月三十一日止年度之財務報表。本集團已著手評估該等新香港財務報告準則之影響，惟尚未能說明該等新香港財務報告準則對其經營業績及財務狀況會否產生重大影響。

### 3. 主要會計政策概要

#### 編製基準

此等財務報表乃按照香港會計師公會頒佈之香港財務報告準則（亦包括會計實務準則及詮釋）、香港公認會計準則及香港公司條例之披露規定而編製。除重新釐定若干固定資產及股份證券價值外，其他部份均根據慣用之原值成本法編製，詳如下文闡述。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2004. The results of subsidiaries established, acquired or disposed of during the year are consolidated from or to their effective dates of establishment, acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

#### Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

#### Joint venture companies

A joint venture company is a company set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture company operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture company's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

### 3. 主要會計政策概要 (續)

#### 綜合基準

綜合財務報表包括截至二零零四年十二月三十一日止年度本公司及其附屬公司之財務報表。年內所成立、收購或出售之附屬公司乃自彼等各自成立或收購生效日期起計或計至出售生效日期而綜合業績。所有集團公司間之重大交易及結餘已於編製本集團綜合帳目時對銷。

#### 附屬公司

附屬公司為本公司直接或間接控制其財務及經營決策並從其業務獲益之公司。

附屬公司業績以已收及應收股息為限計入本公司之損益帳。本公司於附屬公司之權益乃按成本減任何減值虧損列帳。

#### 合營公司

合營公司指根據合約安排成立之公司，由本集團聯同其他各方共同進行經濟活動。合營公司以獨立實體經營，其權益由本集團與其他各方擁有。

合營夥伴間所訂立之合營協議，規定各合營夥伴之注資額、合營期及解散時套現資產之基準。合營公司之業務盈虧及任何資產盈餘之分配乃按各合營夥伴之注資比例或根據合營協議之條款由合營者攤分。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint venture companies (continued)

A joint venture company is treated as:

- (a) a subsidiary, if the Company has unilateral control, directly or indirectly, over the joint venture company;
- (b) a jointly controlled entity, if the Company does not have unilateral control, but has joint control, directly or indirectly, over the joint venture company;
- (c) an associate, if the Company does not have unilateral or joint control, but holds generally not less than 20% of the joint venture company's registered capital and is in a position to exercise significant influence over the joint venture company; or
- (d) a long term investment, if the Company holds, directly or indirectly, less than 20% of the joint venture company's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture company.

Jointly controlled entities

A jointly controlled entity is a joint venture company which is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly controlled entity.

3. 主要會計政策概要 (續)

合營公司 (續)

合營公司於以下情況被視為：

- (a) 附屬公司，如本公司單方面擁有合營公司之直接或間接控制權；
- (b) 共同控制公司，如本公司並無單方面控制權但有合營公司之共同直接或間接控制權；
- (c) 聯營公司，如本公司並無單方面控制權或共同控制權，但持有合營公司不少於20%之註冊資本並可對其行使重大影響力；或
- (d) 長期投資，如本公司直接或間接持有合營公司不足20%之註冊資本且無共同控制權，亦不可對其行使重大影響。

共同控制公司

共同控制公司乃受到共同控制之合營公司，故此並無任何一方單方面擁有其經濟活動之控制權。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Jointly controlled entities (continued)

The Group's share of the post-acquisition results and reserves of jointly controlled entities is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in jointly controlled entities are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. Negative goodwill arising from the acquisition of jointly controlled entities, which was not previously recognised in reserves, is included as part of the Group's interests in jointly controlled entities.

#### Associates

An associate is a company, not being a subsidiary or a jointly controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

#### Goodwill

Goodwill arising on the acquisition of subsidiaries, associates and jointly controlled entities represents the excess of cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

### 3. 主要會計政策概要 (續)

#### 共同控制公司 (續)

本集團所佔共同控制公司之收購後業績及儲備分別計入綜合損益表及綜合儲備。本集團在綜合資產負債表中列帳的於共同控制公司之權益，是採用權益會計法按本集團應佔之資產淨值減除任何減值虧損後計算。因收購共同控制公司所產生而先前並未於儲備中確認的負商譽則計入本集團於共同控制公司之權益。

#### 聯營公司

聯營公司並非附屬公司或共同控制公司，為本集團持有一般不少於20%投票權之長期股本權益，並可對其行使重大影響之公司。

本集團所佔聯營公司之收購後業績及儲備分別計入綜合損益表及綜合儲備。本集團在綜合資產負債表中列帳的聯營公司之權益，是採用權益會計法按本集團應佔之資產淨值減除任何減值虧損後計算。

#### 商譽

收購附屬公司、聯營公司及共同控制公司所產生之商譽，指收購價超逾本集團所收購之可辨別資產及負債於收購當日之公允值之差額。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Goodwill (continued)

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life of not more than 20 years. In the case of associates and jointly controlled entities, any unamortised goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

On disposal of subsidiaries, associates or jointly controlled entities, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate.

The carrying amount of goodwill is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

#### Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries, associates and jointly controlled entities represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition over the cost of the acquisition.

### 3. 主要會計政策概要 (續)

#### 商譽 (續)

收購所產生之商譽於綜合資產負債表確認為資產，並以直線法按不超過20年之估計可使用年期攤銷。倘屬聯營公司及共同控制公司，未攤銷之商譽應計入帳面值，而非於綜合資產負債表內列作個別資產。

出售附屬公司、聯營公司或共同控制公司時，出售盈虧乃經參考出售當日之資產淨值計算，其中包括應佔商譽仍未攤銷之數額及任何相關儲備(如適用)。

商譽之帳面值每年檢討，並在認為有需要時作出減值撥備。先前就商譽已確認之減值虧損不作撥回，除非減值虧損是由特殊性質而預期不會再發生之特別外部事件引致，而其後之外部事件已發生並已還原該事件之影響。

#### 負商譽

收購附屬公司、聯營公司及共同控制公司所產生之負商譽，指本集團所收購之可辨別資產與負債之公允值超逾收購價之差額。



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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Negative goodwill (continued)

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

In the case of associates and jointly controlled entities, any negative goodwill not yet recognised in the consolidated profit and loss account is included in the carrying amount thereof, rather than as a separately identified item on the consolidated balance sheet.

Prior to the adoption of SSAP 30 "Business combinations" in 2001, negative goodwill arising on acquisitions was credited to the capital reserve in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of the SSAP that permitted such negative goodwill to remain credited to the capital reserve. Negative goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 negative goodwill accounting policy above.

### 3. 主要會計政策概要 (續)

#### 負商譽 (續)

倘負商譽與收購計劃當中已確定預期於未來出現之虧損及開支有關，並能可靠地計算時（但並非為於收購當日之可辨別負債），則該等部份的負商譽於未來虧損及開支確認時在綜合損益表確認為收入。

倘負商譽與已確定預期於未來出現之虧損及開支無關，則負商譽會於所收購之可折舊／可攤銷資產餘下之平均可使用年期內，有系統地在綜合損益表中確認。負商譽超逾所收購之非貨幣資產之公允值之部份，會隨即獲確認為收入。

倘屬聯營公司及共同控制公司，尚未於綜合損益表確認之任何負商譽會計入其帳面值，而非於綜合資產負債表分開呈列。

本集團於二零零一年採納會計實務準則第30號「業務合併」前，因收購產生之負商譽乃於收購年度計入資本儲備。於採納會計實務準則第30號時，本集團引用會計實務準則第30號之過渡條款，容許負商譽仍然保留於資本儲備內。於採納此項會計實務準則後因收購而產生之負商譽，乃根據上文會計實務準則第30號負商譽會計政策處理。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Negative goodwill (continued)

On disposal of subsidiaries, associates or jointly controlled entities, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate. Any attributable negative goodwill previously credited to the capital reserve at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

#### Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

#### Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use and its net selling price.

### 3. 主要會計政策概要 (續)

#### 負商譽 (續)

於出售附屬公司、聯營公司或共同控制公司時，出售盈虧乃經參考出售當日之資產淨值計算，其中包括應佔負商譽並未於綜合損益表確認之數額及任何相關儲備(如適用)，任何於收購當日已計入資本儲備之應佔負商譽都被撥回，並計入出售時之盈虧。

#### 關連人士

倘一方能夠直接或間接控制另一方或對其財務及營運決策作出重大影響，則可視為關連人士。倘一方與另一方受共同控制或重大影響，亦可視為關連人士。關連人士可以為個人或公司實體。

#### 資產減值

每逢結算日均作出評估，衡量是否有跡象顯示資產已出現減值，或於以往年度所確認之資產減值虧損不再存在或可能減少。倘出現任何該等跡象，則需要估計資產之可收回數額。資產之可收回數額乃資產使用值與其淨售價兩者中之較高者。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of assets (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

#### Fixed assets and depreciation

Fixed assets, other than construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

### 3. 主要會計政策概要 (續)

#### 資產減值 (續)

減值虧損僅於資產之帳面值高於可收回數額時方可確認。減值虧損於產生期間自損益表扣除，惟若有關資產以重估數額列帳，則根據該重估資產之相關會計政策計算減值虧損。

先前確認之減值虧損僅會於用以釐定資產可收回數額的估計方法有變時方可撥回，惟撥回的金額不可超逾假設過往年度並無就該項資產確認減值虧損而釐定的帳面值（扣除任何折舊／攤銷）。

減值虧損撥回於產生期間計入損益表，惟倘若有關資產以重估數額列帳，則根據該重估資產之相關會計政策計算減值虧損撥回。

#### 固定資產及折舊

固定資產（不包括在建工程）按成本或估值減累計折舊及任何減值虧損入帳。資產之成本包括購買價及將其達致運作狀況及地點作擬定用途之任何直接應計費用。固定資產投產後所涉維修保養等開支，一般於產生期間計入損益表。倘有關開支明顯可提高日後使用有關固定資產之預期經濟收益，則該等開支將撥作固定資產之額外成本。



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fixed assets and depreciation (continued)

Changes in the values of fixed assets are dealt with as movements in the revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the revaluation reserve realised in respect of the previous valuations is transferred to the retained earnings as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each asset over its estimated useful life, after taking into account its estimated residual value. The principal annual rates used for this purpose are as follows:

Leasehold land and buildings	2%
Machinery and equipment	9% – 20%
Furniture and fixtures	18% – 20%
Motor vehicles	18% – 20%
Leasehold improvements	9% – 20%

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant assets.

Construction in progress represents buildings under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of fixed assets when completed and ready for use.

### 3. 主要會計政策概要 (續)

#### 固定資產及折舊 (續)

固定資產之價值變動視作重估儲備變動。倘儲備總額不足以彌補個別資產之重估減值，則不足部份將計入損益表，而其後任何重估增值將計入損益表，但以先前扣除之虧絀為限。出售重估資產時，重估儲備有關過往估值之部份將撥入保留溢利作為儲備變動。

折舊乃扣除資產之估計餘值後，按估計可使用期以直線法撇銷有關成本或估值。所用主要年率如下：

租賃土地及樓宇	2%
機器及設備	9% – 20%
傢俬及裝置	18% – 20%
車輛	18% – 20%
租賃物業裝修	9% – 20%

出售或棄用固定資產計入損益表之盈虧乃出售所得收益淨額與有關資產帳面值之差額。

在建工程指在建樓宇，按成本值減累計減值虧損列帳，且不作折舊。成本包括建築期間之直接建築成本。在建工程於竣工及可供使用時重新歸類為固定資產之相應類別。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Intangible assets

##### *Technology know-how*

Technology know-how was acquired for use in the production of certain high technology electronic components. Expenditure incurred on the acquisition of technology know-how is capitalised and stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on the straight-line basis over the useful life of the technology know-how of three years.

#### Leased assets

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in fixed assets and depreciated over the estimated useful lives of the assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms. Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

### 3. 主要會計政策概要 (續)

#### 無形資產

##### 技術知識

購入技術知識乃用於生產若干高科技電子零件。購入技術知識所招致之開支乃作資本化，並以成本減累計攤銷及任何減值虧損列帳。攤銷乃以直線法於技術知識之三年使用期內計算。

#### 租賃資產

凡將資產擁有權(法定所有權除外)之大部份回報及風險撥歸本集團之租賃均列為融資租賃。融資租賃生效時，租賃資產之成本將按租約之最低應付租金現值撥作成本，並連同租賃責任(不包括利息)入帳，以反映採購與融資。資本融資租賃所持之資產列作固定資產，並按資產之估計可使用年期計算折舊。上述租賃之融資費用自損益表扣除，以於租期作出定期定額扣減。根據租購合約收購屬融資性質之資產列作融資租賃。

資產所有權之大部份回報與風險仍歸於出租人之租賃列作營業租賃。營業租賃之租金按照租期以直線法在損益表扣除。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Long term investments

Long term investments are non-trading investments in listed equity securities intended to be held on a long term basis. They are stated at cost less impairment losses, on an individual investment basis.

#### Short term investments

Short term investments are investments in equity securities held for trading purposes and are stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual investment basis. The gains or losses arising from changes in the fair value of a security are credited or charged to the profit and loss account for the period in which they arise.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

### 3. 主要會計政策概要 (續)

#### 長期投資

長期投資乃指擬長期持有非作買賣用途之上市股份證券。該等投資按成本減減值虧損個別入帳。

#### 短期投資

短期投資乃指持作買賣用途之股份證券，按個別投資在結算日期所報市價之公允值列帳。由證券公允值變動所產生之盈虧需於產生期間計入或自損益表扣除。

#### 存貨

存貨按成本值及可變現淨值兩者中之較低者列帳。成本值按加權平均基準計算，如屬在製品及製成品，其成本值則包括直接物料費用、直接工資及適當比例之間接費用。可變現淨值按估計售價減預期完成及售出所需之任何估計費用計算。

#### 現金及現金等值物

就編撰綜合現金流量表而言，現金及現金等值物包括手頭現金及活期存款以及可兌換為已知數額現金而承受價值變動風險有限且一般於購入後三個月內到期之短期高流通投資，扣除於提出要求後須即時償還之銀行透支，並為本集團現金管理之一部份。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Cash and cash equivalents (continued)

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits which are not restricted as to use.

#### Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

### 3. 主要會計政策概要 (續)

#### 現金及現金等值物 (續)

就資產負債表而言，現金及現金等值物包括手頭現金及銀行結餘，包括用途不受限制之定期存款。

#### 所得稅

所得稅包括即期及遞延稅項。所得稅於損益表內確認，或若與股東權益直接確認之項目（不論同一或不同期間），則在股東權益內確認。

遞延稅項乃採用負債法，對於結算日資產及負債之計稅基準及該等項目之帳面值之一切暫時性差額就財務申報而作出撥備。

遞延稅項負債就一切暫時差額予以確認：

- 惟於一宗交易中首次確認之資產或負債，且於交易時並不影響會計溢利或應課稅溢利或虧損所產生之遞延稅項負債除外；及
- 就與於附屬公司、聯營公司之投資及於合營企業之權益有關之應課稅暫時差額而言，除非撥回暫時差額之時間可以控制及暫時差額可能不會在可見將來撥回。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax assets and unused tax losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

### 3. 主要會計政策概要 (續)

#### 所得稅 (續)

所有可予扣減暫時差額、未動用稅項資產結轉及未動用稅項虧損於可能獲得應課稅溢利作為抵銷，以動用該等可予扣減暫時差額、未動用稅項資產結轉及未動用稅項虧損之情況下，均確認為遞延稅項資產：

- 惟關乎於一宗交易中首次確認之資產或負債，且於交易時並不影響會計溢利或應課稅溢利或虧損所產生之可予扣減暫時差額之遞延稅項資產除外；及
- 就與於附屬公司、聯營公司之投資及於合營企業之權益有關之可予扣減暫時差額，僅於暫時差額可能會在可見將來撥回及將有應課稅溢利作為抵銷，以動用暫時差額之情況下，才確認遞延稅項資產。

遞延稅項資產之帳面值乃於各結算日進行審閱，並予以相應扣減，直至不可能有足夠應課稅溢利以動用全部或部份遞延稅項資產為止。相反，先前未確認之遞延稅項資產乃於可能獲得足夠應課稅溢利以動用全部或部份遞延稅項資產之情況下予以確認。



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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

#### Employee benefits

##### *Employment Ordinance long service payments*

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date.

### 3. 主要會計政策概要 (續)

#### 所得稅 (續)

遞延稅項資產及負債乃根據於結算日已實施或已大致實施之稅率(及稅務法例)，按變現資產或清償負債之期間預期適用之稅率予以估量。

#### 僱員福利

##### *僱傭條例長期服務金*

本集團若干僱員已完成所須為本集團服務之年資，倘終止聘任，可有資格獲得香港僱傭條例所指之長期服務金。倘終止聘用符合僱傭條例所指之情況，本集團須支付有關款項。

本集團已就預期有可能作出之未來長期服務金確認撥備。有關撥備乃根據直至結算日為止，僱員因向本集團提供服務而賺取之長期服務金之最佳估計而作出。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Employee benefits (continued)

##### Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the People's Republic of China (the "PRC") are required to participate in a central pension scheme operated by the local municipal government. These PRC subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the central pension scheme.

### 3. 主要會計政策概要 (續)

#### 僱員福利 (續)

##### 退休福利計劃

根據強制性公積金條例，本集團為所有合資格參加強制性公積金退休福利計劃（「強積金計劃」）之僱員實行定額供款強積金計劃。按照強積金計劃之規章，供款乃按僱員之底薪之一定百分比釐定，並於應付供款時自損益表扣除。強積金計劃之資產與本集團資產分開處理，另由一個獨立運作之基金管理。本集團之僱主供款一旦注入強積金計劃，即悉數歸屬僱員。

本集團在中華人民共和國（「中國」）經營之附屬公司之僱員，須參與地區市政府設立之中央退休金計劃。此等中國附屬公司須按其薪金成本之百分比向中央退休金計劃供款。供款須於根據中央退休金計劃支付時在損益表中支銷。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Employee benefits (continued)

##### Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

#### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit and loss account over the expected useful life of the relevant asset by equal annual instalments.

### 3. 主要會計政策概要 (續)

#### 僱員福利 (續)

##### 購股權計劃

本公司設有一項購股權計劃，作為對本集團經營成果有貢獻之合資格參與者之鼓勵及獎賞。購股權計劃所授購股權之財務影響於購股權獲行使時始記錄於本公司或本集團之資產負債表，因而並無於損益表或資產負債表中扣除有關成本。於購股權獲行使後，本公司將據此而發行之股份按股份之面值入帳列作增加之股本，而每股行使價超出股份面值之差額則撥入本公司之股份溢價帳。行使日期前被註銷或失效之購股權均於未行使購股權登記冊中刪除。

#### 政府補助

倘有合理保證可取得政府補助，並可符合所有附帶條件，則會按有關補助金額之公允值確認政府補助。倘有關補助乃與一項開支項目有關，則補助金額將配合計劃補助之成本，按有系統之基準在可合理獲授有關補助之期間確認為收入。倘若補助是關於一項資產，則公允值會計入遞延收入帳，並就有關資產的預期使用年期每年按等額撥往損益表。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) income from the trading of listed equity investments, on the date when the transaction takes place;
- (c) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (d) dividend income, when the shareholders' right to receive payment has been established.

#### Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

### 3. 主要會計政策概要 (續)

#### 收益確認

收益會於本集團可能獲得有關經濟利益且該等收益又能可靠衡量時按以下基準確認：

- (a) 銷售貨品於擁有權之重大風險及回報轉移至買家時入帳，惟本集團對所售貨品已無涉及一般與擁有權有關之管理權及實際控制權；
- (b) 買賣上市股份證券之收入於交易日予以確認；
- (c) 利息收入就尚未償還本金及實際適用之利率按時間比例確認；及
- (d) 股息於股東收取股息之權利得到確立時確認。

#### 外幣

外幣交易按交易日適用之匯率換算入帳，於結算日以外幣結算之貨幣資產及負債按該日適用之匯率換算。匯兌差額撥入損益表內處理。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies (continued)

On consolidation, the financial statements of overseas subsidiaries, jointly controlled entities and associates are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries, jointly controlled entities and associates are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

### 4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

### 3. 主要會計政策概要 (續)

#### 外幣 (續)

綜合帳目時，海外附屬公司、共同控制公司及聯營公司之財務報表乃利用淨投資法換算為港元。海外附屬公司、共同控制公司及聯營公司之損益帳乃按年內加權平均匯率換算為港元，而其資產負債表乃按結算日之匯率換算為港元。由此產生之換算差額計入匯兌波動儲備。

就綜合現金流量表而言，海外附屬公司之現金流量乃按現金流量日期之匯率換算。年內海外附屬公司產生之經常性現金流量按年內加權平均匯率換算為港元。

### 4. 分類資料

分類資料以兩種方式呈報：(i)業務分類資料作為主要分類資料報告方式；而(ii)地區分類資料則作為次要分類資料報告方式。



4. SEGMENT INFORMATION (continued)

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:

- (a) the electronic components and electrical products segment engages in the manufacturing and trading of electronic components, particularly aluminium electrolytic capacitors, and the trading of electrical products;
- (b) the trading of raw materials segment engages mainly in the trading of aluminium foils; and
- (c) the corporate and others segment comprises the Group's trading of production machinery together with corporate income and expense items.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

4. 分類資料 (續)

本集團經營業務按業務性質與所提供之產品及服務，將業務分類及分開管理。本集團各業務分類代表一個提供產品及服務之策略性業務單位，而各業務分類所承擔之風險及獲取之回報均有別於其他分類業務。業務分類詳情概述如下：

- (a) 電子零件與電子產品分類包括製造及買賣電子零件(特別是鋁電解電容器)及買賣電子產品；
- (b) 買賣原材料分類主要從事買賣鋁箔；及
- (c) 企業及其他分類包括本集團買賣生產機械，以及企業收入及開支項目。

在釐定本集團之地區分類時，分類收益乃按客戶所在地計算，而分類資產則按資產所在地計算。

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### 4. SEGMENT INFORMATION (continued)

#### (a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments.

#### Group

		Electronic components and electrical products 電子零件與電子產品		Trading of raw materials 買賣原材料		Corporate and others 企業及其他		Consolidated 綜合	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Segment revenue:	分類收益：								
Sales to external customers	售予外界客戶	806,385	596,576	64,525	23,577	-	6,300	870,910	626,453
Other revenue	其他收益	2,097	1,238	525	64	-	137	2,622	1,439
Total	總計	<u>808,482</u>	<u>597,814</u>	<u>65,050</u>	<u>23,641</u>	<u>-</u>	<u>6,437</u>	<u>873,532</u>	<u>627,892</u>
Segment results	分類業績	<u>78,509</u>	<u>48,553</u>	<u>2,141</u>	<u>1,632</u>	<u>(630)</u>	<u>(557)</u>	<u>80,020</u>	<u>49,628</u>
Interest and dividend income and unallocated gains	利息及股息收入及未分配之收益							1,169	2,566
Finance costs	財務費用							(7,043)	(5,364)
Share of profits and losses of jointly controlled entities	應佔共同控制公司之溢利及虧損	(4,237)	(4,413)	-	-	-	-	(4,237)	(4,413)
Profit before tax	除稅前溢利							69,909	42,417
Tax	稅項							(7,771)	(5,293)
Profit before minority interests	未計少數股東權益之溢利							62,138	37,124
Minority interests	少數股東權益							(189)	(71)
Net profit from ordinary activities attributable to shareholders	股東應佔日常業務溢利淨額							<u>61,949</u>	<u>37,053</u>

### 4. 分類資料 (續)

#### (a) 業務分類

下表呈列本集團按業務分類之收益、溢利/(虧損)及若干資產、負債及開支資料。

#### 本集團

### 4. SEGMENT INFORMATION (continued)

### 4. 分類資料 (續)

#### (a) Business segments (continued)

#### (a) 業務分類 (續)

Group		本集團							
		Electronic components and electrical products 電子零件與電子產品		Trading of raw materials 買賣原材料		Corporate and others 企業及其他		Consolidated 綜合	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment assets	分類資產	728,478	609,054	971	4,918	7,319	9,200	736,768	623,172
Interests in jointly controlled entities	於共同控制公司之權益	3,310	2,309	-	-	-	-	3,310	2,309
Unallocated assets	未分配資產							17,464	15,950
Total assets	資產總值							757,542	641,431
Segment liabilities	分類負債	148,285	140,071	33,421	23,551	19,925	21,409	201,631	185,031
Unallocated liabilities	未分配負債							230,386	187,330
Total liabilities	負債總值							432,017	372,361
Other segment information:	其他分類資料:								
Depreciation	折舊	34,872	25,892	-	-	21	14	34,893	25,906
Amortisation	攤銷	447	425	-	-	-	-	447	425
Provision for long service payments	長期服務金撥備	-	2,984	-	-	-	-	-	2,984
Negative goodwill recognised as income	已確認為收入之負商譽	276	276	-	-	-	-	276	276
Surplus on revaluation recognised directly in equity	直接於股東權益確認之重估增值	3,182	85	-	-	-	-	3,182	85
Capital expenditure	資本開支	79,486	96,216	-	-	-	-	79,486	96,216

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### 4. SEGMENT INFORMATION (continued)

### 4. 分類資料 (續)

#### (b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments.

#### (b) 地區分類

下表呈列本集團按地區分類有關於收益及若干資產及開支資料。

Group		本集團											
		Hong Kong 香港		Mainland China 中國內地		Taiwan 台灣		Southeast Asia 東南亞		Other countries 其他國家		Consolidated 綜合	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue:	分類收益:												
Sales to external customers	售予外界客戶	135,127	127,911	216,621	140,264	342,741	223,893	108,430	93,800	67,991	40,585	870,910	626,453
Other segment information:	其他分類資料:												
Segment assets	分類資產	117,660	116,063	535,740	412,133	55,048	66,535	21,439	21,773	6,881	6,668	736,768	623,172
Interests in jointly controlled entities	於共同控制公司之權益	-	-	3,310	2,309	-	-	-	-	-	-	3,310	2,309
Unallocated assets	未分配資產											17,464	15,950
												757,542	641,431
Capital expenditure	資本開支	3,094	506	76,392	95,679	-	-	-	-	-	31	79,486	96,216

### 5. TURNOVER

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

Revenue from the following activities has been included in turnover:

### 5. 營業額

營業額乃指售出貨品之銷貨發票淨值減退貨及折扣。

以下業務之收益已計入營業額：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Manufacture and trading of electronic components and trading of electrical products	製造及買賣 電子零件與 買賣電子產品	<b>806,385</b>	596,576
Trading of raw materials	買賣原材料	<b>64,525</b>	23,577
Trading of production machineries	買賣生產機械	-	6,300
		<b>870,910</b>	<b>626,453</b>



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### 6. PROFIT FROM OPERATING ACTIVITIES 6. 經營溢利

The Group's profit from operating activities is arrived at after charging/(crediting):

本集團之經營溢利已扣除／(計入)下列各項：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Auditors' remuneration	核數師酬金	818	700
Amortisation of intangible assets*	無形資產攤銷*	326	323
Amortisation of goodwill**	商譽攤銷**	121	102
Depreciation	折舊	34,893	25,906
Exchange losses, net	匯兌虧損淨額	2,098	4,920
Loss on disposal of fixed assets	出售固定資產虧損	20	3,115
Minimum lease payments under operating leases for land and buildings	土地及樓宇的經營租賃最低租金	10,902	9,051
Provision for bad and doubtful debts	呆壞帳撥備	2,045	2,787
Provision for prepayments and other receivables	預付款項及其他應收帳款撥備	-	279
Provision for slow-moving inventories	滯銷存貨撥備	-	5,216
Staff costs (including directors' remuneration (note 8)):	僱員成本(包括董事酬金(附註8)):		
Wages and salaries	工資及薪酬	79,647	60,312
Pension scheme contributions	退休計劃供款	2,206	1,758
Provision/(write-back of provision) for long service payments (note 27)	長期服務金撥備／(回撥)(附註27)	(475)	2,984
Interest income	利息收入	(189)	(105)
Negative goodwill recognised as income***	已確認為收入之負商譽***	(276)	(276)
Gain on disposal of long term investments	出售長期投資之收益	(736)	(2,461)
Dividend income from listed investments	上市投資之股息收入	(244)	-

\* The amortisation of intangible assets for the year is included in "Cost of sales" on the face of the profit and loss account.

\* 年內無形資產攤銷計入損益表中「銷售成本」內。

\*\* The amortisation of goodwill for the year is included in "Other operating expenses" on the face of the profit and loss account.

\*\* 年內商譽攤銷計入損益表中「其他經營費用」內。

\*\*\* The negative goodwill recognised as income for the year is included in "Other revenue and gains" on the face of the profit and loss account.

\*\*\* 年內已確認為收入之負商譽已計入損益表中「其他收益及盈利」內。

### 7. FINANCE COSTS

### 7. 財務費用

Group	本集團	2004	2003
		二零零四年 HK\$'000 千港元	二零零三年 HK\$'000 千港元
Interest expenses on bank loans	銀行貸款之利息	6,437	4,377
Interest on finance leases	融資租賃利息	606	987
		<b>7,043</b>	<b>5,364</b>

### 8. DIRECTORS' REMUNERATION

### 8. 董事酬金

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Section 161 of the Companies Ordinance, is as follows:

根據香港聯合交易所有限公司證券上市規則及公司條例第161條披露之本年度董事酬金如下：

		2004	2003
		二零零四年 HK\$'000 千港元	二零零三年 HK\$'000 千港元
Fees:	袍金：		
Executive directors	執行董事	—	—
Independent non-executive directors	獨立非執行董事	444	392
		<b>444</b>	<b>392</b>
Other emoluments:	其他酬金：		
Salaries and allowances	薪金及津貼		
Executive directors	執行董事	4,202	3,528
Independent non-executive directors	獨立非執行董事	—	—
Pension scheme contributions	退休計劃供款		
Executive directors	執行董事	24	24
Independent non-executive directors	獨立非執行董事	—	—
Discretionary bonuses	酌情花紅		
Executive directors	執行董事	3,035	52
Independent non-executive directors	獨立非執行董事	—	—
		<b>7,705</b>	<b>3,996</b>

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### 8. DIRECTORS' REMUNERATION (continued)

The number of directors whose remuneration fell within the following bands is as follows:

		Number of directors 董事人數			
		2004 二零零四年	2003 二零零三年		
Nil	– HK\$1,000,000	零	– 1,000,000港元	3	3
HK\$1,000,001	– HK\$1,500,000	1,000,001港元	– 1,500,000港元	1	–
HK\$2,500,001	– HK\$3,000,000	2,500,001港元	– 3,000,000港元	–	1
HK\$6,000,001	– HK\$6,500,000	6,000,001港元	– 6,500,000港元	1	–
		<b>5</b>		<b>4</b>	

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

酬金屬以下組別之董事人數：

年內概無任何有關董事放棄或同意放棄任何酬金之安排。

### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2003: two) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three (2003: three) non-director, highest paid employees for the year are as follows:

### 9. 五位最高薪酬僱員

年內五位最高薪酬僱員包括兩位(二零零三年：兩位)董事，有關彼等酬金之詳情載於上文附註8內。年內其餘三位(二零零三年：三位)最高薪酬非董事僱員酬金之詳情如下：

		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Salaries and allowances	薪金及津貼	3,068	2,761
Bonuses	花紅	784	605
Pension scheme contributions	退休計劃供款	36	36
		<b>3,888</b>	<b>3,402</b>



### 9. FIVE HIGHEST PAID EMPLOYEES (continued)

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

### 9. 五位最高薪酬僱員 (續)

最高薪酬非董事僱員在下列酬金組別之人數如下：

		Number of employees 僱員人數			
		2004 二零零四年	2003 二零零三年		
Nil	– HK\$1,000,000	零	– 1,000,000港元	1	1
HK\$1,000,001	– HK\$1,500,000	1,000,001港元	– 1,500,000港元	1	2
HK\$1,500,001	– HK\$2,000,000	1,500,001港元	– 2,000,000港元	1	–
		<b>3</b>		<b>3</b>	

### 10. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

In accordance with the relevant tax rules and regulations in Mainland China, certain of the Company's subsidiaries in Mainland China enjoy tax exemptions and reductions. Certain subsidiaries in Mainland China are subject to income taxes at applicable rates ranging from 12% to 27%.

### 10. 稅項

香港利得稅乃按年內於香港賺取之估計應課稅溢利按稅率17.5% (二零零三年：17.5%)撥備。其他地區之應課稅乃按本集團經營所在國家地區之適用稅率，根據其現行法規、詮釋及慣例計算。

根據中國內地相關稅務法律及法規，本公司若干位於中國內地之附屬公司可享稅務寬免或減免。若干位於中國內地之附屬公司須按12%至27%不等之稅率繳稅。

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### 10. TAX (continued)

### 10. 稅項 (續)

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Group:	本集團：		
Current – Hong Kong	即期 – 香港		
Charge for the year	本年度稅項支出	4,419	–
Current – Mainland China	即期 – 中國內地		
Charge for the year	本年度稅項支出	4,956	6,793
Over-provision in prior years	過往年度超額撥備	–	(1,049)
Deferred (note 28)	遞延 (附註28)	(1,604)	(451)
Total tax charge for the year	年內總稅項支出	<u>7,771</u>	<u>5,293</u>

A reconciliation of the tax expense applicable to profit/(loss) before tax using the applicable tax rates for the countries in which the Company and its subsidiaries and jointly controlled entities are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable tax rates to the effective tax rates are as follows:

使用本公司及其附屬公司以及共同控制公司經營所在國家之適用稅率計算之除稅前溢利／(虧損)之適用稅項開支，與按實際稅率計算之稅項開支之對帳，以及適用稅率與實際稅率之對帳如下：

#### Group – 2004

#### 本集團 – 二零零四年

		Hong Kong 香港		Mainland China 中國內地		Others 其他地區		Total 總計	
		HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
		千港元	%	千港元	%	千港元	%	千港元	%
Profit/(loss) before tax	除稅前溢利／(虧損)	28,749		42,406		(1,246)		69,909	
Tax at the applicable tax rates	按適用稅率計算之稅項	5,031	17.5	3,132	7.4	(187)	15.0	7,976	11.4
Income not subject to tax	毋須課稅收入	(289)		(112)		–		(401)	
Expenses not deductible for tax	不可扣稅支出	652		319		–		971	
Tax losses utilised from previous periods	動用往期稅項虧損	(1,056)		–		–		(1,056)	
Tax losses not recognised	未確認稅項虧損	88		6		187		281	
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	<u>4,426</u>	<u>15.4</u>	<u>3,345</u>	<u>7.9</u>	<u>–</u>	<u>–</u>	<u>7,771</u>	<u>11.1</u>



### 10. TAX (continued)

### 10. 稅項 (續)

Group – 2003

本集團 – 二零零三年

		Hong Kong		Mainland China		Others		Total	
		香港		中國內地		其他地區		總計	
		HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
		千港元	%	千港元	%	千港元	%	千港元	%
Profit/(loss) before tax	除稅前溢利/(虧損)	3,503		39,336		(422)		42,417	
Tax at the applicable tax rate	按適用稅率計算之稅項	613	17.5	4,776	12.1	(63)	15.0	5,326	12.6
Effect on opening deferred tax of increase in rates	稅率增加對年初遞延稅項之影響	23		-		-		23	
Adjustments in respect of current tax of previous periods	就往期對即期稅項之調整	-		(1,049)		-		(1,049)	
Expenses not deductible for tax	不可扣稅支出	146		649		-		795	
Tax losses utilised from previous periods	動用往期稅項虧損	-		(150)		-		(150)	
Tax losses not recognised	未確認稅項虧損	52		233		63		348	
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	834	23.8	4,459	11.3	-	-	5,293	12.5

### 11. NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

### 11. 股東應佔日常業務溢利/(虧損)淨額

The net loss from ordinary activities attributable to shareholders for the year ended 31 December 2004 dealt with in the financial statements of the Company was HK\$1,880,000 (2003: net profit of HK\$194,000).

本公司財務報表中已處理截至二零零四年十二月三十一日止年度之股東應佔日常業務虧損淨額1,880,000港元(二零零三年:溢利淨額194,000港元)。

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### 12. DIVIDENDS

No interim dividends were declared or paid during the year (2003: Nil). The directors recommend the payment of a final dividend of HK2 cents per share, totalling HK\$7,457,000 (2003: Nil).

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

### 13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the year of HK\$61,949,000 (2003: HK\$37,053,000), and the weighted average of 369,264,000 (2003: 373,440,000) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the net profit attributable to shareholders for the year of HK\$61,949,000. The weighted average number of ordinary shares used in the calculation is the 369,264,000 ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average of 161,000 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all warrants outstanding during the year. The Company's share options did not have a dilutive effect during the year.

No diluted earnings per share amount for the year ended 31 December 2003 has been shown as the Company's share options did not have a dilutive effect for that year.

### 12. 股息

年內概無宣派或支付中期股息(二零零三年：無)，而董事會建議派發每股2港仙之末期股息，共計7,457,000港元(二零零三年：無)。

建議中之本年度末期股息須待本公司股東於應屆股東週年大會上批准方會作實。

### 13. 每股盈利

本年度每股基本盈利乃根據年內股東應佔溢利淨額61,949,000港元(二零零三年：37,053,000港元)及年內已發行普通股之加權平均數369,264,000股(二零零三年：373,440,000股)計算。

每股攤薄盈利乃根據本年度股東應佔溢利淨額61,949,000港元計算。在是項計算中所採用之普通股加權平均數乃年內已發行369,264,000股普通股(與用於計算每股基本盈利相同)，並加上假設於年內所有購股權被視為獲行使並被視為以無償方式發行之普通股加權平均數161,000股普通股。年內本公司之購股權並無攤薄影響。

由於二零零三年內本公司之購股權並無攤薄影響，故並無呈列截至二零零三年十二月三十一日止年度之每股攤薄盈利。