

Notes To the Financial Statements 財務報表附註

For the Year ended 31 December 2005 截至二零零五年十二月三十一日止年度

1. GENERAL

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

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

The principal activities of the Group are the manufacture of laminates, copper foil, glass fabric, glass yarn, bleached kraft paper, printed circuit boards ("PCBs"), chemicals, liquid crystal displays ("LCDs") and magnetic products.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations ("INTS") (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. In particular, the presentation of minority interests and share of tax of jointly controlled entities have been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current and prior accounting periods are prepared and presented.

1. 一般資料

本公司在開曼群島註冊成立為受豁免有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處之地址及主要營業地點於本年報「公司資料」中披露。

綜合財務報表以本公司之功能貨幣港元呈報。

本集團主要從事覆銅面板、銅箔、玻璃纖維布、玻璃紗、漂白木漿紙、印刷線路板（「印刷線路板」）、化工產品、液晶體顯示屏（「液晶體顯示屏」）及磁電產品製造業務。

2. 應用香港財務申報準則

於本年度，本集團首次應用多項由香港會計師公會（「香港會計師公會」）頒布而於二零零五年一月一日或之後開始之會計期間生效的新香港財務申報準則（「香港財務申報準則」）、香港會計準則（「香港會計準則」）及詮釋（以下統稱「新香港財務申報準則」）。應用新香港財務申報準則導致綜合收益表、綜合資產負債表及綜合權益變動表之呈報方式有變，特別是少數股東權益及應佔共同控制實體稅項之呈報方式。有關呈報方式變動已追溯應用。採納新香港財務申報準則導致對本集團以下範疇之會計政策有變，影響目前及過往會計期間業績編製及呈報方式。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Business combinations

In the current year, the Group has applied HKFRS 3 Business Combinations which is effective for business combinations for which the agreement date is on or after 1 January 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Goodwill

In previous years, goodwill arising on acquisitions prior to 1 January 2001 was held in reserves, and goodwill arising on acquisitions after 1 January 2001 was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. Goodwill previously recognised in reserves of HK\$791,000 as at 1 January 2005 continues to be held in reserves and will be transferred to the retained earnings of the Group at the time when the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired. With respect to goodwill previously capitalised on the balance sheet, the Group on 1 January 2005 eliminated the carrying amount of the related accumulated amortisation of HK\$56,275,000 with a corresponding decrease in the cost of goodwill (see Notes 19 and 24). The Group has discontinued amortising such goodwill from 1 January 2005 onwards and such goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after 1 January 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current year. Comparative figures for 2004 have not been restated (see Note 2A for the financial impact).

2. 應用香港財務申報準則 (續)

業務合併

於本期間，本集團應用香港財務申報準則第3號「業務合併」，該準則適用於協議日期為二零零五年一月一日或之後的業務合併。應用香港財務申報準則第3號對本集團的主要影響概述如下：

商譽

於過往年度，二零零一年一月一日前收購所產生的商譽計入儲備，而於二零零一年一月一日或之後收購產生的商譽則撥充資本及按其估計可使用年期攤銷。本集團已應用香港財務申報準則第3號有關過渡條文。先前於儲備所確認於二零零五年一月一日為數791,000港元之商譽繼續於儲備列賬，並將於與該項商譽相關之業務售出或與該項商譽相關之現金產生單位出現減值時，轉撥至本集團保留盈利。就早前於資產負債表撥充資本的商譽而言，本集團已於二零零五年一月一日撤銷有關累計攤銷賬面值56,275,000港元，而商譽成本則相應減少（見附註19及24）。本集團已自二零零五年一月一日起終止攤銷商譽，有關商譽將最少每年檢測有否出現減值。二零零五年一月一日後的收購所產生的商譽經初步確認後按成本減累積減值虧損（如有）計算。由於是項會計政策變動，本年度並無扣除任何商譽攤銷。於二零零四年的比較數字並無重列（財務影響見附註2A）。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Business combinations (continued)

Goodwill (continued)

In the current year, the Group has also applied HKAS 21 The Effects of Changes in Foreign Exchange Rates which requires goodwill to be treated as assets and liabilities of the foreign operation and translated at closing rate at each balance sheet date. Previously, goodwill arising on acquisitions of foreign operations was reported at the historical rate at each balance sheet date. In accordance with the relevant transitional provisions in HKAS 21, goodwill arising on acquisitions prior to 1 January 2005 is treated as a non-monetary foreign currency item. Therefore, no prior period adjustment has been made.

Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous periods, negative goodwill arising on acquisitions after 1 January 2001 was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted. The Group has no negative goodwill carried on the consolidated balance sheet on 1 January 2005. The adoption of the standard has had no impact to the Group.

2. 應用香港財務申報準則 (續)

業務合併 (續)

商譽 (續)

於本年度，本集團亦應用香港會計準則第21號「匯率變動之影響」，該準則規定商譽按海外業務資產及負債處理，並按各結算日收市匯率換算；而於過往，收購海外業務產生之商譽，於結算日按歷史匯率呈報。根據香港會計準則第21號之有關過渡條文，二零零五年一月一日前的收購所產生商譽按非貨幣外幣項目處理，因此毋須作出前期調整。

本集團於被收購方可予識別資產、負債及或然負債公平淨值權益超出成本之差額（過往稱為「負商譽」）

根據香港財務申報準則第3號，本集團於被收購方可予識別資產、負債及或然負債公平淨值權益超出收購成本之差額，於收購進行之期間即時按損益確認。於過往期間，於二零零一年一月一日後因收購產生之負商譽呈列為自資產扣除，並按導致該結餘之情況分析於收入撥回。本集團於二零零五年一月一日之綜合資產負債表並無結轉負商譽。採納準則對本集團並無影響。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Share-based payments

In the current year, the Group has applied HKFRS 2 Share-based Payment which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares (“equity-settled transactions”), or in exchange for other assets equivalent in value to a given number of shares or rights over shares (“cash-settled transactions”). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of directors’ and employees’ share options of the Company and its subsidiaries, determined at the date of grant of the share options, over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. The Group has applied HKFRS 2 to share options granted on or after 1 January 2005. In relation to share options granted before 1 January 2005, the Group has not applied HKFRS 2 to share options granted on or before 7 November 2002 and share options granted after 7 November 2002 and had vested before 1 January 2005 in accordance with the relevant transitional provisions.

The adoption of HKFRS 2 has an impact on the results of the Group for the accounting period beginning on 1 January 2005. In relation to the expensing of the fair value of directors’ and employees’ share options of Elec & Eltek International Company Limited (“EEIC”), a public company whose shares are listed on the Singapore Exchange Securities Trading Limited and a 70.19% owned subsidiary of the Company, granted under The Elec & Eltek Employees’ Share Option Scheme (the “EEIC Scheme”), an amount of approximately HK\$3,047,000 representing the estimated fair value of the share options granted under the EEIC Scheme and accepted by its eligible employees on 24 June 2005 and 29 September 2005, was charged to the consolidated income statement during the year, with a corresponding credit to the share option reserve.

2. 應用香港財務申報準則 (續)

以股份形式付款

於本年度，本集團應用香港財務申報準則第2號「以股份形式付款」，該準則規定倘本集團以股份或股份權利換取購貨或取得服務（「以股權結算之交易」），或以相當於指定數目股份或股份權利的其他等值資產換取購貨或取得服務（「以現金結算之交易」），則須確認開支。香港財務申報準則第2號對本集團的主要影響與本公司及其附屬公司董事及僱員優先購股權按優先購股權授出日期釐定的公平價值於歸屬期間支銷相關。應用香港財務申報準則第2號前，本集團於優先購股權獲行使前不會確認有關財務影響。本集團已就二零零五年一月一日或之後授出之優先購股權應用香港財務申報準則第2號。就於二零零五年一月一日前授出之優先購股權而言，本集團並無根據有關過渡條文向於二零零二年十一月七日或之前授出之優先購股權及於二零零二年十一月七日後授出並已於二零零五年一月一日前歸屬之優先購股權應用香港財務申報準則第2號。

採納香港財務申報準則第2號影響本集團於二零零五年一月一日開始之會計期間的業績。就支銷依利安達集團有限公司（「EEIC」，於新加坡證券交易所有限公司上市之公司，並為本公司擁有70.19%權益之附屬公司）根據依利安達僱員優先購股權計劃（「EEIC計劃」）所授出董事及僱員優先購股權之公平價值，一筆約3,047,000港元之款項（相當於根據EEIC計劃授出並於二零零五年六月二十四日及二零零五年九月二十九日獲合資格的員工接受的優先購股權之估計公平價值），已於年內自綜合收益表扣除並相應計入優先購股權儲備。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

Financial instruments

In the current year, the Group has applied HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement. HKAS 32 requires retrospective application. The application of HKAS 32 has had no material effect on the presentation of financial instruments in the consolidated financial statements of the Group. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 39 are summarised below.

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to the classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

2. 應用香港財務申報準則 (續)

金融工具

於本年度，本集團應用香港會計準則第32號「金融工具」：披露及呈報以及香港會計準則第39號「金融工具：確認及計算」。香港會計準則第32號規定追溯應用。應用香港會計準則第32號並無對本集團綜合財務報表內金融工具之呈列方式造成重大影響。香港會計準則第39號於二零零五年一月一日或之後開始的年度期間生效，一般不會按追溯基準確認、解除確認或計算財務資產及負債。採納香港會計準則第39號產生的主要影響概述如下。

財務資產及財務負債分類及計算

本集團已就屬香港會計準則第39號範圍內財務資產及財務負債之分類及計算方式，應用香港會計準則第39號相關過渡條文。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Financial instruments (continued)

Classification and measurement of financial assets and financial liabilities (continued)

By 31 December 2004, the Group classified and measured its debt and equity securities in accordance with the benchmark treatment of Statement of Standard Accounting Practice 24 (“SSAP 24”). Under SSAP 24, investments in debt or equity securities are classified as “investment securities”, “other investments” or “held-to-maturity investments” as appropriate. “Investment securities” are carried at cost less impairment losses (if any) while “other investments” are measured at fair value, with unrealised gains or losses included in profit or loss. Held-to-maturity investments are carried at amortised cost less impairment losses (if any). From 1 January 2005 onwards, the Group has classified and measured its debt and equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables”, or “held-to-maturity financial assets”. “Financial assets at fair value through profit or loss” and “available-for-sale financial assets” are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. Available-for-sale equity investments that do not have quoted market prices in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost less impairment after initial recognition. “Loans and receivables” and “held-to-maturity financial assets” are measured at amortised cost using the effective interest method after initial recognition.

On 1 January 2005, the Group classified and measured its debt and equity securities in accordance with the transitional provisions of HKAS 39. An adjustment of HK\$41,465,000 to the previous carrying amounts of assets at 1 January 2005 has been made to the Group’s investment revaluation reserve.

2. 應用香港財務申報準則 (續)

金融工具 (續)

財務資產及財務負債分類及計算 (續)

二零零四年十二月三十一日前，本集團根據會計實務準則第24號（「會計實務準則第24號」）之基準處理方法，分類及計算其債務及股本證券。根據會計實務準則第24號，債務或股本證券之投資分類為「證券投資」、「其他投資」或「持至到期投資」（以適用者為準）。「證券投資」按成本扣除減值虧損（如有）列賬，而「其他投資」則按公平價值計算，未兌現收益或虧損計入溢利或虧損。「持至到期投資」按攤銷成本扣除減值虧損（如有）列賬。自二零零五年一月一日起，本集團根據香港會計準則第39號分類及計算其債務及股本證券。根據香港會計準則第39號，財務資產分類為「按公平價值計入損益表之財務資產」、「可供出售財務資產」、「貸款及應收款項」或「持至到期財務資產」。「按公平價值計入損益表之財務資產」及「可供出售財務資產」按公平價值列賬，而公平價值之變動分別於溢利或虧損及權益中確認。並無於活躍市場報價且公平價值未能可靠計算之可供出售股本投資及與無報價股本工具掛鈎且須以交付該等無報價股本工具結算之衍生工具，於初步確認後，按成本扣除減值列賬。「貸款及應收款項」及「持至到期財務資產」以實際權益法按攤銷成本計算。

於二零零五年一月一日，本集團根據香港會計準則第39號之過渡條文分類及計算其債務及股本證券。本集團已於其投資重估儲備內就早前於二零零五年一月一日之資產的賬面值作出41,465,000港元之調整。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Financial instruments (continued)

Financial assets and financial liabilities other than debt and equity securities

From 1 January 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables” or “held-to-maturity financial assets”. Financial liabilities are generally classified as “financial liabilities at fair value through profit or loss” or “other financial liabilities”. Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition. This change has had no material effect on the results for the current year.

Derivatives and hedging

From 1 January 2005 onwards, all derivatives that are within the scope of HKAS 39 are required to be carried at fair value at each balance sheet date regardless of whether they are deemed as held for trading or designated as effective hedging instruments. Under HKAS 39, derivatives (including embedded derivatives separately accounted for from the non-derivative host contracts) are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments. The corresponding adjustments on changes in fair values would depend on whether the derivatives are designated as effective hedging instruments and if so, the nature of the item being hedged. For derivatives that are deemed as held for trading, changes in fair values of such derivatives are recognised in profit or loss for the period in which they arise.

2. 應用香港財務申報準則 (續)

金融工具 (續)

債務及股本證券以外之財務資產及財務負債

自二零零五年一月一日起，本集團根據香港會計準則第39號之規定分類及計算債務及股本證券以外之財務資產及財務負債（早前屬會計實務準則第24號範圍以外）。如上文所述，香港會計準則第39號範圍內財務資產分類為「按公平價值計入損益表之財務資產」、「可供出售財務資產」、「貸款及應收款項」或「持至到期財務資產」。財務負債一般分類為「按公平價值計入損益表之財務負債」或「其他財務負債」。按公平價值計入損益表之財務負債按公平價值計算，公平價值之變動會於溢利或虧損中直接確認。其他財務負債於初步確認後，以實際權益法按攤銷成本列值。是項變動對本年度業績並無重大影響。

衍生工具及對沖

自二零零五年一月一日起，香港會計準則第39號範圍內所有衍生工具均須按於各結算日之公平價值列賬，而不論是否被視為持作買賣用途或被指定為有效對沖工具。根據香港會計準則第39號，衍生工具（包括與主合同分開入賬之附帶衍生工具）均被視為持作買賣之財務資產或財務負債，除非有關衍生工具合資格且被指定為有效對沖工具則作別論。公平價值變動之相應調整視乎是否指定為有效對沖工具而定，如屬指定為有效對沖工具，則視乎所對沖項目之性質而定。就視為持作買賣之衍生工具而言，該等衍生工具公平價值之變動會於產生期間之溢利或虧損中確認。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Financial instruments (continued)

Derivatives and hedging (continued)

There are three types of hedge relationships under HKAS 39, including fair value hedges, cash flow hedges and net investment hedges. The Group uses derivative financial instruments (interest rate swaps) to hedge its exposure against interest rate risk. Such derivatives are measured at fair value regardless of whether they are designated as effective hedging instruments. For cash flow hedges, changes in the fair value of the effective portion of hedging instruments are recognised initially in equity and 'recycled' into the consolidated income statement when the hedged items affect profit or loss. Changes in the fair value of the ineffective portion of hedging instruments are recognised directly in profit or loss.

The Group has applied the relevant transitional provisions in HKAS 39. For derivatives that do not meet the requirements of hedge accounting in accordance with HKAS 39, the Group has, from 1 January 2005 onwards, deemed such derivatives as held for trading. For hedges that meet the requirements of hedge accounting set out in HKAS 39, the Group has, from 1 January 2005 onwards, applied hedge accounting in accordance with HKAS 39 to account for such hedges. For derivatives that are designated as cash flow hedging instruments, on 1 January 2005, the Group recognised the fair value on that date, amounting to HK\$89,795,000, in the Group's hedging reserve (see Note 2A for the financial impact).

2. 應用香港財務申報準則 (續)

金融工具 (續)

衍生工具及對沖 (續)

香港會計準則第39號羅列三種對沖關係，包括公平價值對沖、現金流量對沖及投資淨額對沖。本集團運用被衍生金融工具（利率掉期）對沖利率風險。該等衍生工具按公平價值計算而不論是否指定為有效對沖工具。現金流量對沖方面，對沖工具生效部分公平價值之變動，初步於權益確認，於對沖項目影響溢利或虧損時，「重撥」綜合收益表。對沖工具非有效部分公平價值之變動直接於溢利或虧損中確認。

本集團已應用香港會計準則第39號有關過渡條文。本集團自二零零五年一月一日起，按持作買賣衍生工具處理，根據香港會計準則第39號不符合對沖會計方法規定之衍生工具。本集團自二零零五年一月一日起，根據香港會計準則第39號，就符合香港會計準則第39號所載對沖會計方法規定之對沖工具，應用對沖會計方法。於二零零五年一月一日就指定為現金流量對沖之衍生工具，本集團於對沖儲備確認當天之公平價值89,795,000港元（財務影響見附註2A）。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Financial instruments (continued)

Derecognition

HKAS 39 provides more rigorous criteria for the derecognition of financial assets than the criteria applied in previous periods. Under HKAS 39, a financial asset is derecognised, when and only when, either the contractual rights to the asset's cash flows expire, or the asset is transferred and the transfer qualifies for derecognition in accordance with HKAS 39. The decision as to whether a transfer qualifies for derecognition is made by applying a combination of risks and rewards and control tests. The Group has applied the relevant transitional provisions and applied the revised accounting policy prospectively to transfers of financial assets from 1 January 2005 onwards. This change has had no material effect on the results for the current year.

Owner-occupied leasehold interest in land

In previous years, owner-occupied leasehold land and buildings were included in other properties, plant and equipment and measured using the cost model. In the current year, the Group has applied HKAS 17 Leases. Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and are released to the consolidated income statement on a straight-line basis over the lease term. This change in accounting policy has been applied retrospectively. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as other properties, plant and equipment. This has no material effect on the owner-occupied leasehold interest in land at 1 January 2005 and thus no adjustment has been made to the Group's retained profits.

2. 應用香港財務申報準則 (續)

金融工具 (續)

解除確認

香港會計準則第39號就財務資產解除確認訂明較過往期間應用標準嚴格的標準。根據香港會計準則第39號，財務資產於資產的現金流量合約權利屆滿或資產轉讓而轉讓符合香港會計準則第39號解除確認資格時始解除確認，而決定轉讓是否符合解除確認資格乃按多項風險及回報與監控測試方式作出。本集團已應用有關過渡條文，並就二零零五年一月一日後之財務資產轉讓應用經修訂會計政策。此項變動對本年度業績並無重大影響。

業主自用租賃土地權益

於過往年度，業主自用租賃土地及樓宇計入其他物業、廠房及設備，以成本模式計算。於本年度，本集團應用香港會計準則第17號「租賃」。根據香港會計準則第17號，土地及樓宇租賃之土地及樓宇部分就租賃分類獨立考慮，除非租賃付款未能於土地及樓宇部分可靠分配，則整份租賃一般視為融資租賃。倘能於土地及樓宇部分間可靠分配租賃款項，則於土地之租賃權益重新分類為經營租約項下預付租賃款項，按成本列賬，於租賃期間按直線法撥入綜合收益表。此項會計政策變動已追溯應用。倘未能於土地及樓宇部分間可靠分配，土地之租賃權益亦可選擇繼續按其他物業、廠房及設備入賬。此舉對業主於二零零五年一月一日之自用租賃土地權益並無重大影響，故並無就本集團保留盈利作出任何調整。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Investment properties

In the current year, the Group has, for the first time, applied HKAS 40 Investment Property. The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in profit or loss for the year in which they arise. In previous years, investment properties under the predecessor Standard were measured at open market values, with revaluation surplus or deficits credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the consolidated income statement. Where a decrease had previously been charged to the consolidated income statement and a revaluation surplus subsequently arose, that increase was credited to the consolidated income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elected to apply HKAS 40 from 1 January 2005 onwards. This has no material effect on the investment properties at 1 January 2005 and thus no adjustment has been made to the Group's retained profits.

Deferred taxes related to investment properties

In previous years, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the predecessor Interpretation. In the current year, the Group has applied HK(SIC) Interpretation 21 Income Taxes – Recovery of Revalued Non-Depreciable Assets which removes the presumption that the carrying amount of investment properties is to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflect the tax consequences that would follow from the manner in which the Group expects to recover the properties at each balance sheet date. This has no material effect on the investment properties at 1 January 2005 and thus no adjustment has been made to the Group's retained profits.

2. 應用香港財務申報準則 (續)

投資物業

於本年度，本集團首次採納香港會計準則第40號「投資物業」。本集團已選擇按公平價值模式就其投資物業入賬，規定投資物業公平價值之變動所產生收益或虧損直接於產生年度之溢利或虧損中確認。於過往年度，根據舊有準則，投資物業按公開市值計算，重估盈餘或虧絀則於投資物業重估儲備計入或扣除，惟該儲備結餘不足以抵償重估減值則另作別論，在此情況下，重估減值超出投資物業重估儲備結餘之差額會於綜合收益表扣除。倘之前已於綜合收益表扣除減值，而重估後價值有所增加，則於綜合收益表計入增幅，惟以先前扣除數額為限。本集團已應用香港會計準則第40號之相關過渡條文，並選擇自二零零五年一月一日起應用香港會計準則第40號。此舉對於二零零五年一月一日之投資物業並無重大影響，故毋須調整本集團之保留溢利。

有關投資物業之遞延稅項

於過往年度，有關重估投資物業之遞延稅項後果，按透過銷售收回物業賬面款額後之稅務後果，根據舊有詮釋評估。於本年度，本集團應用HK(SIC)詮釋第21號「所得稅－收回重估不可折舊資產」，該詮釋剔除投資物業賬面款額可透過銷售收回之假設。因此，投資物業之遞延稅項後果現按能反映本集團於各結算日預期收回物業的方式產生之稅項後果的基準評估。此項詮釋對於二零零五年一月一日之投資物業並無重大影響，因此並無就本集團保留盈利作出調整。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Interests in jointly controlled entities

In previous years, interests in jointly controlled entities were accounted for using the equity method. HKAS 31 Interests in Jointly Controlled Entities allows entities to use either proportionate consolidation or the equity method to account for its interests in jointly controlled entities. Upon the application of HKAS 31, the Group has elected to continue using the equity method to account for its interests in jointly controlled entities.

2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in the accounting policies described above on the results for the current and prior years are as follows:

2. 應用香港財務申報準則 (續)

於共同控制實體之權益

於過往年度，於共同控制實體之權益以權益法列賬。香港會計準則第31號「於共同控制實體之權益」容許採用比例綜合法或權益會計法就其於共同控制實體權益入賬。應用香港會計準則第31號後，本集團選擇繼續應用權益法就其於共同控制實體之權益入賬。

2A. 會計政策變動影響概要

上述會計政策變動對目前及過往年度業績之影響如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Non-amortisation of goodwill	非攤銷商譽	166,070	-
Release of discount on acquisition of additional interest in a subsidiary	收購一間附屬公司額外權益折讓撥回	6,305	-
Recognition of share-based payments as expenses	確認以股份形式付款為開支	(3,047)	-
Increase in profit for the year	年內溢利增加	169,328	-

2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (continued)

The cumulative effects of the application of the new HKFRSs on 31 December 2004 and 1 January 2005 are summarised below:

2A. 會計政策變動影響概要 (續)

於二零零四年十二月三十一日及二零零五年一月一日應用新香港財務申報準則之累積影響概述如下：

		As at 31 December 2004 於 二零零四年 十二月三十一日 HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	As at 1 January 2005 於 二零零五年 一月一日 HK\$'000 千港元
Balance sheet items	資產負債表項目			
<i>Impact of HKAS 17 & HKAS 40:</i>	<i>香港會計準則第17號 及香港會計準則 第40號之影響：</i>			
Other properties, plant and equipment	其他物業、廠房 及設備	7,745,937	(327,119)	7,418,818
Prepaid lease payments	預付租賃款項	–	327,119	327,119
<i>Impact of HKAS 39:</i>	<i>香港會計準則 第39號之影響：</i>			
Available-for-sale investments	可供出售投資	–	321,382	321,382
Derivative liabilities	衍生負債	–	(89,795)	(89,795)
Investment securities	證券投資	346,789	(346,789)	–
Other investments	其他投資	16,058	(16,058)	–
Total effects on assets and liabilities	資產及負債影響 總額	8,108,784	(131,260)	7,977,524
Retained profits	保留溢利	3,091,121	–	3,091,121
Hedging reserve	對沖儲蓄	–	(89,795)	(89,795)
Investment revaluation reserve	投資重估儲備	–	(41,465)	(41,465)
Total effects on equity	權益影響總額	3,091,121	(131,260)	2,959,861

2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (continued)

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

HKAS 1 (Amendment)	Capital disclosures ¹
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures ²
HKAS 21 (Amendment)	Net investment in a foreign operation ²
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions ²
HKAS 39 (Amendment)	The fair value option ²
HKAS 39 & HKFRS 4 (Amendments)	Financial guarantee contracts ²
HKFRS 6	Exploration for and evaluation of mineral resources ²
HKFRS 7	Financial instruments: Disclosures ¹
HK(IFRIC) - INT 4	Determining whether an arrangement contains a lease ²
HK(IFRIC) - INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds ²
HK(IFRIC) - INT 6	Liabilities arising from participating in a specific market – waste electrical and electronic equipment ³
HK(IFRIC) - INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ⁴

2A. 會計政策變動影響概要 (續)

本集團並無提早應用下列已頒佈但未生效之新準則及詮釋。本公司董事預期，應用此等準則或詮釋將不會對本集團財務報表構成任何重大影響。

香港會計準則第1號 (修訂本)	資本披露 ¹
香港會計準則第19號 (修訂本)	精算損益、集團計劃及披露 ²
香港會計準則第21號 (修訂本)	海外業務之投資淨額 ²
香港會計準則第39號 (修訂本)	預測集團內公司間交易之現金流量對沖會計處理 ²
香港會計準則第39號 (修訂本)	選擇以公平值入賬 ²
香港會計準則第39號 及香港財務報告 準則第4號(修訂本)	財務擔保合約 ²
香港財務報告準則 第6號	礦產資源勘探及 評估 ²
香港財務報告準則 第7號	金融工具：披露 ¹
香港(國際財務報告 詮釋委員會) — 詮釋第4號	釐定安排是否包括 租約 ²
香港(國際財務報告 詮釋委員會) — 詮釋第5號	終止運作、復原及 環境修復基金 產生權益之權利 ²
香港(國際財務報告 詮釋委員會) — 詮釋第6號	參與特定市場產生 之責任—廢棄 電力及電子設備 ³
香港(國際財務報告 詮釋委員會) — 詮釋第7號	根據香港會計準則 第29號嚴重通脹 經濟中之財務報 告應用重列方針 ⁴

2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (continued)

- ¹ Effective for annual periods beginning on or after 1 January 2007.
- ² Effective for annual periods beginning on or after 1 January 2006.
- ³ Effective for annual periods beginning on or after 1 December 2005.
- ⁴ Effective for annual periods beginning on or after 1 March 2006.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis except for certain properties and certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year. All inter-group transactions, balances, income and expenses are eliminated on consolidation.

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

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

2A. 會計政策變動影響概要 (續)

- ¹ 於二零零七年一月一日或之後開始年度期間生效。
- ² 於二零零六年一月一日或之後開始年度期間生效。
- ³ 於二零零五年十二月一日或之後開始年度期間生效。
- ⁴ 於二零零六年三月一日或之後開始年度期間生效。

3. 主要會計政策

綜合財務報表乃按歷史成本慣例基準編製，惟如下列會計政策所闡述，若干物業及若干金融工具則按公平值計量。

綜合財務報表乃按香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則及公司條例規定之適用披露規定。

綜合賬目基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止之財務報表。所有集團內公司間交易、結餘、收入及開支於綜合賬目時對銷。

於年內收購或出售之附屬公司之業績，自實際收購日期起或結算至實際出售日期止（視適用情況而定）列入綜合收益表內。

如需要，將會就附屬公司之財務報表作出調整，致使其會計政策與本集團其他成員公司所用者貫徹一致。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Investments in associates

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

3. 主要會計政策 (續)

綜合賬目基準 (續)

綜合附屬公司資產淨值之少數股東權益與本集團於其中之權益分開呈列。資產淨值之少數股東權益包括在原業務合併日期之有關權益數額，以及自合併日期起計少數股東應佔之股權變動。少數股東應佔虧損超出少數股東於附屬公司之股本權益之金額將與本集團權益對銷，惟少數股東具有約束力責任及其有能力作出額外投資以彌補該等虧損則除外。

於聯營公司之投資

聯營公司之業績及資產與負債乃按權益會計法納入綜合財務報表內。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表列賬，並就本集團應佔該聯營公司之損益及權益變動之收購後變動作出調整，以及減去任何已識別之減值虧損。當本集團應佔聯營公司之虧損相等於或超出其於該聯營公司之權益（包括實質上構成本集團於該聯營公司之投資淨額之一部分之任何長期權益），則本集團不再確認其應佔之進一步虧損。額外應佔虧損會作出撥備及確認負債，惟僅以本集團已產生法定或推定責任或代表該聯營公司支付之款項為限。

當集團實體與本集團聯營公司進行交易時，損益會按本集團佔有關聯營公司之權益予以撇銷，惟未變現虧損證明所轉讓資產出現減值則除外，在此情況下會全數確認虧損。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

When a group entity transacts with a jointly controlled entity of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

Goodwill

Goodwill arising on acquisitions after 1 January 2001 and prior to 1 January 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

3. 主要會計政策 (續)

共同控制實體

合營企業安排涉及成立獨立實體，而當中各經營方對該實體之經濟活動擁有共同控制權者乃列作共同控制實體。

共同控制實體之業績及資產與負債乃按權益會計法列入綜合財務報表內。根據權益法，於共同控制實體之投資乃按成本就本集團應佔該共同控制實體之損益及權益變動之收購後變動調整，減任何已識別之減值虧損於綜合資產負債表列賬。當本集團應佔共同控制實體之虧損相等於或超出其於該共同控制實體之權益（包括實質上構成本集團於該共同控制實體之投資淨額之一部分之任何長期權益），則本集團不再確認其應佔之進一步虧損。額外應佔虧損會作出撥備及確認負債，惟僅以本集團已產生法定或推定責任或代表該共同控制實體支付之款項為限。

當集團實體與本集團共同控制實體進行交易時，未變現之損益會按本集團佔有關共同控制實體之權益予以撇銷，惟未變現虧損證明所轉讓資產出現減值則除外，在此情況下會全數確認虧損。

商譽

於二零零一年一月一日後及二零零五年一月一日前收購所產生之商譽

收購一間附屬公司（協議日期為二零零五年一月一日前）所產生之商譽，乃指收購成本超出本集團於收購日期應佔有關附屬公司之可識別資產及負債公平值之權益之數額。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

Goodwill arising on acquisitions after 1 January 2001 and prior to 1 January 2005 (continued)

For previously capitalised goodwill arising on acquisitions after 1 January 2001, the Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

Goodwill arising on acquisitions on or after 1 January 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

3. 主要會計政策 (續)

商譽 (續)

於二零零一年一月一日後及二零零五年一月一日前收購所產生之商譽 (續)

就於二零零一年一月一日後收購所產生並原先已資本化之商譽，本集團自二零零五年一月一日起不再攤銷，而有關商譽每年及凡商譽有關之現金產生單位有跡象顯示出現減值時進行減值測試。

於二零零五年一月一日或之後收購所產生之商譽

收購一間附屬公司 (協議日期為二零零五年一月一日或之後) 所產生之商譽，乃指收購成本超出本集團於收購日期應佔有關附屬公司之可識別資產、負債及或然負債公平值之權益之數額。該商譽乃按成本減任何累計減值虧損列賬。

就減值測試而言，收購所產生之商譽分配到各有關現金產生單位，或現金產生單位之組別，預期彼等從收購之協同效應中受益。已獲分配商譽之現金產生單位每年及凡單位有跡象顯示出現減值時進行減值測試。就於財政年度之收購所產生之商譽而言，已獲分配商譽之現金產生單位於該財政年度完結前進行減值測試。當現金產生單位之可收回金額少於該單位之賬面值，則減值虧損被分配，以削減首先分配到該單位之任何商譽之賬面值，及其後以單位各資產之賬面值為基準，按比例分配到該單位之其他資產。商譽之任何減值虧損乃於綜合收益表內直接確認。商譽之減值虧損於其後期間不予撥回。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

Goodwill arising on acquisitions on or after 1 January 2005 (continued)

On subsequent disposal of a subsidiary the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Investment properties

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the year in which the item is derecognised.

Other properties, plant and equipment

Other properties, plant and equipment (other than properties, plant and equipment under construction) used in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less subsequent accumulated depreciation and any accumulated impairment losses.

3. 主要會計政策 (續)

商譽 (續)

於二零零五年一月一日或之後收購所產生之商譽 (續)

其後出售一間附屬公司，則被資本化之商譽應佔金額於出售時計入釐定損益之金額。

投資物業

於初步確認時，投資物業乃按成本計量，包括任何直接應佔開支。於初步確認後，投資物業以公平值模式計量。投資物業公平值變動產生之盈虧計入產生期間之損益內。

投資物業於出售後，或當永久停止使用該投資物業，或預期持續使用該投資物業不會產生未來經濟利益時剔除確認。剔除確認該資產所產生之任何盈虧乃按出售所得款項淨額與該資產賬面值間之差額計算，並計入剔除確認項目年度之損益內。

其他物業、廠房及設備

用於生產或供應貨物及服務或作行政用途之其他物業、廠房及設備（不包括在建物業、廠房及設備），乃按成本減其後累計折舊及任何累計減值虧損於綜合資產負債表列賬。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Other properties, plant and equipment (continued)

Depreciation is provided to write off the cost of items of other properties, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method, at the following rates per annum:

Freehold land	Nil
Leasehold improvements	10 – 20%
Plant and machinery	10 – 20%
Furniture, fixtures and equipment	10 – 33 $\frac{1}{3}$ %
Motor vehicles	20%

Properties, plant and equipment under construction are carried at cost, less any identified impairment losses. Depreciation of these items of assets commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by the management).

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

Leasehold land and buildings under development for future owner-occupied purpose

When the leasehold land and buildings are in the course of development for production, rental or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and released to the consolidated income statement over a straight-line basis over the lease term. During the construction period, the prepayment released to the consolidated income statement in respect of the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

3. 主要會計政策 (續)

其他物業、廠房及設備 (續)

其他物業、廠房及設備項目之折舊乃根據其估計可使用年期，於計及其估計剩餘價值後，以直線法撇銷其成本，折舊率如下：

永久業權土地	無
租約物業裝修	10-20%
廠房及機器	10-20%
傢俬、裝置及設備	10-33 $\frac{1}{3}$ %
汽車	20%

在建物業、廠房及設備按成本減任何已識別減值虧損列賬。該等資產項目於可供使用（即其達致管理層預期方式之所需運作地點及狀況）時開始計提折舊。

其他物業、廠房及設備項目於出售或預期持續使用資產不會產生未來經濟利益時剔除確認。剔除確認項目時所產生之任何盈虧（按出售所得款項淨額與項目賬面值間之差額計算）將計入剔除確認項目年度之損益內。

發展中供日後業主使用之租約土地及樓宇

倘租約土地及樓宇正在發展作生產、租約或行政用途，則租約土地部分乃分類為預付租約付款，並於租約年期以直線法撥入綜合收益表。在建期間，就租約土地撥入綜合收益表之預付款項，乃列作在建樓宇成本部分。在建樓宇以成本減任何已識別減值虧損列賬。樓宇於可供使用（即其達致管理層預期方式之所需運作地點及狀況）時開始計提折舊。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses (other than goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Intangible assets

On initial recognition, intangible assets acquired separately and from business combinations are recognised at initial purchase cost less accumulated amortisation and any accumulated impairment losses.

Any gain or loss arising on the derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the year in which the item is derecognised.

3. 主要會計政策 (續)

減值虧損 (商譽除外)

於各結算日，本集團須審閱其有形及無形資產之賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘某項資產之可收回金額估計低於其賬面值，則該項資產之賬面值須削減至其可收回金額。減值虧損即時確認為開支。

倘日後轉出減值虧損，有關資產之賬面值須增至其經重新估計之可收回金額，惟增加之賬面值不得超出倘有關資產並無於以往年度確認任何減值虧損所應釐定之賬面值。轉出之減值虧損即時確認為收入。

存貨

存貨按成本或可變現淨值兩者中之較低者入賬。成本包括直接物料及（如適用）直接勞工成本及使存貨達致現有位置及狀況所產生之間接成本。成本按加權平均法計算。可變現淨值指估計售價減估計完成所需之全部成本以及市場推廣、銷售及分銷將予產生之成本。

無形資產

於初步確認時，個別收購及於業務合併中之無形資產乃按初步購入成本減累計攤銷及任何累計減值虧損確認。

剔除確認無形資產時所產生之任何盈虧（按出售所得款項淨額與資產賬面值間之差額計算），計入項目剔除確認年度之損益內。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its estimated useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the year in which it is incurred.

Leasing

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

The Group as lessor

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

The Group as lessee

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

3. 主要會計政策 (續)

研究及開發費用

研究活動費用於產生期間確認為開支。

開發費用產生之內部產生無形資產，在預期清晰界定計劃項目預期產生之開發成本將可透過日後商業活動收回之情況下，方會確認。因而產生之資產於其估計可用年期按直線法攤銷，按成本減其後累計攤銷及任何累計減值虧損入賬。

倘未能確認內部產生無形資產，則開發費用於產生年度在損益扣除。

租約

當租約條款將涉及擁有權之絕大部分風險及回報轉讓予承租人時，該租約乃分類為融資租約。所有其他租約均分類為經營租約。

本集團作為出租人

經營租約之租金收入乃按相關租約年期以直線法確認。於磋商及安排經營租約所產生之初步直接成本乃加至租約資產之賬面值，並按租約年期以直線法確認為開支。

本集團作為承租人

根據經營租約之應付租金於有關租約年期以直線法在損益中扣除。訂立經營租約時已收及應收作為獎勵之利益按直線法於有關租約之年期確認為租金開支減少。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

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

3. 主要會計政策 (續)

外幣

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

結算貨幣項目及換算貨幣項目所產生之匯兌差額會於產生期間在損益中確認，惟組成本集團海外業務投資淨額部分之貨幣項目所產生之匯兌差額除外，在此情況下，該等匯兌差額乃於綜合財務報表之股本確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內損益，惟重新換算非貨幣項目產生之差額則除外，有關盈虧於股本直接確認。在此情況下，匯兌差額亦於股本直接確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按結算當日匯率換算為本公司之呈列貨幣（即港元），而彼等之收入及開支項目乃按年內平均匯率換算，除非期內匯率出現重大波幅，則於此情況下，將採用交易日之匯率。所產生匯兌差額（如有）確認為股本權益之獨立部分（換算儲備）。有關換算差額於該項海外業務出售期間在損益中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

As mentioned in Note 2, goodwill and fair value adjustments arising on acquisitions of foreign operations prior to 1 January 2005 are treated as non-monetary foreign currency items of the acquirer and reported using the historical exchange rate prevailing at the date of the acquisition.

Borrowing costs

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

Transaction costs on bank borrowings

The transaction costs incurred in connection with bank borrowings raised are deferred and charged to the consolidated income statement over the period of the bank borrowings from the date of bank borrowings withdrawn to the final repayment maturity so as to produce a constant periodic rate of charge on the remaining balance of the bank borrowings for each accounting period.

Retirement benefit costs

Payments to defined contribution retirement benefit plans, state-managed retirement benefit schemes and the Mandatory Provident Fund Schemes are charged as an expense as they fall due.

Taxation

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

3. 主要會計政策 (續)

外幣 (續)

於二零零五年一月一日或之後收購海外業務時產生之所收購可識別資產之商譽及公平值調整被視作該海外業務之資產及負債，並按結算日之匯率換算。所產生匯兌差額於匯兌儲備確認。

誠如附註2所述，於二零零五年一月一日前收購海外業務所產生之商譽及公平值調整被視作收購方之非貨幣外幣項目，並按收購日期之歷史匯率呈報。

借貸成本

所有借貸成本均於產生年度確認及納入綜合收益表之融資成本。

銀行借貸交易成本

有關籌集銀行借貸所產生之交易成本乃按銀行借貸期間（自提取銀行借貸日期至最後還款到期日）於綜合收益表內遞延及扣除，以就各會計期間之銀行借貸餘款得出穩定支銷率。

退休福利成本

向定額供款退休福利計劃、國家管理退休福利計劃及強積金計劃支付之供款均於到期支付時以開支形式扣除。

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

3. 主要會計政策 (續)

稅項 (續)

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與收益表中所申報之溢利不同，乃由於前者不包括在其他年度應課稅或可扣稅收入或開支，並且不包括收益表內從未課稅及扣稅之項目。本集團即期稅項之債務乃按結算日已頒佈或實際已頒佈之稅率計算。

遞延稅項乃根據綜合財務報表資產及負債賬面值與計算應課稅溢利所採用相應稅基間之差額確認，以資產負債表負債法處理。遞延稅項負債一般會就所有應課稅臨時差額確認，而遞延稅項資產乃按可能出現可利用臨時差額扣稅之應課稅溢利時確認。因商譽或因業務合併以外交易初步確認資產及負債且不影響應課稅溢利亦不影響會計溢利而引致之臨時差額，則不會確認該等資產及負債。

遞延稅項負債乃按於附屬公司之投資而引致之應課稅臨時差額而確認，惟若本集團可控制臨時差額之撥回及臨時差額有可能未必於可見將來之撥回之情況則除外。

遞延稅項資產之賬面值於各結算日作檢討，並在沒可能會有足夠應課稅溢利收回全部或部分資產時加以遞減。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Financial instruments

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

Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項乃按預期於負債清償或資產變現期間適用之稅率，根據結算日已頒佈或實際已頒佈之稅率計算。遞延稅項於損益中扣除或計入損益，惟倘遞延稅項直接在權益中扣除或計入權益之情況則除外，在此情況下，遞延稅項亦會於權益中處理。

金融工具

當集團實體成為工具訂約條文之訂約方時，財務資產及財務負債於資產負債表確認。財務資產及財務負債初步按公平值計算。因收購或發行財務資產及財務負債（按公平值計入損益之財務資產及財務負債除外）而直接應佔之交易成本於初步確認時，按適用情況加入或扣自該項財務資產或財務負債之公平值。因收購按公平價值計入損益之財務資產或財務負債而直接應佔之交易成本即時於損益確認。

財務資產

本集團之金融資產分為以下四個類別之一：包括按公平價值計入損益表之金融資產、貸款及應收賬款、持至到期投資及可供出售財務資產。所有日常買賣之財務資產於交易日確認及剔除確認。日常買賣指須根據市場規則或慣例訂立之時間內交收資產之財務資產買賣。就各類別財務資產所採納會計政策載列於下文。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories (set out above). At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse to the consolidated income statement in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. 主要會計政策 (續)

金融工具 (續)

財務資產 (續)

貸款及應收賬款

貸款及應收賬款(包括應收貿易賬款、其他應收賬款、應收票據及銀行存款)為在活躍市場上並無報價而具有固定或待定期付款之非衍生金融資產。於初次確認後之各個結算日，貸款、應收賬款及銀行存款以實際利率法按攤銷成本減任何已識別減值虧損列賬。減值虧損於有客觀證據顯示資產出現減值時在損益確認，並按該項資產賬面值與以原有實際利率折現估計日後現金流量現值間之差額計算。當該項資產之可收回金額增加可客觀地與該項減值獲確認後出現之事件有關連，則於以後期間可撥回減值虧損，惟於減值日期該項資產所撥回賬面值不得超出倘該項減值未獲確認原應出現之攤銷成本。

可供出售財務資產

可供出售財務資產為非衍生工具，其須指定為可供出售財務資產或未有劃分為其他類別(載於上文)。於首次確認後之各個結算日，可供出售財務資產按公平價值計算。公平價值之變動於股本確認，直至該財務資產售出或釐定有所減值，屆時過往於股本確認之累計盈虧將自股本剔除，並於損益中確認。可供出售財務資產之任何減值虧損於損益確認。可供出售之股本投資之減值虧損將不會於其後期間撥入綜合收益表。就可供出售之債務投資而言，倘投資公平價值之增加可客觀地與確認減值虧損後出現之事件有關連，則其後可撥回減值虧損。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets (continued)

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities including bank and other borrowings, trade payables, bills payable and dividend payable are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策 (續)

金融工具 (續)

財務資產 (續)

可供出售財務資產 (續)

在活躍市場上並無報價之可供出售股本投資，其公平值未能可靠計量，與該等無報價股本工具有關並須以交付該等工具作結算之衍生工具，則於首次確認後之各個結算日，按成本減任何已識別減值虧損計算。倘具備客觀證明資產出現減值，則減值虧損於損益中確認。減值虧損數額按資產賬面值與按類似金融資產之現行市場回報率折讓估計未來現金流量之現值間之差額計算。有關減值虧損將不會於以後期間撥回。

財務負債及權益

由集團實體發行之財務負債及權益工具按所訂立之合約安排內容，以及財務負債及權本工具之定義而分類。

權本工具為證明本集團資產剩餘權益（經扣除其所有負債）之任何合約。有關財務負債及權益工具所採納之會計政策載列如下。

財務負債

財務負債包括銀行及其他借貸、應付貿易賬款、應付票據及應付股息，乃採用實際利率法其後按攤銷成本法計算。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments and hedging

The Group uses derivative financial instruments (primarily interest rate swaps) to hedge its exposure against floating interest rate. Such derivatives are measured at fair value regardless of whether they are designated as effective hedging instruments.

There are three types of hedge relationships, including fair value hedges, cash flow hedges and hedges of a net investment in a foreign operation. Hedges are classified as cash flow hedges when hedges are made to hedge against exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction. The Group has adopted cash flow hedges as the accounting treatment.

Cash flow hedges

For cash flow hedges that qualify for hedge accounting, the effective portion of the gains or losses arising on the changes in fair value of hedging instruments is initially recognised in equity and “recycled” into the consolidated income statement when the hedged item affects profit or loss. The ineffective portion is recognised immediately in profit or loss.

For the hedge of a forecast transaction that subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were previously recognised directly in equity are reclassified into profit or loss in the same period in which the asset acquired or the liability assumed affects profit or loss/removed from the equity and included in the initial cost or other carrying amount of the asset or liability.

3. 主要會計政策 (續)

金融工具 (續)

財務負債及權益 (續)

權益工具

本公司所發行之權本工具乃按已收取之所得款項減直接發行成本入賬。

金融衍生工具及對沖

本集團利用金融衍生工具(主要為利率調期)對沖浮息風險。不論有關衍生工具是否指定為有效對沖工具,均按公平值計量。

對沖關係可分為三種,包括公平值對沖、現金流量對沖及於海外業務之投資淨額對沖。用作對沖與已確認資產或負債或極有可能進行之預期交易有關之特定風險所引起之現金流量變動風險,則列作現金流量對沖。本集團已採納現金流量對沖作為會計處理方法。

現金流量對沖

就符合對沖會計法之現金流量對沖而言,對沖工具公平值變動所產生損益之有效部分最初於股本確認,當對沖項目影響損益時則「轉撥」至綜合收益表,而無效部分則即時於損益中確認。

就其後導致財務資產或財務負債之確認之預期交易對沖而言,過往於股本直接確認之相關盈虧乃於所收購資產或所承擔負債影響損益之期間內重新分類為損益/於股本移除及計入資產或負債之初步成本或其他賬面值。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derivative financial instruments and hedging (continued)

Derivatives that do not qualify for hedge accounting are deemed as financial assets or financial liabilities held for trading. Changes in fair values of such derivatives are recognised directly in profit or loss.

Derecognition

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

Financial liabilities are derecognised when they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid or other liabilities assumed is recognised in profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

金融衍生工具及對沖 (續)

不符合對沖會計法之衍生工具
不符合對沖會計法之衍生工具被視為持作買賣之財務資產或財務負債。有關衍生工具公平值之變動直接於損益中確認。

剔除確認

若從資產收取現金流量之權利已到期，或財務資產已轉讓及本集團已將其於財務資產擁有權之絕大部份風險及回報轉移，則財務資產將剔除確認。於剔除確認財務資產時，資產賬面值與已收代價或所取得之任何新資產及已直接於股本確認之累計損益之總差額，將於損益中確認。

當在本集團之資產負債表中移除財務負債（即倘於有關合約之指定責任獲解除、註銷或到期）時，則會剔除確認財務負債。剔除確認之財務負債賬面值與已付代價或其他已確認承擔負債之差額於損益中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to directors and employees of the Group

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in the share option reserve.

At the time when the share options are exercised, the amount previously recognised in the share option reserve will be transferred to share premium. When the share options are forfeited after vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will transfer to retained profits.

Revenue recognition

Income from sales of goods are recognised when goods are delivered and title has passed.

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

Rental income is recognised on a straight-line basis over the term of the relevant lease.

Dividend income from investment securities is recognised when the shareholders' rights to receive payment have been established.

3. 主要會計政策 (續)

以股份形式付款交易

以股權結算股份形式付款之交易

授予本集團董事及僱員之優先購股權

所獲服務之公平值乃參考優先購股權於授出日期之公平值釐定，按歸屬期以直線法基準支銷，並於優先購股權儲備中作相應增加。

優先購股權獲行使時，過往於優先購股權儲備中確認之數額將轉移至股份溢價。當優先購股權於歸屬日後被沒收或於屆滿日仍未獲行使，則過往於優先購股權儲備中確認之數額將轉撥至保留溢利。

收入確認

銷售貨品收入於貨品付運及擁有權移交時確認。

金融資產利息收入乃根據未償還本金及適用實際利率按時間基準累計，有關利率乃將估計未來所收現金按財務資產估計可使用年期折讓至該資產賬面淨值之利率。

租金收入乃於租約期內按直線基準確認。

證券投資之股息收入於股東收取該等股息之權利獲確立時確認。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the entity's accounting policies which are described in Note 3, management has made the following estimation that have significant effect on the amounts recognised in the financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Inventories

Note 3 describes that inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and marketing, selling and distribution expenses.

The Group has the operational procedures to put in place to monitor the risk of inventories as majority of working capital is devoted to inventories and the nature of inventories are subject to frequent technological changes. The management reviews the usage of inventory on a periodic basis for those inventories. This involves comparing the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether allowance is required to be made in the consolidated financial statements for obsolete and slow-moving items. In addition, physical count on all inventories are carried out on a periodical basis in order to determine whether allowance need to be made in respect of any obsolete and defective inventories identified. In this regard, the directors of the Company are satisfied that this risk is minimal and adequate allowance for obsolete and slow-moving inventories has been made in the consolidated financial statements.

4. 估計不明朗因素之主要來源

管理層在應用實體之會計政策（於附註3載述）過程中作出以下估計，該等估計對財務報表內確認之款額造成重大影響。下文詳述有關日後主要假設及於結算日估計不明朗因素之其他主要來源，而該等假設及不確定估計或會造成須對下一個財政年度內資產及負債賬面值作出重大調整之重大風險。

存貨

附註3載述，存貨以成本或可變現淨值兩者中之較低者入賬。製成品及在製品之成本包括原材料、直接勞工、其他直接成本及有關生產開支。可變現淨值指日常業務之估計售價減估計完工成本以及市場推廣、銷售及分銷開支。

由於大部分營運資金已投入存貨中，而存貨之性質亦受技術經常性變動影響，故本集團已制定經營程序，以監管存貨風險。管理層定期檢討該等存貨之用途。此涉及將陳舊存貨項目之賬面值與各自之可變現淨值互相比較，目的在於確定是否需要在綜合財務報表中，就任何陳舊及滯銷存貨作出備抵。此外，所有存貨均定期進行實際盤點，以決定是否需要就任何已識別之陳舊及有瑕疵存貨作出備抵。就此而言，本公司董事信納此項風險乃屬微不足道，而在綜合財務報表中已就陳舊及滯銷存貨計提足夠備抵。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Trade receivables

Note 3 describes that trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowance for estimated irrecoverable amounts is recognised in profit and loss when there is objective evidence that the asset is impaired.

In making the judgment, management considered detailed procedures have been in place to monitor this risk as a significant proportion of the Group's impairment for working capital is devoted to trade receivables. In determining whether impairment for bad and doubtful debts is required, the Group takes into consideration the ageing status and estimates the likelihood of collection. Following the identification of doubtful debts, the responsible sales personnel discuss with the relevant customers and report on the recoverability. Specific allowance is only made for trade receivables that are estimated to be unlikely to be collected. In this regard, the directors of the Company are satisfied that this risk is minimal and adequate impairment for doubtful debts has been made in the consolidated financial statements in light of the historical records of the Group and the circumstances of the manufacture of laminates, PCBs, chemicals, LCDs and magnetic products as a whole where the actual cash flow collected in the future are less than expected, a material impairment loss may arise.

4. 估計不明朗因素之主要來源

(續)

應收貿易賬款

附註3載述，應收貿易賬款按初步確認公平值計量，其後採用實際利率法按攤銷成本計量。如存在客觀證據顯示資產出現減值，則就預計不可收回金額計提之適當備抵將於損益中確認。

由於本集團大部分營運資金均投放於應收貿易賬款，故於作出判斷時，管理層認為，本集團已制定詳細程序，以監察此項風險。於釐定是否須就呆壞賬作出撥備時，本集團考慮賬齡及估計收款之可能性。於識別呆賬後，銷售負責人負責與有關客戶討論，並就收回之可能性作出報告。特定撥備僅就不大可能收回之應收貿易賬款作出。就此而言，本公司董事信納，此項風險乃屬微不足道，並根據本集團之歷史記錄及製造覆銅面板、印刷線路板、化工產品、液晶體顯示屏及磁電產品之整體情況，在綜合財務報表中就呆賬計提足夠備抵。倘未來實際所收現金流量少於預期數額，則可能會產生重大減值虧損。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise. At 31 December 2005, the carrying amount of goodwill is HK\$1,670,297,000. Details of the recoverable amount calculation are disclosed in Notes 19 and 24.

Income taxes

At 31 December 2005, deferred tax assets of HK\$10,447,000 (2004: HK\$13,246,000) in relation to unused tax losses has been recognised in the Group's balance sheet. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less or more than expected, a reversal or further recognition of deferred tax assets may arise, which would be recognised in profit and loss for the period in which such a reversal or recognition takes place.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include equity instruments, bank balances and cash, borrowings, trade and other receivables, trade and other payables and bills payable. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

4. 估計不明朗因素之主要來源

(續)

商譽減值估計

釐定商譽是否出現減值時須估計商譽所獲分配之現金產生單位使用價值。本集團計算使用價值時須就預期源自該現金產生單位之日後現金流量及合適之折現率作出估計，以計算現值。倘未來實際現金流量少於預期數額，則可能會產生減值虧損。於二零零五年十二月三十一日，商譽之賬面值為1,670,297,000港元。可收回款項之計算詳情於附註19及24披露。

所得稅

於二零零五年十二月三十一日，有關未動用稅項虧損之遞延稅項資產10,447,000港元（二零零四年：13,246,000港元）已於本集團資產負債表中確認。變現遞延稅項資產主要視乎是否有足夠未來溢利或將來可供利用之應課稅暫時差額而定。倘產生之未來實際溢利少於或多於預期溢利，則遞延稅項資產可能須作撥回或進一步確認，並於該撥回或確認期間於損益中確認。

5. 財務風險管理目標及政策

本集團之主要金融工具包括股本工具、銀行結餘及現金、借貸、貿易及其他應收賬款、貿易及其他應付賬款及應付票據。該等金融工具詳情於各附註披露。下文載列與該等金融工具相關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk

(i) Currency risk

Several subsidiaries of the Company have foreign currency sales, which expose the Group to foreign currency risk. Certain trade receivables of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy on these assets/liabilities. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

(ii) Cash flow interest rate risk

The Group's cash flow interest rate risk relates primarily to floating-rate bank borrowings (see Note 30 for details of these borrowings). In relation to these floating-rate borrowings, the Group aims at keeping borrowings at fixed rates. In order to achieve this result, the Group entered into interest rate swaps to hedge against its exposure to potential variability of cash flows arising from changes in floating rate. The critical terms of these interest rate swaps are similar to those of the hedged borrowings. These interest rate swaps are designated as effective hedging instruments and hedge accounting is used (see Note 23 for details).

(iii) Price risk

The Group's available-for-sale investments are measured at fair value at each balance sheet date. Therefore, the Group is exposed to equity price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

5. 財務風險管理目標及政策 (續)

市場風險

(i) 貨幣風險

本公司若干附屬公司有以外幣計值之銷售，以致本集團須承受外幣風險。本集團若干應收貿易賬款乃以外幣計值。本集團現時並無就該等資產／負債制定外幣對沖政策。然而，管理層監控外匯風險，並會考慮有需要時對沖重大外幣風險。

(ii) 現金流量利率風險

本集團之現金流量利率風險主要涉及以浮動利率計息之銀行借貸（該等借貸詳請見附註30）。就該等浮動利率借貸而言，本集團致力將借貸利率保持穩定。為達致此目的，本集團訂立利率掉期安排，以對沖因浮動利率變動而產生之現金流量潛在變動。此等利率掉期之主要條款與所對沖借貸之條款相若。此等利率掉期旨在作為有效之對沖工具，故利用對沖會計處理方法入賬（詳情見附註23）。

(iii) 價格風險

於結算日，本集團可供出售投資乃按公平值計量。因此，本集團須承受股本價格風險。管理層藉持有不同風險之投資組合管理此類風險。

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at 31 December 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers. The credit risk for bank deposits and bank balances exposed is considered minimal as such amounts are placed with banks with good credit ratings.

6. REVENUE

Revenue represents the net amounts received and receivable by the Group from the sale of goods to outside customers, less returns and allowances, for the year and is analysed as follows:

Sale of laminates	銷售覆銅面板
Sale of PCBs	銷售印刷線路板
Sale of chemicals	銷售化工產品
Others	其他

5. 財務風險管理目標及政策 (續)

信貸風險

倘交易方於二零零五年十二月三十一日未能履行彼等就各類已確認金融資產之承擔，則本集團須承受之最高信貸風險為於綜合資產負債表所載資產賬面金額。為將信貸風險降至最低，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期未付之債項。此外，於各結算日，本集團檢討每項個別應收貿易賬款之可收回金額，以確保就不可收回金額已作出足夠減值虧損。就此而言，本公司董事認為，本集團之信貸風險已大幅降低。

本集團並無高度集中之信貸風險，有關風險乃分散至多個其他訂約方及客戶。由於銀行存款及銀行結餘乃存放於信譽良好之銀行，故該等款項之信貸風險屬微不足道。

6. 營業額

營業額指本集團於年內自對外客戶銷售貨品所收及應收金額淨額減退貨及折扣，分析如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
4,788,387	3,736,869
5,284,203	1,832,439
2,023,404	1,207,785
1,002,360	305,297
13,098,354	7,082,390

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into four operating divisions – laminates, PCBs, chemicals and others. These divisions are the basis on which the Group reports its primary segment information.

7. 業務及地區分部

業務分部

在管理方面，本集團目前分成四大營運部門－覆銅面板、印刷線路板、化工產品及其他。此等部門為本集團申報其主要分部資料之基準。

		Laminates 覆銅面板 HK\$'000 千港元	PCBs 印刷線路板 HK\$'000 千港元	Chemicals 化工產品 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Year ended	截至二零零五年						
31 December 2005	十二月三十一日						
Segment revenue	分部收益						
External sales	對外銷售額	4,788,387	5,284,203	2,023,404	1,002,360	-	13,098,354
Inter-segment sales	分部間之銷售額	1,096,509	-	1,171,888	-	(2,268,397)	-
Total	合計	5,884,896	5,284,203	3,195,292	1,002,360	(2,268,397)	13,098,354
Result	業績						
Segment result	分部業績	1,217,278	567,030	168,873	71,289	-	2,024,470
Release of discount on acquisition of additional interest in a subsidiary	收購一間附屬 公司額外權益 折讓撥回	6,305	-	-	-	-	6,305
Unallocated corporate income	未分配之公司 收入						56,797
Unallocated corporate expenses	未分配之公司 支出						(10,032)
Finance costs	融資成本						(274,418)
Share of results of jointly controlled entities	應佔共同控制 實體業績	-	-	-	(14,320)	-	(14,320)
Profit before tax	除稅前溢利						1,788,802
Income tax expense	所得稅支出						(139,970)
Profit for the year	年內溢利						1,648,832

Inter-segment sales are charged by reference to market prices.

分部間銷售額乃參考市價計算。

7. BUSINESS AND GEOGRAPHICAL SEGMENTS 7. 業務及地區分部 (續)

(continued)

Business segments (continued)

業務分部 (續)

		Laminates	PCBs	Chemicals	Others	Consolidated
		覆銅面板	印刷線路板	化工產品	其他	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Year ended	截至二零零五年					
31 December 2005	十二月三十一日					
	止年度					
Other information	其他資料					
Capital additions	資本增添	677,028	574,362	680,911	33,596	1,965,897
Depreciation and amortisation	折舊及攤銷	359,971	362,258	85,999	9,030	817,258
At 31 December 2005	於二零零五年					
	十二月三十一日					
Assets	資產					
Segment assets	分部資產	7,168,489	5,689,807	3,767,061	527,189	17,152,546
Interests in jointly controlled entities	於共同控制實體之權益	-	-	-	17,109	17,109
Investment in an associate	於一間聯營公司之投資	-	-	187,396	-	187,396
Unallocated corporate assets	未分配之公司資產					2,003,771
Consolidated total assets	綜合資產總值					19,360,822
Liabilities	負債					
Segment liabilities	分部負債	(945,305)	(1,062,185)	(652,812)	(87,950)	(2,748,252)
Unallocated corporate liabilities	未分配之公司負債					(6,965,827)
Consolidated total liabilities	綜合負債總額					(9,714,079)

7. BUSINESS AND GEOGRAPHICAL SEGMENTS 7. 業務及地區分部 (續)
(continued)

Business segments (continued)

業務分部 (續)

		Laminates 覆銅面板 HK\$'000 千港元	PCBs 印刷線路板 HK\$'000 千港元	Chemicals 化工產品 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Year ended	截至二零零四年						
31 December 2004	十二月三十一日 止年度						
Segment revenue	分部收益						
External sales	對外銷售額	3,736,869	1,832,439	1,207,785	305,297	-	7,082,390
Inter-segment sales	分部間之銷售額	444,181	-	666,379	-	(1,110,560)	-
Total	合計	4,181,050	1,832,439	1,874,164	305,297	(1,110,560)	7,082,390
Result	業績						
Segment result	分部業績	1,048,023	139,806	113,819	31,512	-	1,333,160
Amortisation of goodwill	商譽攤銷	-	(25,120)	-	(1,063)	-	(26,183)
Release of discount on acquisition of additional interest in a subsidiary	收購一間附屬公司額外權益折讓撥回	2,860	-	-	-	-	2,860
Unallocated corporate income	未分配之公司收入						45,761
Unallocated corporate expenses	未分配之公司支出						(1,937)
Finance costs	融資成本						(90,345)
Loss on deemed disposal of partial interest in a subsidiary	視作出售一家附屬公司部分權益之虧損	-	(1,727)	-	-	-	(1,727)
Share of results of jointly controlled entities	應佔共同控制實體業績	-	-	-	(4,092)	-	(4,092)
Profit before tax	除稅前溢利						1,257,497
Income tax expense	所得稅支出						(61,184)
Profit for the year	年內溢利						1,196,313

Inter-segment sales are charged by reference to market prices.

分部間銷售額乃參考市價計算。

7. BUSINESS AND GEOGRAPHICAL SEGMENTS 7. 業務及地區分部 (續)

(continued)

Business segments (continued)

業務分部 (續)

		Laminates 覆銅面板 HK\$'000 千港元	PCBs 印刷線路板 HK\$'000 千港元	Chemicals 化工產品 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Year ended	截至二零零四年					
31 December 2004	十二月三十一日 止年度					
Other information	其他資料					
Capital additions	資本增添	1,303,305	248,348	542,716	119,268	2,213,637
Capital addition through acquisition of subsidiaries	透過收購附屬 公司資本增添	-	2,267,838	-	-	2,267,838
Depreciation and amortisation	折舊及攤銷	274,140	93,329	56,524	15,398	439,391
At 31 December 2004	於二零零四年 十二月三十一日					
Assets	資產					
Segment assets	分部資產	6,549,050	5,160,842	2,746,244	364,796	14,820,932
Interests in jointly controlled entities	於共同控制實體 之權益	-	-	-	37,815	37,815
Investment in an associate	於一間聯營公司 之投資	-	-	188,137	-	188,137
Unallocated corporate assets	未分配之公司 資產					1,442,262
Consolidated total assets	綜合資產總值					16,489,146
Liabilities	負債					
Segment liabilities	分部負債	(1,114,334)	(1,151,860)	(524,824)	(64,733)	(2,855,751)
Unallocated corporate liabilities	未分配之公司 負債					(6,489,891)
Consolidated total liabilities	綜合負債總額					(9,345,642)

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

Geographical segments

The analysis of the Group's revenue by geographical market for the year is as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
PRC	中國	9,505,402	5,934,344
Other Asian countries	其他亞洲國家	2,145,651	810,676
Europe	歐洲	996,072	238,397
America	美洲	451,229	98,973
		13,098,354	7,082,390

An analysis of segment assets and capital additions by geographical area in which the assets are located has not been presented as the Group's assets are substantially located in the PRC.

7. 業務及地區分部 (續)

地區分部

以下為本集團按市場地域劃分本年度之營業額分析：

由於本集團之資產大部分位於中國，故並無按資產所在地域呈報分部資產及資本增添分析。

8. OTHER INCOME

8. 其他收入

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Other operating income comprises:	其他經營收益包括：		
Rental income	租金收入	2,053	2,225
Gain on fair value changes of investment properties	投資物業公平值變動之收益	717	405
Others	其他	10,610	8,028
		13,380	10,658

9. INVESTMENT INCOME

9. 投資收益

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	35,724	-
Interest on bank deposits	銀行存款利息	11,151	2,158
Dividends from available-for-sale investments	可供出售投資之股息	6,862	-
Dividends from listed investment securities	上市證券投資之股息	-	20,556
		53,737	22,714

10. FINANCE COSTS

10. 融資成本

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest on bank borrowings:	銀行借貸利息：		
– wholly repayable within five years	– 須於五年內全數償還	262,035	44,637
– not wholly repayable within five years	– 毋須於五年內全數償還	-	2,282
Other finance charges	其他融資費用	16,114	45,757
		278,149	92,676
Less: Interests capitalised	減：資本化利息	(3,731)	(2,331)
		274,418	90,345

11. INCOME TAX EXPENSE

11. 所得稅開支

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
The amount comprises:	稅項包括：		
Hong Kong Profits Tax	香港利得稅		
Charge for the year	本年度之稅項支出	52,446	48,912
Under(over)provision in previous periods	過往期間撥備不足 (超額撥備)	862	(18,742)
		53,308	30,170
Taxation arising in other jurisdictions	其他司法權區之稅項		
Charge for the year	本年度之稅項支出	98,656	31,118
Underprovision in previous periods	過往期間撥備不足	1,710	-
		100,366	31,118
Deferred taxation	遞延稅項		
Credit for the year (Note 31)	本年度撥回(附註31)	(13,704)	(104)
		139,970	61,184

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profits for the year.

香港利得稅乃按年內估計應課稅溢利並按17.5%之稅率計算。

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

其他司法權區之稅項乃按有關司法權區之適用稅率計算。

11. INCOME TAX EXPENSE (continued)

The charge for the year can be reconciled to the profit before tax as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit before tax	除稅前溢利	1,788,802	1,257,497
Tax at the domestic income tax rate of 33% (Note 1)	以當地所得稅率33%計算之稅款(附註1)	590,304	414,974
Tax effect of expenses that are not deductible in determining taxable profit	釐定應課稅溢利時不可扣減費用之稅務影響	167,286	139,086
Tax effect of income that are not taxable in determining taxable profit	釐定應課稅溢利時毋須課稅收益之稅務影響	(79,938)	(160,439)
Under(over)provision in previous periods	過往期間撥備不足(超額撥備)	2,572	(18,742)
Tax effect on tax holiday (Note 2)	免稅期之稅務影響(附註2)	(189,135)	(183,082)
Deferred tax assets not recognised	未予確認之遞延稅項資產	23,907	1,845
Effect of different tax rates of subsidiaries operating in other jurisdictions/areas	於其他司法權區/地區經營附屬公司之不同稅率之影響	(375,026)	(132,458)
Tax expense for the year	本年度之稅務開支	139,970	61,184

Notes:

- The domestic income tax rate in the jurisdiction where the Group's operations are substantially based is used.
- The Company's subsidiaries in the PRC are exempted from income tax in the PRC for two years starting from the first profit making year followed by a 50% reduction in the income tax rate in the following three years.

11. 所得稅開支(續)

本年度之稅項支出與除稅前溢利之對賬如下:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit before tax	除稅前溢利	1,788,802	1,257,497
Tax at the domestic income tax rate of 33% (Note 1)	以當地所得稅率33%計算之稅款(附註1)	590,304	414,974
Tax effect of expenses that are not deductible in determining taxable profit	釐定應課稅溢利時不可扣減費用之稅務影響	167,286	139,086
Tax effect of income that are not taxable in determining taxable profit	釐定應課稅溢利時毋須課稅收益之稅務影響	(79,938)	(160,439)
Under(over)provision in previous periods	過往期間撥備不足(超額撥備)	2,572	(18,742)
Tax effect on tax holiday (Note 2)	免稅期之稅務影響(附註2)	(189,135)	(183,082)
Deferred tax assets not recognised	未予確認之遞延稅項資產	23,907	1,845
Effect of different tax rates of subsidiaries operating in other jurisdictions/areas	於其他司法權區/地區經營附屬公司之不同稅率之影響	(375,026)	(132,458)
Tax expense for the year	本年度之稅務開支	139,970	61,184

附註:

- 使用本集團大部分業務所在司法權區之當地所得稅率。
- 本公司於中國之附屬公司自首個獲利年度起計兩年內獲豁免繳納中國所得稅，其後三年所得稅率獲減免50%。

12. PROFIT FOR THE YEAR

12. 本年度溢利

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit for the year has been arrived at after charging:	本年度溢利已經扣除以下項目：		
Depreciation and amortisation of other properties, plant and equipment	其他物業、廠房及設備折舊及攤銷	817,258	439,391
Amortisation of intangible assets (included in administrative costs)	無形資產攤銷(已計入行政費用)	460	91
		817,718	439,482
Auditors' remuneration	核數師酬金	7,521	3,573
Amortisation of goodwill	商譽攤銷	-	26,183
Amortisation of goodwill (included in share of results of jointly controlled entities)	商譽攤銷(已計入應佔共同控制實體業績)	-	1,215
Loss on disposal and write off of other properties, plant and equipment	出售及撇銷其他物業、廠房及設備之虧損	1,669	23,368
Loss on disposal of investment properties	出售投資物業之虧損	-	29
Share of tax of jointly controlled entities	應佔共同控制實體稅項	876	-
Total staff costs, including directors' emoluments (see Note 13)	員工成本總額, 包括董事酬金(見附註13)	967,756	395,683

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the fourteen (2004: fourteen) directors were as follows:

13. 董事及僱員酬金

已付及應付十四名(二零零四年:十四名)董事之酬金如下:

		Year ended 31 December 2005 截至二零零五年十二月三十一日止年度														
		Cheung Kwok Wing	Chan Wing Kwan	Lam Ka Po	Cheung Kwok Keung	Cheung Kwok Wa	Cheung Kwong Kwan	Cheung Kwok Ping	Chang Wing Yiu	Mok Cham Hung, Chadwick	Tsao Kwang Yung, Peter	Lum Gum Wun	Cheng Ming Fun, Paul	Tse Kam Hung	Henry Tan	Total
		張國榮	陳永銀	林家寶	張國強	張國華	張廣軍	張國平	鄭永耀	莫港雄	曹廣榮	林根穗	鄭明訓	謝錦洪	陳亨利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Fees	袍金	-	-	-	-	-	-	-	-	-	90	-	360	100	51	601
Other emoluments:	其他酬金:															
Salaries and other benefits	薪金及其他福利	2,240	1,960	1,680	1,960	2,170	2,100	1,960	2,100	2,268	-	-	-	-	-	18,438
Contributions to retirement benefits scheme	退休福利計劃供款	96	84	66	78	87	84	84	90	97	-	-	-	-	-	766
Performance related incentive payment	工作表現獎勵款項	8,174	6,452	4,184	4,184	5,375	4,722	4,938	4,083	4,083	-	-	-	-	-	46,195
Total emoluments	酬金總額	10,510	8,496	5,930	6,222	7,632	6,906	6,982	6,273	6,448	90	-	360	100	51	66,000

		Year ended 31 December 2004 截至二零零四年十二月三十一日止年度														
		Cheung Kwok Wing	Chan Wing Kwan	Lam Ka Po	Cheung Kwok Keung	Cheung Kwok Wa	Cheung Kwong Kwan	Cheung Kwok Ping	Chang Wing Yiu	Mok Cham Hung, Chadwick	Tsao Kwang Yung, Peter	Cheng Ming Fun, Paul	Lau Tai Chim	Tse Kam Hung	Lum Gum Wun	Total
		張國榮	陳永銀	林家寶	張國強	張國華	張廣軍	張國平	鄭永耀	莫港雄	曹廣榮	鄭明訓	劉大潛	謝錦洪	林根穗	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Fees	袍金	-	-	-	-	-	-	-	-	-	180	360	45	25	-	610
Other emoluments:	其他酬金:															
Salaries and other benefits	薪金及其他福利	2,051	1,777	1,395	1,609	1,857	1,905	1,790	1,906	2,076	-	-	-	-	-	16,366
Contributions to retirement benefits scheme	退休福利計劃供款	95	82	64	73	85	82	82	88	96	-	-	-	-	-	747
Performance related incentive payment	工作表現獎勵款項	9,599	7,247	3,739	3,739	5,245	4,401	4,615	3,621	3,000	-	-	-	-	-	45,206
Total emoluments	酬金總額	11,745	9,106	5,198	5,421	7,187	6,388	6,487	5,615	5,172	180	360	45	25	-	62,929

Note:

The performance related payment is determined with reference to the operating results, individual performance and comparable market statistics during both years.

No directors waived any emoluments in the years ended 31 December 2005 and 2004 and the five highest paid individuals in the Group in both years were all directors of the Company.

附註:

工作表現相關款項乃參考該兩個年度之經營業績、個人表現及比較市場數據釐定。

概無董事於截至二零零五年十二月三十一日止年度及二零零四年十二月三十一日止年度放棄任何酬金。本集團於該兩個年度之五名最高薪人士均為本公司董事。

14. DIVIDENDS

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interim dividend paid/declared of HK12 cents (2004: HK10 cents) per ordinary share	已派發／宣派中期股息每股普通股12港仙 (二零零四年: 10港仙)	94,172	64,884
Final dividend proposed of HK28 cents (2004: HK20 cents) per ordinary share	擬派末期股息每股普通股28港仙 (二零零四年: 20港仙)	219,735	143,895
Additional dividend paid in respect of the previous period as a result of new shares issued subsequent to the approval of the previous period's financial statements	因於批准過往期間財務報表後發行新股份而就過往期間派發之額外股息	458	1
		314,365	208,780

The final dividend of HK28 cents (2004: HK20 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

董事建議派發末期股息每股28港仙 (二零零四年: 20港仙)·惟須待股東於應屆股東週年大會批准·方可作實。

15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Earnings for the purpose of calculating basic and diluted earnings per share	計算基本及攤薄每股盈利之盈利	1,435,809	1,103,845

14. 股息

15. 每股盈利

本公司普通權益持有人應佔基本及攤薄每股盈利按下列數據計算:

15. EARNINGS PER SHARE (continued)

15. 每股盈利 (續)

		Number of shares 股份數目	
		2005 二零零五年	2004 二零零四年
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	計算基本每股盈利之普通股加權平均數	749,803,531	661,475,853
Effect of dilutive potential ordinary shares relating to:	具潛在攤薄效應之普通股:		
– outstanding share options	– 未行使之優先購股權	32,119,029	34,035,619
– outstanding warrants	– 未行使之認股權證	4,232,355	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	計算攤薄每股盈利之普通股加權平均數	786,154,915	695,511,472

Impact of changes in accounting policies

Changes in the Group's accounting policies during the year are described in detail in Note 2. To the extent that those changes have had an impact on results reported for 2005 and 2004, they have had an impact on the amounts reported for earnings per share. The following table summarises that impact on both basic and diluted earnings per share:

會計政策變動影響

年內，本集團之會計政策變動詳述於附註2。就影響二零零五年及二零零四年所呈報業績之變動而言，其對所呈報每股盈利金額造成影響。下表概述對每股基本及攤薄盈利造成之影響：

		Impact on basic earnings per share 每股基本盈利影響		Impact on diluted earnings per share 每股攤薄盈利影響	
		2005 二零零五年 cents 港仙	2004 二零零四年 cents 港仙	2005 二零零五年 cents 港仙	2004 二零零四年 cents 港仙
Figures before changes in accounting policies	會計政策變動前數字	168.9	166.9	161.1	158.7
Impact arising from changes in accounting policies (see Note 2A)	會計政策變動所產生影響 (見附註2A)	22.6	–	21.5	–
As reported	如呈報	191.5	166.9	182.6	158.7

16. INVESTMENT PROPERTIES

16. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2004	於二零零四年一月一日	37,140
Increase in fair value	公平值增加	405
Disposals	出售	(3,565)
Transfer to properties for own use	調撥至自用物業	(1,640)
At 1 January 2005	於二零零五年一月一日	32,340
Increase in fair value	公平值增加	717
At 31 December 2005	於二零零五年十二月三十一日	33,057

The fair value of the Group's investment properties at 31 December 2005 have been arrived at on the basis of a valuation carried out on that date by Messrs. Chung, Chan & Associates, independent qualified professional valuers not connected with the Group. Messrs. Chung, Chan & Associates are members of the Institute of Valuers, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. At 31 December 2005, the carrying amount of such property interests amounted to HK\$33,057,000 (2004: HK\$32,340,000).

The carrying value of investment properties shown above comprises:

本集團投資物業於二零零五年十二月三十一日之公平值乃按與本集團並無關連之獨立合資格專業估值師衡量行於當日進行估值之基準達致。衡量行乃估值師協會會員，擁有適當資歷，擁有評估近期相關地點類似物業價值之經驗。是次估值遵循國際估值準則，並參考類似物業交易價值之市場憑證釐定。

本集團所有物業權益均按經營租約持有以賺取租金，或就資本增值而言，利用公平值模式計量，並分類及列作投資物業。於二零零五年十二月三十一日，該等物業權益之賬面值為33,057,000港元（二零零四年：32,340,000港元）。

以上所示投資物業賬面值包括：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Land in Hong Kong:	香港土地：		
Medium-term lease	中期租約	2,777	2,510
Land outside Hong Kong:	香港以外土地：		
Long lease	長期租約	20,880	20,430
Medium-term lease	中期租約	9,400	9,400
		33,057	32,340

17. OTHER PROPERTIES, PLANT AND EQUIPMENT

17. 其他物業、廠房及設備

		Freehold land and properties for own use 永久產權土地 及自用物業 HK\$'000 千港元	Leasehold land 租約土地 HK\$'000 千港元	Leasehold improve- ments 租約 物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Properties, plant and equipment under construction 在建中物業、 廠房及設備 HK\$'000 千港元	Total 合計 HK\$'000 千港元
COST	成本								
At 1 January 2004	於二零零四年 一月一日								
- As originally stated	一如前呈列	591,651	217,181	57,484	3,096,768	67,944	67,999	637,175	4,736,202
- Reclassified to prepaid lease payments	重新分類至 預付租賃 款項	-	(217,181)	-	-	-	-	-	(217,181)
- As restated	一重列	591,651	-	57,484	3,096,768	67,944	67,999	637,175	4,519,021
Exchange adjustments	匯兌調整	2,987	-	353	8,825	348	35	852	13,400
Additions	添置	33,779	-	7,723	720,973	22,574	26,276	1,402,312	2,213,637
Increase on acquisition of subsidiaries	收購附屬公司 增加	546,531	-	93,719	1,453,188	33,250	7,801	133,349	2,267,838
Disposals and write off	出售及撇銷	(34,449)	-	(1,155)	(18,934)	(582)	(9,043)	-	(64,163)
Transfer from investment properties	轉撥自投資 物業	1,640	-	-	-	-	-	-	1,640
Reclassifications	重新分類	284,903	-	4,535	628,458	4,959	1,198	(924,053)	-
At 31 December 2004 and at 1 January 2005	於二零零四年 十二月三十一日 及二零零五年 一月一日	1,427,042	-	162,659	5,889,278	128,493	94,266	1,249,635	8,951,373
Exchange adjustments	匯兌調整	18,353	-	10,370	82,197	2,381	3,824	44,742	161,867
Additions	添置	113,672	-	15,174	661,524	56,421	16,267	1,102,839	1,965,897
Disposals and write off	出售及撇銷	(1,421)	-	(1,569)	(71,141)	(7,739)	(4,590)	-	(86,460)
Reclassifications	重新分類	326,509	-	10,691	1,164,534	15,605	1,379	(1,518,718)	-
At 31 December 2005	於二零零五年 十二月三十一日	1,884,155	-	197,325	7,726,392	195,161	111,146	878,498	10,992,677

17. OTHER PROPERTIES, PLANT AND EQUIPMENT 17. 其他物業、廠房及設備 (續)
(continued)

		Freehold land and properties for own use 永久產權土地 及自用物業 HK\$'000 千港元	Leasehold land 租約土地 HK\$'000 千港元	Leasehold improve- ments 租約 物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Properties, plant and equipment under construction 在建中物業、 廠房及設備 HK\$'000 千港元	Total 合計 HK\$'000 千港元
DEPRECIATION AND IMPAIRMENT	折舊及減值								
At 1 January 2004	於二零零四年 一月一日								
- As originally stated	一如前呈列	72,805	8,101	17,087	963,808	22,165	34,490	-	
- Reclassified to prepaid lease payments	一重新分類至 預付租賃 款項	-	(8,101)	-	-	-	-	-	
- As restated	一重列	72,805	-	17,087	963,808	22,165	34,490	-	
Exchange adjustments	匯兌調整	435	-	101	3,827	421	11	-	
Provided for the year	本年度撥備	33,931	-	8,301	377,656	8,368	11,135	-	
Eliminated on disposals and write off	出售時註銷 及撇銷	(5,745)	-	(644)	(11,691)	(343)	(3,563)	-	
At 31 December 2004 and at 1 January 2005	於二零零四年 十二月三十一日 及二零零五年 一月一日	101,426	-	24,845	1,333,600	30,611	42,073	-	
Exchange adjustments	匯兌調整	1,998	-	2,209	15,810	393	2,795	-	
Provided for the year	本年度撥備	73,535	-	23,504	662,304	48,958	8,957	-	
Eliminated on disposals and write off	出售時註銷 及撇銷	(550)	-	(454)	(60,102)	(6,731)	(2,778)	-	
At 31 December 2005	於二零零五年 十二月三十一日	176,409	-	50,104	1,951,612	73,231	51,047	-	
CARRYING VALUES	賬面值								
At 31 December 2005	於二零零五年 十二月三十一日	1,707,746	-	147,221	5,774,780	121,930	60,099	878,498	
At 31 December 2004 (restated)	於二零零四年 十二月三十一日 (重列)	1,325,616	-	137,814	4,555,678	97,882	52,193	1,249,635	
								7,418,818	

18. PREPAID LEASE PAYMENTS

18. 預付租賃款項

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
The Group's prepaid lease payments comprises:	本集團之預付租賃款項包括:		
Leasehold land outside Hong Kong:	香港以外租賃土地:		
Medium term lease	中期租約	355,850	323,926
Long lease	長期租約	3,193	3,193
		359,043	327,119
Analysed for reporting purposes as:	就報告分析如下:		
Current asset	流動資產	7,669	7,271
Non-current asset	非流動資產	351,374	319,848
		359,043	327,119

19. GOODWILL

19. 商譽

		HK\$'000 千港元
COST		
At 1 January 2004	於二零零四年一月一日	144,626
Arising on acquisition of subsidiaries	收購附屬公司產生	1,248,639
Arising on acquisition of additional interest in a subsidiary	收購一間附屬公司額外權益產生	41,794
At 1 January 2005	於二零零五年一月一日	1,435,059
Arising on acquisition of additional interest in subsidiaries (Note)	收購附屬公司額外權益產生(附註)	279,355
Elimination of accumulated amortisation upon the application of HKFRS 3 (see Note 3)	應用香港財務報告準則第3號後撤銷累計攤銷(見附註3)	(55,060)
At 31 December 2005	於二零零五年十二月三十一日	1,659,354
AMORTISATION		
At 1 January 2004	於二零零四年一月一日	28,877
Charge for the year	本年度支出	26,183
At 1 January 2005	於二零零五年一月一日	55,060
Elimination of accumulated amortisation upon the application of HKFRS 3 (see Note 3)	應用香港財務報告準則第3號後撤銷累計攤銷(見附註3)	(55,060)
At 31 December 2005	於二零零五年十二月三十一日	-
CARRYING VALUE		
At 31 December 2005	於二零零五年十二月三十一日	1,659,354
At 31 December 2004	於二零零四年十二月三十一日	1,379,999

Note: Goodwill was calculated as the difference between the consideration paid for the additional interest and the carrying amount of the net assets of the subsidiaries attributable to the additional interest acquired. The directors of the Company considered the difference between the fair value and the carrying amount of the proportion of net assets attributable to the increase in stake is not material. No revaluation changes have been included in the resulting goodwill.

附註: 商譽按就額外權益所付代價與所收購額外權益應佔附屬公司資產淨值之賬面值間差額計算。本公司董事認為，股權增加應佔資產淨值比例之公平值與賬面值間差額並不重大。上述商譽並無涉及重估變動。

19. GOODWILL (continued)

Impairment testing of goodwill

The goodwill was allocated to PCB cash-generating units for impairment testing. The recoverable amount of the PCB generating unit has been determined from value in use calculation. To calculate this, cash flow projections are based on one year period financial budgets approved by senior management. The key assumption for the value in use calculations is the budgeted gross margin at a discount rate of 5% and growth rate of 10%, which is determined based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount. Since the recoverable amount of the cash generating unit is higher than its carrying amount, the directors consider that the carrying value of goodwill at the balance sheet date is not significantly impaired.

Until 31 December 2004, goodwill had been amortised over its estimated useful life ranging from 10 to 20 years.

20. INVESTMENT IN AN ASSOCIATE

19. 商譽 (續)

商譽減值檢測

商譽分配予印刷線路板之現金產生單位作減值檢測。印刷線路板產生單位之可收回金額按使用價值計算法釐定。為計算使用價值，現金流量預測以經高級管理層所批准之一年為期之財政預算為基準。使用價值計算法之主要假設為預算毛利之折現率及增長率分別為5%及10%，乃按該單位過往表現及管理層對市場發展之期望釐定。管理層相信，該等假設或會出現任何可能合理變動，不會導致賬面總值超出可收回總額。由於現金產生單位之可收回金額高於其賬面值，故董事認為，於結算日之商譽賬面值並無出現重大減值。

截至二零零四年十二月三十一日，商譽按估計可用年期10至20年攤銷。

20. 於一間聯營公司之投資

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Cost of investment in an unlisted associate	於一間非上市聯營公司之投資成本	188,137	188,137
Share of post-acquisition profit	應佔收購後溢利	-	-
		188,137	188,137

20. INVESTMENT IN AN ASSOCIATE (continued)

As at 31 December 2005, the Group had interest in the following associate:

Name of entity 實體名稱	Form of business structure 業務架構形式	Place of registration and operation 註冊及營運地點	Proportion of nominal value of registered capital held by the Group 本集團所持註冊資本面值比例	Principal activity 主要業務
CNOOC Kingboard Chemical Limited 中海石油建滔化工有限公司	Incorporation 註冊成立	PRC 中國	40%	Manufacture and sales of methanol 製造及分銷甲醇

The associate has not commenced operation at the balance sheet date.

The summarised financial information in respect of the Group's associate is set out below:

20. 於一間聯營公司之投資 (續)

於二零零五年十二月三十一日，本集團擁有以下聯營公司權益：

於結算日，聯營公司尚未開展業務。

有關本集團聯營公司之財務資料概述如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Total assets	資產總值	712,162	535,445
Total liabilities	負債總額	(241,819)	(65,102)
Net assets	資產淨值	470,343	470,343
Group's share of net assets of associates	本集團應佔聯營公司資產淨值	188,137	188,137

21. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments at 31 December 2005 comprises:

Listed investments:
– Equity securities listed in Hong Kong
Unlisted investments

Total

上市投資:
– 於香港上市之股本證券
非上市之投資

合計

At the balance sheet date, all available-for-sale investments are stated at fair value, except for those unlisted equity investments of which their fair values cannot be measured reliably. Fair values of those investments have been determined by reference to bid prices quoted in active markets.

The above unlisted investments represent investments in unlisted equity securities issued by private entities. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

21. 可供出售投資

於二零零五年十二月三十一日之可供出售投資包括下列各項:

2005
二零零五年
HK\$'000
千港元

111,756

9,525

121,281

於結算日，除不能可靠計算其公平值之非上市股本投資外，所有可供出售投資均按公平值列賬。該等投資之公平值乃經參考交投活躍市場所報競投價釐定。

上述非上市投資指於私人實體所發行非上市股本證券之投資。由於公平值之合理估算幅度龐大，致使本公司董事認為未能可靠計算其公平值，故非上市投資於各個結算日按成本扣除減值計算。

22. INVESTMENT SECURITIES

Details of investment securities at 31 December 2004 are set out below. Upon the application of HKAS 39 on 1 January 2005, investment securities were reclassified to appropriate categories under HKAS 39 (see Note 2A for details).

22. 證券投資

於二零零四年十二月三十一日之證券投資詳情載列如下。於二零零五年一月一日應用香港會計準則第39號後，證券投資已根據香港會計準則第39號重新分類至合適類別（詳情見附註2A）。

		Investment securities 證券投資 2004 二零零四年 HK\$'000 千港元	Other investments 其他投資 2004 二零零四年 HK\$'000 千港元	Total 合計 2004 二零零四年 HK\$'000 千港元
Equity securities	股本證券			
Listed in Hong Kong	於香港上市	346,789	-	346,789
Listed in overseas	於海外上市	-	7,058	7,058
Unlisted	非上市	-	9,000	9,000
		346,789	16,058	362,847
Market value of listed securities	上市證券市值	305,324	7,058	312,382
Carrying amount analysed for reporting purposes as:	就報告分析之賬面值：			
Current	流動	-	16,058	16,058
Non-current	非流動	346,789	-	346,789
		346,789	16,058	362,847

Investment securities comprise minority equity stakes in certain industrial companies which shares are listed in Hong Kong. They are held for identified long term strategic purposes and, in the opinion of the directors, they are worth at least their cost.

證券投資包括於若干工業公司之少數股本權益，此等公司之股份於香港上市。該等投資乃按指定之長期策略而持有，董事認為此等證券投資之價值最少相當於其成本值。

23. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives under hedge accounting:

23. 衍生金融工具

對沖會計項下衍生工具:

		2005 二零零五年 Assets 資產 HK\$'000 千港元
Interest rate swaps	利率掉期	117,193
Analysed as:	分析如下:	
Non-current	非流動	60,697
Current	流動	56,496
		117,193

The Group uses interest rate swaps to minimise its exposure to fair value changes of its floating-rate Hong Kong dollar bank borrowings by swapping borrowings from floating rates to fixed rates. The critical terms of these interest rate swaps are similar to those of the hedged bank borrowings and the directors of the Company designated the derivatives as cash flows hedging instruments and considered they are highly effective. Major terms of the interest rate swaps are set out below:

本集團透過將借貸由浮息轉為定息，利用利率掉期減低按浮息計算之港元銀行借貸公平值變動之風險。該等利率掉期之主要條款與對沖銀行借貸之主要條款相似，本公司董事指定該衍生工具為現金流量對沖工具，並認為該等工具極有效。利率掉期之主要條款載列如下：

Notional amount 面值 HK\$'000 千港元	Maturity 到期日	Receive floating 所收浮息	Pay fixed 所付定息
300,000	Within 1 year 一年內	HIBOR 香港銀行同業拆息	2.95% 2.95厘
1,000,000	Within 1 to 2 years 一至兩年內	HIBOR 香港銀行同業拆息	2.41% to 3.08% 2.41至3.08厘
900,000	Within 2 to 3 years 兩至三年內	HIBOR 香港銀行同業拆息	2.55% to 2.97% 2.55至2.97厘
1,000,000	Within 3 to 4 years 三至四年內	HIBOR 香港銀行同業拆息	2.41% to 3.74% 2.41至3.74厘
950,000	Within 4 to 5 years 四至五年內	HIBOR 香港銀行同業拆息	2.18% to 2.50% 2.18至2.50厘

23. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

At 31 December 2005, fair value gains of HK\$206,988,000 have been deferred in equity and will be reclassified into the consolidated income statement in the same periods during which the variable interests relating to the bank borrowings affect the profit and loss.

The above derivatives are measured at fair value at each balance sheet date. Their fair values are determined based on the valuation techniques as confirmed by respective financial institutions for equivalent instruments at the balance sheet date.

23. 衍生金融工具 (續)

於二零零五年十二月三十一日，為數206,988,000港元之公平值收益已於股本遞延處理，將於有關銀行借貸之可變利息影響損益之同一期間重新分類至綜合收益表。

上述衍生工具於各結算日按公平值計算。其公平值按有關金融機構於結算日就對等工具確認之估值方法釐定。

24. INTERESTS IN JOINTLY CONTROLLED ENTITIES

As at 31 December 2005, the Group had interests in the following significant jointly controlled entities:

24. 於共同控制實體之權益

於二零零五年十二月三十一日，本集團於下列重大共同控制實體擁有權益：

Name of jointly controlled entity 共同控制實體名稱	Form of business structure 業務架構形式	Place of registration/ incorporation and operation 註冊/註冊成立 及營業地點	Proportion of nominal value of registered/ issued capital held by the Group 本集團所持有註冊 資本/已發行 股本面值比例	Proportion of voting power 表決比例	Principal activity 主要業務
Guangzhou Express Logistics Limited ("GZ Express") 廣州智恆物流服務有限公司 (「廣州智恆」)	Incorporated 註冊成立	PRC 中國	49%*	50%	Provision of logistic services 提供物流服務
Concord Modern Technology Limited 康美科技有限公司	Incorporated 註冊成立	Hong Kong 香港	50%	50%	Manufacture of optical discs 製造光碟
Full Summit Development Limited 溢峰發展有限公司	Incorporated 註冊成立	Hong Kong 香港	50%	50%	Manufacture of optical discs 製造光碟

* Under the joint venture agreement of GZ Express, the joint venture partners have joint control over the entity's daily operating and financial decisions.

* 根據廣州智恆之合營協議，合營夥伴於實體之日常營運及財務決策擁有共同控制權。

24. INTERESTS IN JOINTLY CONTROLLED ENTITIES **24. 於共同控制實體之權益 (續)**
(continued)

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Cost of unlisted investment in jointly controlled entities	共同控制實體之非上市投資成本	15,953	22,171
Share of post-acquisition losses	應佔收購後虧損	(17,066)	(2,746)
		(1,113)	19,425
Amounts due from jointly controlled entities (Note)	應收共同控制實體款項(附註)	18,222	18,390
		17,109	37,815

Note: Amounts due from jointly controlled entities are unsecured, interest-free, with no fixed repayment terms and are not repayable in the foreseeable future.

附註: 應收共同控制實體款項為無抵押、免息、且無固定還款期，毋須於可見將來償還。

24. INTERESTS IN JOINTLY CONTROLLED ENTITIES **24. 於共同控制實體之權益 (續)**
(continued)

Included in the cost of investment in jointly controlled entities is goodwill of HK\$10,943,000 (2004: HK\$10,943,000) arising on the acquisition of jointly controlled entities in prior years. The movement of goodwill is set out below.

共同控制實體投資成本包括過往年度收購共同控制實體所產生為數10,943,000港元(二零零四年: 10,943,000港元)之成本。商譽變動載列如下。

		HK\$'000 千港元
COST	成本	
At 1 January 2004 and at 1 January 2005	於二零零四年一月一日及 二零零五年一月一日	12,158
Elimination of accumulated amortisation upon the application of HKFRS 3 (see Note 2)	應用香港財務報告準則第3號後 撇銷累計攤銷(見附註2)	<u>(1,215)</u>
At 31 December 2005	於二零零五年十二月三十一日	<u>10,943</u>
AMORTISATION	攤銷	
At 1 January 2004	於二零零四年一月一日	-
Charge for the year	本年度支出	<u>1,215</u>
At 31 December 2004	於二零零四年十二月三十一日	1,215
Elimination of accumulated amortisation upon the application of HKFRS 3 (see Note 2)	應用香港財務報告準則第3號後 撇銷累計攤銷(見附註2)	<u>(1,215)</u>
At 31 December 2005	於二零零五年十二月三十一日	<u>-</u>
CARRYING VALUE	賬面值	
At 31 December 2005	於二零零五年十二月三十一日	<u>10,943</u>
At 31 December 2004	於二零零四年十二月三十一日	<u>10,943</u>

24. INTERESTS IN JOINTLY CONTROLLED ENTITIES

(continued)

The goodwill was mainly allocated to Optical disc cash-generating units for impairment testing. The recoverable amount of the Optical disc generating unit has been determined from value in use calculation. To calculate this, cash flow projections are based on one year period financial budgets approved by senior management. The key assumption for the value in use calculations is the budgeted gross margin, which is determined based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount. Since the recoverable amount of the cash generating unit is higher than its carrying amount, the directors consider that the carrying value of goodwill at the balance sheet date is not significantly impaired.

Until 31 December 2004, goodwill had been amortised over its estimated useful life of 10 years.

25. NON-CURRENT DEPOSITS

Non-current deposits represent deposits paid for the acquisition of other properties, plant and equipment.

24. 於共同控制實體之權益 (續)

商譽主要分配予光碟現金產生單位作減值測檢。光碟產生單位之可收回金額按使用價值計算法釐定。為計算使用價值，現金流量預測以高級管理層所批准以一年為期之財政預算為基準。使用價值計算法之主要假設為預算毛利率，乃按該單位過往表現及管理層對市場發展之期望釐定。管理層相信，該等假設出現任何可能合理變動，均不會導致賬面總值超出可收回總額。由於現金產生單位之可收回金額高於其賬面值，故董事認為，於結算日之商譽賬面值並無出現重大減值。

截至二零零四年十二月三十一日，商譽按估計可用年期10年攤銷。

25. 非流動訂金

非流動訂金指就購買其他物業、廠房及設備已支付之訂金。

26. INTANGIBLE ASSETS

26. 無形資產

		Know-how fee 專業知識費用 HK\$'000 千港元
COST		
Acquisition of subsidiaries and balance at 31 December 2004 and at 1 January 2005	成本 收購附屬公司及於二零零四年 十二月三十一日及 二零零五年一月一日之餘額	2,329
AMORTISATION		
At 1 January 2004	攤銷 於二零零四年一月一日	–
Charge for the year	本年度支出	91
At 31 December 2004	於二零零四年十二月三十一日	91
Charge for the year	本年度支出	460
At 31 December 2005	於二零零五年十二月三十一日	551
CARRYING VALUE		
At 31 December 2005	賬面值 於二零零五年十二月三十一日	1,778
At 31 December 2004	於二零零四年十二月三十一日	2,238

Know-how was acquired from third parties in previous years, has definite useful life and is amortised on a straight-line basis over 5 years.

過往年度向第三方收購之專業知識有固定可用年期，並按直線法於五年內攤銷。

27. INVENTORIES

27. 存貨

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Raw materials	原料	1,240,959	966,048
Work in progress	在製品	369,395	344,206
Finished goods	製成品	175,455	224,805
		1,785,809	1,535,059

28. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS 28. 貿易及其他應收賬款及預付款項

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (重列)
Trade receivables	貿易應收賬款	4,048,655	3,256,844
Less: accumulated impairment	減: 累計減值	(235,832)	(211,587)
Bills receivables	應收票據	3,812,823	3,045,257
Other receivables and prepayments	其他應收賬款及 預付款項	329,987	225,905
		751,411	769,162
		4,894,221	4,040,324

The Group allows credit periods of up to 120 days, depending on the product sold, to its trade customers. The following is an aged analysis of trade receivables net of accumulated impairment at the reporting date:

本集團給予貿易客戶之信貸賬期最長為120日，視乎所售產品而定。於申報日期，應收貿易賬款扣除累計減值後之賬齡分析如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (重列)
0 – 90 days	零至九十日	2,998,323	2,329,920
91 – 180 days	九十一至一百八十日	742,192	642,581
Over 180 days	一百八十日以上	72,308	72,756
		3,812,823	3,045,257

The fair value of the Group's trade and other receivables and prepayments at 31 December 2005 was approximate to the corresponding carrying amount.

本集團於二零零五年十二月三十一日之貿易及其他應收賬款及預付款項之公平值與相應賬面值相若。

29. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$1,471,804,000 (2004: HK\$1,268,068,000). The aged analysis of the trade payables is as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 – 90 days	零至九十日	1,059,106	883,141
91 – 180 days	九十一至一百八十日	319,985	315,340
Over 180 days	一百八十日以上	92,713	69,587
		1,471,804	1,268,068

The fair value of the group's trade and other payables at 31 December 2005 approximates to the corresponding carrying amount.

29. 貿易及其他應付賬款

貿易及其他應付賬款包括為數 1,471,804,000 港元 (二零零四年: 1,268,068,000 港元) 之應付貿易賬款。應付貿易賬款之賬齡分析如下:

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 – 90 days	1,059,106	883,141
91 – 180 days	319,985	315,340
Over 180 days	92,713	69,587
	1,471,804	1,268,068

本集團於二零零五年十二月三十一日之貿易及其他應付賬款之公平值與相應賬面值相若。

30. BANK BORROWINGS

30. 銀行借貨

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Bank loans	銀行貸款	6,224,467	5,712,144
Trust receipt loans	信託收據貸款	416,812	435,689
Bank overdrafts	銀行透支	139,694	105,840
		6,780,973	6,253,673
Carrying amount repayable:	須於下列期間償還 之賬面值:		
On demand or within one year	應要求或於一年內	2,231,728	3,315,515
More than one year, but not exceeding two years	一年以上但不超過兩年	1,160,283	1,219,683
More than two years but not more than five years	兩年以上但不超過五年	3,388,962	1,378,475
More than five years	超過五年	-	340,000
		4,549,245	2,938,158
Total	合計	6,780,973	6,253,673

The bank borrowings are unsecured and bear interest at market rates.

Bank loans are variable-rate borrowings which carry interest ranging from HIBOR+0.58% to HIBOR+1% (2004: HIBOR+0.58% to HIBOR+1.2%) per annum.

The directors consider that the carrying amount of bank borrowings approximates their fair value.

銀行借貨為無抵押及按市場利率計息。

銀行貸款為具有不同利率之借貨，年息率介乎香港銀行同業拆息加0.58厘至香港銀行同業拆息加1厘（二零零四年：香港銀行同業拆息加0.58厘至香港銀行同業拆息加1.2厘）不等。

董事認為銀行借貨之賬面值與其公平值相若。

30. BANK BORROWINGS (continued)

At the balance sheet date, the Group had the following undrawn borrowing facilities:

Floating rate	浮動息率
– expiring within one year	– 於一年內屆滿
– expiring beyond one year	– 於一年後屆滿

30. 銀行借貸 (續)

於結算日，本集團未提取之借貸額如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
552,928	5,987,909
1,413,000	766,250
1,965,928	6,754,159

31. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior reporting periods:

31. 遞延稅項

下表為本申報期及前申報期內已予確認之主要遞延稅項負債及資產以及當中之變動：

	Accelerated tax depreciation 加速稅務折舊 HK\$'000 千港元	Tax losses 稅務虧損 HK\$'000 千港元	Write-down of inventories 存貨撇減 HK\$'000 千港元	Total 合計 HK\$'000 千港元	
At 1 January 2004					
	於二零零四年 一月一日	34,156	(1,980)	(9,658)	22,518
Acquisition of subsidiaries	收購附屬公司	37,365	(10,657)	–	26,708
Charge (credit) for the year	本年度支出(撥回)	2,436	(609)	(1,931)	(104)
At 31 December 2004					
	於二零零四年 十二月三十一日	73,957	(13,246)	(11,589)	49,122
Exchange difference	匯兌差額	(64)	–	–	(64)
(Credit) charge for the year	本年度(撥回)支出	(13,853)	2,799	(2,650)	(13,704)
At 31 December 2005					
	於二零零五年 十二月三十一日	60,040	(10,447)	(14,239)	35,354

31. DEFERRED TAXATION (continued)

For the purposes of balance sheet presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	46,960	64,299
Deferred tax assets	遞延稅項資產	(11,606)	(15,177)
		35,354	49,122

At 31 December 2005, deferred tax assets of HK\$10,447,000 (2004: HK\$13,246,000) in relation to unused tax losses and HK\$14,239,000 (2004: HK\$11,589,000) in relation to write-down of inventories have been recognised in the Group's consolidated balance sheet, and the Group has unrecognised deferred tax assets due to the unpredictability of the future profit streams arising from tax losses amounting to approximately HK\$143,073,000 (2004: HK\$22,168,000). All tax losses can be carried forward indefinitely.

31. 遞延稅項 (續)

若干遞延稅項資產與負債已於對銷後呈列於資產負債表內。下表為就財務申報而作出之遞延稅項結餘分析：

於二零零五年十二月三十一日，有關未動用稅項虧損及存貨撇減為數分別10,447,000港元（二零零四年：13,246,000港元）及14,239,000港元（二零零四年：11,589,000港元）之遞延稅項資產已於本集團綜合資產負債表確認，而本集團並無未確認遞延稅項資產，原因為無法預計為數約143,073,000港元（二零零四年：22,168,000港元）之稅項虧損所產生未來溢利來源。所有稅項虧損可無限期結轉。

32. SHARE CAPITAL

32. 股本

		Number of shares 股數		Share capital 股本	
		2005 二零零五年	2004 二零零四年	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元 之普通股				
Authorised	法定：				
At beginning of year	於年初	1,200,000,000	800,000,000	120,000	80,000
Increase on 22 April 2004 (see Note (a))	於二零零四年 四月二十二日增加 (見附註(a))	-	400,000,000	-	40,000
At end of year	於年終	1,200,000,000	1,200,000,000	120,000	120,000
Issued and fully paid	已發行及繳足股款：				
At beginning of year	於年初	719,476,381	648,593,381	71,948	64,859
Issue of new shares (see Note (b))	發行新股份 (見附註(b))	40,000,000	65,000,000	4,000	6,500
Exercise of share options (see Note 33)	行使優先購股權 (見附註33)	5,300,000	5,878,000	530	588
Exercise of warrant subscription rights (see Note 33)	行使認股權證認購權 (見附註33)	19,990,780	5,000	1,999	1
At end of year	於年終	784,767,161	719,476,381	78,477	71,948

Notes:

- (a) Pursuant to an ordinary resolution passed on 22 April 2004, the authorised share capital of the Company was increased by HK\$40,000,000 by the creation of an additional 400,000,000 new shares of HK\$0.10 each.

附註：

- (a) 根據於二零零四年四月二十二日通過之普通決議案，本公司法定股本藉增設400,000,000股每股面值0.10港元之新股份而增加40,000,000港元。

32. SHARE CAPITAL (continued)

Notes: (continued)

- (b) On 8 July 2005, an agreement was entered into by Hallgain Management Limited (“Hallgain”), the controlling shareholder of the Company, and placing agents for a placement of 40,000,000 existing shares (the “Placing Shares”) of HK\$0.10 each in the Company at a price of HK\$22.25 per share (the “Placing Price”). Citigroup Global Markets Hong Kong Futures and Securities Limited (the “Placing Agent”) were appointed by Hallgain as the Placing Agent to unconditionally place the Placing Shares to six or more independent professional and institutional investors on a fully underwritten basis. The Placing Agent and the placees (and their ultimate beneficial owners) are independent of and not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries, or an associate of any of them.

On the same date, Hallgain also entered into a subscription agreement with the Company to subscribe for 40,000,000 new shares of HK\$0.10 each in the Company (the “Subscription Shares”) at a price of HK\$22.25 per share (the “Subscription Price”).

The Placing Shares and the Subscription Shares each represented approximately 5.39% of the existing share capital of the Company (742,525,981 shares of the Company in issue in total) and approximately 5.11% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (782,525,981 shares of the Company in issue in total). The Placing Price and the Subscription Price of HK\$22.25 represented a discount of approximately 11.00% to the closing price of HK\$25.00 per share quoted on the Stock Exchange on 6 July 2005 and a discount of approximately 11.55% to the average closing price of the shares of the Company for the last ten trading days of HK\$25.155 per share from 22 June 2005 to 6 July 2005 (both days inclusive).

Of the net proceeds to the Company from the share subscription of approximately HK\$880 million, approximately HK\$616 million was used to repay existing bank borrowings of the Group, approximately HK\$264 million was used for general working capital purposes.

32. 股本 (續)

附註：(續)

- (b) 於二零零五年七月八日，本公司控股股東 Hallgain Management Limited (「Hallgain」) 與配售代理訂立協議，安排配售本公司每股面值 0.10 港元之現有股份 40,000,000 股 (「配售股份」)，每股作價 22.25 港元 (「配售價」)。Citigroup Global Markets Hong Kong Futures and Securities Limited (「配售代理」) 獲 Hallgain 委任為配售代理，負責按全面包銷基準將配售股份無條件配售予六名或以上獨立專業及機構投資者。配售代理及承配人 (及彼等之最終實益擁有人) 均為獨立人士，與本公司或其任何附屬公司之任何董事、主要行政人員、主要股東或彼等之聯繫人士概無關連。

於同日，Hallgain 亦與本公司訂立認購協議，以便按每股 22.25 港元之價格 (「認購價」) 認購本公司每股面值 0.10 港元之新股份 40,000,000 股 (「認購股份」)。

配售股份及認購股份各佔本公司現有股本 (合共已發行 742,525,981 股本公司股份) 約 5.39%，及佔本公司因配發及發行認購股份而擴大之已發行股本 (合共已發行 782,525,981 股本公司股份) 約 5.11%。配售價及認購價 22.25 港元較股份於二零零五年七月六日在聯交所所報收市價每股 25.00 港元折讓約 11.00%，而與本公司股份由二零零五年六月二十二日至二零零五年七月六日 (包括首尾兩日) 止最後十個交易日之平均收市價每股 25.155 港元比較，則折讓約 11.55%。

本公司就股份認購事項所得款項淨額約為 880,000,000 港元，其中約 616,000,000 港元已用於償還本集團現有銀行借貸，約 264,000,000 港元則撥作一般營運資金。

33. SHARE OPTIONS

Employees' share option scheme of the Company

Under the Company's share option scheme (the "Scheme") adopted on 2 July 2002, which is valid for a period of ten years, the board of directors of the Company may, at its discretion, grant options to subscribe for shares in the Company to eligible participants ("Eligible Participants") who contributes to the long-term growth and profitability of the Company. Eligible Participants includes (i) any employee (whether full time or part time) of the Company, any of its subsidiaries or any entity in which the Group holds any equity interests ("Invested Entity"), including any executive director of the Company, any of such subsidiaries or any Invested Entity; (ii) any non-executive directors (including independent non-executive directors) of the Company, its subsidiaries or any Invested Entity; (iii) any supplier of goods or services to any member of the Group or any Invested Entity; (iv) any customer of the Group or any Invested Entity; (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and (vi) any person or entity who from time to time determined by the Board as having contributed or may contribute to the development and growth of the Group based on his or its performance and/or years of service, or is regarded as valuable resources of the Group based on his/its working experience, knowledge in the industry and other relevant factors. The subscription price for the Company's shares shall be a price at least equal to the highest of the nominal value of the Company's shares, the average of the closing prices of the Company's shares quoted on the Stock Exchange on the five trading days immediately preceding the date of an offer of the grant of the options and the closing price of the Company's shares quoted on the Stock Exchange on the date of an offer of the grant of the options. The options must be taken up within 28 days from the date of grant upon payment of HK\$1 and are exercisable over a period to be determined and notified by the directors to each grantee, which period may commence from the date of acceptance of the offer of the grant of the options but shall end in any event not later than ten years from the date of adoption of the Scheme.

33. 優先購股權

本公司僱員優先購股權計劃

根據本公司於二零零二年七月二日採納有效期為十年之優先購股權計劃(「該計劃」)，本公司董事會可酌情向對本公司長遠增長及盈利作出貢獻之合資格參與者(「合資格參與者」)授出優先購股權，以認購本公司股份。合資格參與者包括(i)本公司、其任何附屬公司或本集團持有任何股權之任何實體(「受投資實體」)之任何全職或兼職僱員，包括本公司、任何該等附屬公司或任何受投資實體之任何執行董事；(ii)本公司、其附屬公司或任何受投資實體任何非執行董事，包括獨立非執行董事；(iii)本集團任何成員公司或任何受投資實體之任何貨品或服務供應商；(iv)本集團或任何受投資實體之任何客戶；(v)本集團任何成員公司或任何受投資實體之任何股東或本集團任何成員公司或受投資實體之任何已發行證券持有人；及(vi)董事會不時按其表現及／或服務年期而認為曾經或可能對本集團發展及增長作出貢獻，或按其於業內工作經驗、知識及其他相關因素而被視為本集團寶貴資源之任何人士或實體。本公司股份之認購價須為至少相等於本公司股份面值、本公司股份於緊接要約授出優先購股權日期前五個交易日於聯交所報平均收市價及本公司股份於要約授出優先購股權日期於聯交所報收市價之最高者。優先購股權須於授出日期28日內接納，接納時須支付1港元，優先購股權可於董事會釐定並通知各承授人之期間內行使，該期間可由接納要約授出優先購股權之日起，惟無論如何須不遲於該計劃採納日期起計十年止。

33. SHARE OPTIONS *(continued)*

Employees' share option scheme of the Company *(continued)*

The total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group (excluding options lapsed in accordance with the terms of the Scheme and any other schemes of the Group) must not in aggregate exceed 10% of the Company's shares in issue as at the date of adoption of the Scheme. The limit on the number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Group must not exceed 30% of the Company's shares in issue from time to time. The total number of the Company's shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) under the Scheme or other schemes of the Group in any 12-month period up to the date of grant must not exceed 1% of the Company's shares in issue at the date of grant unless approved by the Company's shareholders in general meeting.

At 31 December 2005, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 36,522,000, representing 4.7% of the shares of the Company in issue on that date.

33. 優先購股權 (續)

本公司僱員優先購股權計劃 (續)

因根據該計劃或本集團任何其他計劃所有將予授出之優先購股權 (包括根據該計劃及本集團任何其他計劃之條款已失效之優先購股權) 獲行使而可發行之本公司股份總數, 合共不得超過本公司於採納計劃日期已發行股份10%。因根據該計劃或本集團任何其他計劃所有已授出尚未行使及有待行使之優先購股權獲行使而可發行之本公司股份數目限額, 不得超過本公司不時已發行股份30%。於截至授出日期止任何十二個月期間, 因根據該計劃或本集團任何其他計劃授予各承授人之優先購股權 (包括已行使及尚未行使之優先購股權) 獲行使而發行及將予發行之本公司股份總數, 不得超過本公司於授出日期已發行股份1%, 除非獲本公司股東於股東大會批准, 則作別論。

於二零零五年十二月三十一日, 根據該計劃已授出而尚未行使之優先購股權涉及之股份數目為36,522,000股, 相當於本公司於當日之已發行股份4.7%。

33. SHARE OPTIONS (continued)

Employees' share option scheme of the Company (continued)

A summary of the movements of the share options under the Scheme for the year is as follows:

		Granted to directors 授予董事	Granted to employees 授予僱員	Total 合計
Balance at 1 January 2004	於二零零四年 一月一日之結餘	37,910,000	9,790,000	47,700,000
Exercised during the year (Note)	於年內行使(附註)	(4,293,000)	(1,585,000)	(5,878,000)
Balance at 31 December 2004	於二零零四年 十二月三十一日 之結餘	33,617,000	8,205,000	41,822,000
Exercised during the year (Note)	於年內行使(附註)	(4,336,200)	(963,800)	(5,300,000)
Balance at 31 December 2005	於二零零五年十二月 三十一日之結餘	29,280,800	7,241,200	36,522,000

Note:

The share options were granted on 11 October 2002 at an exercise price of HK\$3.74 per share. These options are exercisable during the period from 15 October 2002 to 2 July 2012.

During the year, options to subscribe for 5,300,000 shares in the Company at HK\$3.74 per share were exercised. The average of the closing prices of the Company's shares quoted on the Stock Exchange on the five trading days immediately before 31 December 2005 was HK\$20.68.

Employees' share option scheme of EEIC

The 2002 Elec & Eltek Employees' Share Option Scheme (the "2002 Scheme") was approved by the shareholders at the Extraordinary General Meeting held on 8 November 2002 and was adopted and took effect from 12 November 2002 upon fulfillment of all the conditions precedent as set out in Rule 3 of the 2002 Scheme.

The 2002 Scheme was implemented for the purpose of attracting, retaining and motivating talented directors and employees to strive towards long-term performance targets and allowing the participants to enjoy the results of EEIC.

33. 優先購股權 (續)

本公司僱員優先購股權計劃 (續)

年內該計劃項下優先購股權之變動概述如下:

		Granted to directors 授予董事	Granted to employees 授予僱員	Total 合計
Balance at 1 January 2004	於二零零四年 一月一日之結餘	37,910,000	9,790,000	47,700,000
Exercised during the year (Note)	於年內行使(附註)	(4,293,000)	(1,585,000)	(5,878,000)
Balance at 31 December 2004	於二零零四年 十二月三十一日 之結餘	33,617,000	8,205,000	41,822,000
Exercised during the year (Note)	於年內行使(附註)	(4,336,200)	(963,800)	(5,300,000)
Balance at 31 December 2005	於二零零五年十二月 三十一日之結餘	29,280,800	7,241,200	36,522,000

附註:

於二零零二年十月十一日授出之優先購股權行使價為每股3.74港元。該等優先購股權可於二零零二年十月十五日至二零一二年七月二日期間行使。

可按每股3.74港元價格認購5,300,000股本公司股份之優先購股權已於年內行使。本公司股份於緊接二零零五年十二月三十一日前五個交易日在聯交所所報之平均收市價為20.68港元。

EEIC僱員優先購股權計劃

二零零二年依利安達僱員優先購股權計劃(「二零零二年計劃」)於二零零二年十一月八日舉行之股東特別大會獲股東批准,並於二零零二年計劃規則3所載所有先決條件達成後自二零零二年十一月十二日起獲採納及生效。

二零零二年計劃之推行目的旨在吸引、留聘及激勵有才幹之董事及僱員努力實現長遠表現目標,並讓參與人士從EEIC業績中受惠。

33. SHARE OPTIONS (continued)

Employees' share option scheme of EEIC (continued)

The 2002 Scheme, administered by the committee of Directors ("the Committee") as authorized by EEIC's directors, is open to full-time employees and directors of EEIC and its subsidiaries and an associated company of EEIC, subject to certain conditions being satisfied.

The 2002 Scheme entitles the option holders to exercise their options and subscribe for new ordinary shares in EEIC either at a "Subscription Price", equal to the average of the last dealt price of the EEIC's shares for the last 5 market days immediately preceding the relevant date of grant, or at a "Discounted Subscription Price", whereby the discount shall not exceed 20% of the Subscription Price as defined earlier.

Options granted at the Subscription Price may be exercised commencing on a date not earlier than the first anniversary date of the date of grant and ending on a date not later than 5 years after the date of grant. Options granted at the Discounted Subscription Price may only be exercised commencing on a date not earlier than the second anniversary date of the date of grant and ending on a date not later than 5 years after the date of grant.

The duration of the 2002 Scheme is 5 years and the total number of shares that may be issued shall not exceed 10% of the issued share capital of EEIC as at the adoption date or subject to certain conditions being satisfied, 15% of the issued share capital of EEIC as at the adoption date. The total number of EEIC Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of EEIC Shares in issue from time to time.

33. 優先購股權 (續)

EEIC僱員優先購股權計劃 (續)

二零零二年計劃由EEIC董事授權之董事委員會(「委員會」)管理,可供EEIC及其附屬公司及EEIC一家聯營公司之全職僱員及董事參與,並須待若干條件達成後,方可作實。

二零零二年計劃賦予優先購股權持有人權利,以相當於緊接相關授出日期前最後五個開市日EEIC股份最後買賣價平均數之「認購價」,或折讓不得超過先前所界定認購價20%之「折讓認購價」,行使彼等之優先購股權及認購EEIC新普通股。

按認購價授出之優先購股權可由不早於授出日期滿一週年當日至不遲於授出日期起計五年內行使。按折讓認購價授出之優先購股權只可由不早於授出日期滿第二週年當日至不遲於授出日期起計五年內行使。

二零零二年計劃之年期為五年,可發行之股份總數不得超過採納日期EEIC已發行股本10%,或待若干條件達成後,不得超過採納日期EEIC已發行股本15%。每名參與者於任何十二個月期間獲授之優先購股權(包括已經及尚未行使之優先購股權)獲行使時已經及將予發行之EEIC股份總數,不得超過不時已發行EEIC股份總數之1%。

33. SHARE OPTIONS (continued)

Employees' share option scheme of EEIC (continued)

Share options may be accepted within 30 days from the date of offer upon payment of S\$1.00 as a nominal consideration by the participants, but the grant of share options do not confer rights on the option holders to any dividend entitlement or to vote at any shareholder meeting.

Pursuant to the 1 for 5 bonus issue made by EEIC on 13 October 2005 ("Bonus Issue"), all of the eligible directors and employees under the 2002 Scheme received an additional 1,944,000 share options pursuant to adjustment made in relation to the Bonus Issue.

A summary of the movements of the share options under the EEIC Scheme for the year is as follows:

33. 優先購股權 (續)

EEIC僱員優先購股權計劃 (續)

優先購股權可於要約日期起計30日內由參與者支付1.00新加坡元作為象徵代價予以接納，惟優先購股權不會賦予持有人收取股息或於股東大會表決之權利。

根據EEIC於二零零五年十月十三日按一比五基準進行之紅股發行（「紅股發行」），所有於二零零二年計劃下合資格董事及僱員已就所發行紅股相關調整額外收取1,944,000股股份。

年內EEIC計劃項下優先購股權之變動概要如下：

		Granted to EEIC's directors 授予EEIC董事	Granted to EEIC's employees 授予EEIC僱員	Total 總計
Balance at 31 December 2004	於二零零四年十二月三十一日之結餘	-	-	-
Granted during the year (Note)	年內授出 (附註)	7,005,000	2,945,000	9,950,000
Adjustment pursuant to Bonus Issue	根據紅股發行作出之調整	1,401,000	543,000	1,944,000
Lapsed during the year	年內失效	-	(230,000)	(230,000)
Balance at 31 December 2005	於二零零五年十二月三十一日之結餘	8,406,000	3,258,000	11,664,000

33. SHARE OPTIONS (continued)

Employees' share option scheme of EEIC (continued)

Note:

The interests are by virtue of 6,855,000 share options accepted by the common directors and 2,945,000 share options accepted by the employees of EEIC on 24 June 2005, would entitle the relevant directors and employees to subscribe for shares in EEIC at an adjusted exercise price of US\$2.033 per share after the Bonus Issue. The share options are exercisable in whole or in part at the staggered manner within 5 options period, commencing 26 November 2006, 26 November 2007, 26 November 2008, 26 November 2009 and 26 March 2010 respectively and all ending on 24 May 2010.

The interests are by virtue of 150,000 share options accepted to the independent non-executive directors of EEIC on 29 September 2005, would entitle the relevant directors to subscribe for shares in EEIC at an exercise price of US\$2.375 per share after the Bonus Issue. The share options are exercisable in whole or in part at the staggered manner within 5 options period, commencing 5 September 2006, 5 September 2007, 5 September 2008, 5 September 2009 and 5 July 2010 respectively and all ending on 4 September 2010.

During the year ended 31 December 2005, options were granted on 24 June 2005 and 4 October 2005. The estimated fair values of the options granted on those dates are HK\$16,022,000 and HK\$145,000 respectively of which HK\$3,047,000 was charged to the consolidated income statement during the year.

These fair values were calculated using the trinomial model. The inputs into the model are as follows:

Weighted average share price	加權平均股價	US\$2.28美元	US\$2.28美元
Exercise price	行使價	US\$2.375美元	US\$2.03美元
Expected volatility	預期波幅	14.5%	14.5%
Expected life	預計年期	5 years年	5 years年
Risk-free rate	無風險利率	4.5%	4.5%
Expected dividend yield	預期股息率	7.5%	7.5%

33. 優先購股權 (續)

EEIC僱員優先購股權計劃 (續)

附註:

該等權益乃基於在二零零五年六月二十四日獲共同董事及EEIC僱員分別接納6,855,000份及2,945,000份優先購股權而擁有。該等優先購股權賦予有關董事及僱員權利，於紅股發行後按經調整行使價每股2.033美元認購EEIC股份。優先購股權分別自二零零六年十一月二十六日、二零零七年十一月二十六日、二零零八年十一月二十六日、二零零九年十一月二十六日及二零一零年三月二十六日起至二零一零年五月二十四日止五個優先購股權期間內分段行使全部或其中部分。

該等權益基於EEIC獨立非執行董事於二零零五年九月二十九日接納150,000份優先購股權而擁有。該等優先購股權賦予有關董事權利，於紅股發行後按行使價每股2.375美元認購EEIC股份。優先購股權可分別自二零零六年九月五日、二零零七年九月五日、二零零八年九月五日、二零零九年九月五日及二零一零年七月五日起至二零一零年九月四日止五個優先購股權期間內分段行使全部或其中部分。

截至二零零五年十二月三十一日止年度，先後於二零零五年六月二十四日及二零零五年十月四日授出優先購股權。於該等日期授出之優先購股權估計公平值分別為16,022,000港元及145,000港元，其中之3,047,000港元已於年內在綜合收益表中扣除。

該等公平值乃按三項模式計算。模式內計算之項目如下：

Share option grant date

優先購股權授出日期

4 October 2005 二零零五年 十月四日	24 June 2005 二零零五年 六月二十四日
------------------------------------	------------------------------------

33. SHARE OPTIONS (continued)

Employees' share option scheme of EEIC (continued)

Expected volatility was determined by using the historical volatility of EEIC's share price over the previous one year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expense of HK\$3,047,000 for the year ended 31 December 2005 (2004: HK\$Nil) in relation of share options granted by EEIC.

34. WARRANTS

At an extraordinary general meeting of the Company held on 30 September 2004, a bonus issue of warrants to the shareholders of the Company ("Warrants"), in the proportion of one Warrant for every ten shares held in the share capital of the Company, was proposed and approved. Consequently, 65,447,638 Warrants were issued, conferring rights to the holders of the Warrants until 31 December 2006 to subscribe for up to an aggregate of 65,447,638 Shares at an initial subscription price of HK\$20 per Share, representing an aggregate subscription price of HK\$1,308,952,760.

During the year, 19,990,780 new Shares were issued on exercise of the Warrants. Exercise in full of the remaining outstanding Warrants would, under the present capital structure, result in receipt by the Company of HK\$909,137,160 in subscription monies and the issue of 45,456,858 new Shares.

33. 優先購股權 (續)

EEIC僱員優先購股權計劃 (續)

預期波幅按EEIC股價過往波幅除對上年度之波幅釐定。模式所用預計年期按管理層之最佳估算就非轉讓性、行使限制及表現考慮因素調整。

本集團於截至二零零五年十二月三十一日止年度就EEIC授出之優先購股權確認3,047,000港元(二零零四年: 零港元)開支總額。

34. 認股權證

於二零零四年九月三十日舉行之本公司股東特別大會上,本公司建議按每持有本公司股本中十股股份獲配一份認股權證之比例向本公司股東發行紅股認股權證(「認股權證」),並獲得批准。因此,本公司已發行65,447,638份認股權證,其持有人獲賦予權利可於二零零六年十二月三十一日之前,按每股20港元之初步認購價,認購最多合共65,447,638股股份,相當於認購價合共1,308,952,760港元。

年內,認股權證獲行使後已發行19,990,780股新股份。根據現行股本結構,全面行使其餘尚未行使認股權證將導致本公司收取為數909,137,160港元認購金額及發行45,456,858股新股份。

35. ACQUISITION OF SUBSIDIARIES

In 2004, the Group acquired Elec & Eltek International Holdings Limited and its subsidiaries for a consideration of HK\$2,128,309,000. This acquisition has been accounted for by the acquisition method of accounting. The amount of goodwill arising as a result of the acquisition was HK\$1,248,639,000. No acquisition of subsidiaries is noted in the current year.

NET ASSETS ACQUIRED

35. 收購附屬公司

於二零零四年，本集團收購依利安達國際集團有限公司及其附屬公司，代價為2,128,309,000港元。該收購已以收購會計法入賬。收購產生之商譽為1,248,639,000港元。於本年度內並無收購附屬公司。

購入資產淨值

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Other properties, plant and equipment	其他物業、廠房及設備	-	2,335,378
Interests in jointly controlled entities	於共同控制實體之權益	-	8,581
Non-current deposits	非流動訂金	-	58,250
Intangible assets	無形資產	-	2,329
Deferred tax assets	遞延稅項資產	-	10,657
Inventories	存貨	-	487,072
Trade and other receivables and prepayments	貿易及其他應收賬款及預付款項	-	1,232,588
Bank balances and cash	銀行結餘及現金	-	162,350
Trade and other payables	貿易及其他應付賬款	-	(1,053,584)
Taxation payable	應付稅項	-	(9,922)
Bank borrowings	銀行借貸	-	(1,363,591)
Deferred tax liabilities	遞延稅項負債	-	(37,365)
Minority interests	少數股東權益	-	(953,073)
		-	879,670
Goodwill	商譽	-	1,248,639
Total consideration	總代價	-	2,128,309
Satisfied by:	支付以：		
Cash	現金	-	1,810,097
Investment securities	證券投資	-	318,212
		-	2,128,309

35. ACQUISITION OF SUBSIDIARIES (continued)
NET ASSETS ACQUIRED (continued)

35. 收購附屬公司 (續)
購入資產淨值 (續)

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：		
Cash consideration	現金代價	-	1,810,097
Bank overdraft acquired	購入銀行透支	-	87,271
Bank balances and cash acquired	購入銀行結餘及現金	-	(162,350)
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	就收購附屬公司之現金及現金等值項目流出淨額	-	1,735,018

The subsidiaries acquired in 2004 contributed HK\$394,581,000 to the Group's turnover and HK\$52,706,000 to the Group's profit from operations for that year.

於二零零四年收購之附屬公司對本集團營業額貢獻394,581,000港元及對本集團經營溢利貢獻52,706,000港元。

36. MAJOR NON-CASH TRANSACTIONS

As at 31 December 2005, an amount of HK\$58,787,000 (2004: HK\$234,932,000) relating to other properties, plant and equipment which were acquired during the year had not yet been paid.

36. 主要非現金交易

於二零零五年十二月三十一日，年內與購買其他物業、廠房及設備相關之58,787,000港元（二零零四年：234,932,000港元）金額並未償付。

37. COMMITMENTS

37. 承擔

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements for the acquisition of properties, plant and equipment	就購買物業、廠房及設備而已訂約但未於綜合財務報表作出撥備之資本支出	193,479	189,722
Capital expenditure authorised but not contracted for	批准但未訂約之資本支出	3,327	-
		196,806	189,722

38. OPERATING LEASES

38. 經營租約

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
The Group as lessee:	由本集團承租：		
Lease payments charged to the consolidated income statement during the year	年內自綜合收益表扣除之租約付款		
– for premises	– 物業	10,924	10,741
– for plant and machinery	– 廠房及機器	1,243	3,842
		12,167	14,583

Under the leases entered into by the Group, all lease payments are fixed and predetermined.

根據本集團訂立之租約，所有租約付款之金額均為固定及預早釐定。

38. OPERATING LEASES (continued)

At the balance sheet date, the Group's future lease payments under non-cancellable operating leases are payable as follows:

		Premises 物業		Plant and machinery 廠房及機器	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	於一年內	6,246	10,234	379	866
After one year but not later than five years	於一年後但於五年內	5,910	8,860	-	420
After five years	於五年後	21,504	25,564	-	-
		33,660	44,658	379	1,286

38. 經營租約 (續)

於結算日，本集團根據不可撤銷之經營租約於日後支付之租約付款須於下列期間支付：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
The Group as lessor:	由本集團出租：		
Rental income credited to the consolidated income statement during the year, net of outgoing amount of HK\$40,000	於年內計入綜合收益表之租金收入，已扣除支銷40,000港元	2,013	2,205

The Group's investment properties are rented to outside parties for periods up to three years at fixed predetermined amounts. At the balance sheet date, the Group had contracted with tenants to receive the following future minimum lease payments:

本集團之投資物業均按預早釐定之定額租金租予外界人士，租期最長為三年。於結算日，本集團已與租戶訂立合約，可於日後收取之最低租約付款如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	於一年內	828	1,329
After one year but not later than five years	於一年後但於五年內	324	1,081
		1,152	2,410

39. FORWARD CONTRACT COMMITMENTS

39. 遠期外匯合約承擔

		2005 二零零五年	2004 二零零四年
Forward contracts held at the balance sheet date as hedge of the Group's monetary assets and liabilities:	於結算日作為對沖本集團貨幣資產及負債之遠期外匯合約：		
- sale of United States dollar	- 銷售美元	-	US\$1.3 million 1,300,000美元
- purchase of Japanese yen	- 購買日圓	-	JPY138.3 million 138,300,000日圓

40. CONTINGENT LIABILITIES

During the year, the Group continued to take legal action against customers to recover overdue trade receivables. With regard to the three customers which were particularly referred to in previous periods' financial statements, and which collectively owe approximately HK\$12 million to the Group, it is the intention of the directors that the Group will continue vigorously to pursue the recovery of the outstanding trade receivables and to defend against the counter-claims, amounting to approximately HK\$9 million, which have been lodged by the delinquent customers.

40. 或然負債

年內，本集團繼續向客戶採取法律行動，追討過期貿易應收賬款。有關於以往期間財務報表特別指出之三名客戶（共拖欠本集團約12,000,000港元），本集團董事擬繼續積極追討未償還之貿易應收賬款及就反索償進行抗辯。該項由逾期未付賬款之客戶提出之反索償涉及款項約達9,000,000港元。

41. RETIREMENT BENEFITS SCHEME

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

41. 退休福利計劃

本集團同時參加一項根據職業退休計劃條例註冊之定額供款計劃（「職業退休計劃」）及根據強制性公積金條例於二零零零年十二月成立之強制性公積金計劃（「強積金計劃」）。該等計劃之資產與本集團之資產分開持有，並投資於由獨立信託人控制之基金。於成立強積金計劃之前已參加職業退休計劃之僱員，同時成為職業退休計劃及強積金計劃之成員，而所有於二零零零年十二月或之後加入本集團之新僱員必須參加強積金計劃。

41. RETIREMENT BENEFITS SCHEME (continued)

Employees of subsidiaries in the PRC are members of the state-sponsored pension scheme operated by the PRC government. The subsidiaries are required to contribute a certain percentage of their payroll to the pension scheme to fund the benefits. The only obligation of the Group with respect to the pension scheme is to make the required contributions.

Payments to the ORSO Scheme, the MPF Scheme and the state-sponsored pension schemes of approximately HK\$34,891,000 (2004: HK\$7,418,000), net of forfeited contributions of approximately HK\$1,968,000 (2004: HK\$314,000), are charged to the consolidated income statement.

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31 December 2005 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立/ 登記及 營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of the ownership interest held by the Company 本公司持有 股本權益比例 %	Principal activities 主要業務
Fogang Kingboard Industry Ltd. 佛岡建滔實業有限公司	PRC ¹ 中國 ¹	RMB695,353,935 人民幣695,353,935元	61.81	Manufacture and distribution of copper foil 製造及分銷銅箔
Guangzhou Chung Shun Century Fibre Glass Co., Ltd. 廣州忠信世紀玻璃纖維有限公司	PRC ¹ 中國 ¹	US\$42,495,000 42,495,000美元	100	Manufacture and distribution of glass yarn 製造及分銷玻璃紗
Hong Kong Fibre Glass Company Limited 香港玻璃纖維有限公司	Hong Kong/ PRC 香港/中國	HK\$2 2港元	100	Manufacture and distribution of glass fabric 製造及分銷玻璃纖維布

41. 退休福利計劃 (續)

中國附屬公司之僱員為中國政府運作之國家資助退休福利計劃成員。該等附屬公司須將薪金支出之某一百分比投入退休計劃，以支付有關福利。本集團就退休計劃履行之唯一責任為支付所需供款。

向職業退休計劃、強積金計劃及國家資助退休福利計劃支付之供款約為34,891,000港元(二零零四年:7,418,000港元)，已扣除沒收供款約1,968,000港元(二零零四年:314,000港元)，並自綜合收益表中扣除。

42. 本公司主要附屬公司詳情

本公司主要附屬公司於二零零五年十二月三十一日之詳情如下：

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

42. 本公司主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立/ 登記及 營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of the ownership interest held by the Company 本公司持有 股本權益比例 %	Principal activities 主要業務
Huiyang Techwise Circuits Co., Ltd. 惠陽科惠電路有限公司	PRC ¹ 中國 ¹	HK\$131,058,817 131,058,817港元	90	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Jamplan (BVI) Limited	British Virgin Islands # 英屬處女群島 #	US\$1,000 1,000美元	100 *	Investment holding 投資控股
King Board (Panyu) Chemical Co., Ltd. 建滔(番禺)化工有限公司	PRC ¹ 中國 ¹	HK\$100,000,000 100,000,000港元	100	Manufacture and distribution of chemicals 製造及分銷化工產品
Kingboard (Fogang) Insulated Material Company Limited 建滔(佛岡)絕緣材料有限公司	PRC ¹ 中國 ¹	US\$6,115,000 6,115,000美元	100	Manufacture and distribution of bleached kraft paper 製造及分銷漂白木漿紙
Kingboard (Fogang) Laminates Co. Limited 建滔(佛岡)積層板有限公司	PRC ¹ 中國 ¹	US\$12,000,000 12,000,000美元	100	Manufacture and distribution of laminates 製造及分銷覆銅面板
Kingboard (Fogang) Paper Laminates Co. Ltd. 建滔(佛岡)積層紙板有限公司	PRC ¹ 中國 ¹	US\$12,000,000 12,000,000美元	100	Manufacture and distribution of laminates 製造及分銷覆銅面板
Kingboard (Hebei) Cokechem Co. Limited 建滔(河北)焦化有限公司	PRC ¹ 中國 ¹	RMB96,000,000 人民幣96,000,000元	100	Manufacture and distribution of coke 製造及分銷焦炭

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued) 42. 本公司主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立/ 登記及 營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of the ownership interest held by the Company 本公司持有 股本權益比例 %	Principal activities 主要業務
Kingboard (Hebei) Chemical Co. Ltd 建滔(河北)化工有限公司	PRC ¹ 中國 ¹	RMB64,000,000 人民幣64,000,000元	100	Manufacture and distribution of chemicals 製造及分銷化工產品
Kingboard (Lianzhou) Fibre Glass Co. Limited 建滔(連州)玻璃纖維有限公司	PRC ¹ 中國 ¹	US\$11,600,000 11,600,000美元	100	Manufacture and distribution of glass yarn 製造及分銷玻璃纖維布
Kingboard (Lianzhou) Copper Foil Limited 建滔(連州)銅箔有限公司	PRC ¹ 中國 ¹	US\$12,000,000 12,000,000美元	61.81	Manufacture and distribution of copper foil 製造及分銷銅箔
Kingboard (Panyu Nansha) Petrochemical Company Limited 建滔(番禺南沙)石化有限公司	PRC ¹ 中國 ¹	RMB380,000,000 人民幣380,000,000元	100	Manufacture and distribution of chemicals 製造及分銷化工產品
Kingboard Copper Foil Holdings Limited	Bermuda [#] 百慕達 [#]	US\$72,250,000 72,250,000美元	61.81	Investment holding 投資控股
Kingboard Investments Limited 建滔投資有限公司	Hong Kong 香港	HK\$8,000 8,000港元	100	Investment holding 投資控股
Kingboard Laminates (Jiangmen) Co., Ltd. 江門建滔積層板有限公司	PRC ¹ 中國 ¹	HK\$118,400,000 118,400,000港元	100	Manufacture and distribution of laminates 製造及分銷覆銅面板

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued) 42. 本公司主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立/ 登記及 營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of the ownership interest held by the Company 本公司持有 股本權益比例 %	Principal activities 主要業務
Kingboard Laminates (Kunshan) Co., Ltd. 建滔積層板(昆山)有限公司	PRC ¹ 中國 ¹	US\$32,010,000 32,010,000美元	100	Manufacture and distribution of laminates 製造及分銷覆銅面板
Kingboard Laminates Limited 建滔積層板有限公司	Hong Kong/ PRC 香港/中國	Ordinary shares – HK\$2 普通股 – 2港元 Non-voting deferred shares – HK\$10,580,000 無投票權 遞延股 – 10,580,000港元	100**	Manufacture and distribution of laminates 製造及分銷覆銅面板
Kunshan Yattoo Chemical Co., Ltd. 昆山日滔化工有限公司	PRC ¹ 中國 ¹	US\$12,500,000 12,500,000美元	100	Manufacture and distribution of laminates 製造及分銷覆銅面板
Techwise Circuits Company Limited 科惠線路有限公司	Hong Kong 香港	HK\$4,000,000 4,000,000港元	90	Investment holding and distribution of PCBs 投資控股及分銷印刷 線路板
Techwise Shirai (Fogang) Circuits Limited 科惠白井(佛崗)電路有限公司	PRC ¹ 中國 ¹	HK\$85,000,000 85,000,000港元	63	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Elec & Eltek International Holdings Limited 依利安達國際集團有限公司	Bermuda/ Hong Kong 百慕達/香港	HK\$122,467,240 122,467,240港元	100	Investment holding 投資控股

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued) 42. 本公司主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立/ 登記及 營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of the ownership interest held by the Company 本公司持有 股本權益比例 %	Principal activities 主要業務
Elec & Eltek Display Technology (Guangzhou) Company Limited 依利安達(廣州)顯示器有限公司	PRC ² 中國 ²	US\$14,700,000 14,700,000美元	98	Manufacture and sales of LCDs 製造及銷售液晶體 顯示屏
Avatex (Guangzhou) Communication Company Limited 愛華特(廣州)通訊有限公司	PRC ² 中國 ²	US\$5,400,000 5,400,000美元	98	Manufacture of magnetic products 製造磁電產品
Elec & Eltek International Company Limited 依利安達集團有限公司	Singapore 新加坡	US\$89,535,112 89,535,112美元	70.19	Investment holding 投資控股
Kai Ping Elec & Eltek Company Limited 開平依利安達電子有限公司	PRC ² 中國 ²	US\$16,650,000 16,650,000美元	66.68	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Kaiping Elec & Eltek No. 2 Company Limited 開平依利安達電子第二有限公司	PRC ² 中國 ²	US\$15,250,000 15,250,000美元	66.68	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Kaiping Elec & Eltek No. 3 Company Limited 開平依利安達電子第三有限公司	PRC ² 中國 ²	US\$51,650,000 51,650,000美元	66.68	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Kaiping Elec & Eltek No. 5 Company Limited 開平依利安達電子第五有限公司	PRC ² 中國 ²	US\$14,800,000 14,800,000美元	66.68	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Elec & Eltek (Guangzhou) Electronic Company Limited 依利安達(廣州)電子有限公司	PRC ² 中國 ²	US\$51,200,000 51,200,000美元	68.79	Manufacture and distribution of PCBs 製造及分銷印刷線路板

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued) 42. 本公司主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立/ 登記及 營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of the ownership interest held by the Company 本公司持有 股本權益比例 %	Principal activities 主要業務
Elec & Eltek (Guangzhou) Technology Company Limited 依利安達(廣州)電子科技 有限公司	PRC ² 中國 ²	US\$6,000,000 6,000,000美元	68.79	Research and development, manufacture and distribution of PCBs 研發、製造及分銷印刷 線路板
Guangzhou Elec & Eltek Microvia Technology Limited 廣州依利安達微通科技有限公司	PRC ² 中國 ²	US\$18,024,000 18,024,000美元	68.79	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Guangzhou Elec & Eltek High Density Interconnect Technology No. 1 Company Limited 廣州依利安達精密互連科技 第一有限公司	PRC ² 中國 ²	US\$25,000,000 25,000,000美元	68.79	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Nanjing Elec & Eltek Electronic Co., Ltd. 南京依利安達電子有限公司	PRC ² 中國 ²	US\$8,752,000 8,752,000美元	51.98	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Elec & Eltek (Thailand) Limited	Thailand 泰國	Baht780,000,000 780,000,000泰銖	70.19	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Pacific Insulating Material (Thailand) Limited	Thailand 泰國	Baht650,000,000 650,000,000泰銖	70.19	Manufacture and distribution of PCB raw materials 製造及分銷印刷線路板 原材料
Shenzhen Pacific Insulating Material Co., Ltd. 深圳太平洋絕緣材料有限公司	PRC ² 中國 ²	RMB67,491,458 人民幣67,491,458元	65.63	Manufacture and distribution of PCB raw materials 製造及分銷印刷線路板 原材料

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

- * The Company directly holds the interest in Jamplan (BVI) Limited. The Company's interest in all other subsidiaries is held indirectly through Jamplan (BVI) Limited.
- ** None of the non-voting deferred shares of Kingboard Laminates Limited is held by the Group. The deferred shares carry no rights to receive notice of or to attend or vote at any general meeting of the company and have practically no rights to dividends or to participate in any distribution on winding up.
- # These are investment holding companies which have no specific principal place of operations.
- ¹ These companies were established in the PRC in the form of Wholly Foreign-owned Enterprises.
- ² These companies were established in the PRC in the form of Sino-Foreign Equity Joint Ventures.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

43. COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

Short-term benefits	短期福利
Share-based payments	以股份形式付款

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

42. 本公司主要附屬公司詳情 (續)

- * 本公司直接持有 Jamplan (BVI) Limited 之權益。本公司於所有其他附屬公司之權益均透過 Jamplan (BVI) Limited 間接持有。
- ** 本集團並無持有建滔積層板有限公司之無投票權遞延股份。該等遞延股份並無附有接收公司任何股東大會通告或出席該等大會及投票之權利，亦無權收取股息或在清盤時獲得分派。
- # 此等為投資控股公司，並無特定之主要經營地點。
- ¹ 此等公司乃以外資企業形式在中國成立。
- ² 此等公司乃以中外合資合營企業形式在中國成立。

上表所列為本公司董事認為主要影響本集團業績或資產之本公司附屬公司。本公司董事認為列出其他附屬公司之詳情會過於冗長。

各附屬公司於年終結時概無發行任何債務證券。

43. 主要管理人員酬金

年內，董事及其他主要管理人員之酬金如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Short-term benefits	87,383	72,241
Share-based payments	1,917	-
	89,300	72,241

董事及主要行政人員之酬金經薪酬委員會考慮個別員工表現及市場趨勢後釐定。