

## 1. Significant accounting policies

### (a) Statement of compliance

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

### (b) Basis of preparation of financial statements

The measurement basis used in the preparation of the financial statements is historical cost modified by the marking to market of certain investments in securities as explained in the accounting policies set out below.

The principal accounting policies and methods of computation used in the preparation of the financial statements for the year ended 28 February 2006 are consistent with those adopted in the financial statements for the year ended 28 February 2005, except for the adoption of the new and revised HKFRSs as explained in (c) below.

## 1. 主要會計政策

### (a) 遵例聲明

本財務報表是按照香港公認會計原則(包括所有適用香港財務報告準則(「香港財務報告準則」),即包括香港會計師公會(「香港會計師公會」)頒布的所有適用個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)以及香港公司條例的披露規定編製。本財務報表亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)的適用披露規定。下文載列本集團所採納主要會計政策概要。

### (b) 財務報表的編製基準

本財務報表以歷史成本法為編製基準,並按下述會計政策所說明就部分按市值入賬的證券投資修訂。

除採納下文(c)項所述新訂及經修訂香港財務報告準則外,編製截至2006年2月28日止年度財務報表所採用主要會計政策及計算方法與截至2005年2月28日止年度財務報表所採納者一致。

## 1. Significant accounting policies

(Continued)

### (c) Adoption of new and revised Hong Kong Financial Reporting Standards

During the current year, the Group has adopted new and revised HKFRSs which are effective for accounting periods commencing on or after 1 January 2005. The new and revised HKFRSs which are relevant to the Group's operations are:-

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 26	Accounting and Reporting by Retirement Benefit Plans
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings Per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations

## 1. 主要會計政策 (續)

### (c) 採納新訂及經修訂香港財務報告準則

於本年度，本集團採納於2005年1月1日或以後開始之會計期間生效之新訂及經修訂香港財務報告準則。與本集團業務有關之新訂及經修訂香港財務報告準則如下：

香港會計準則第1號	財務報表之呈報
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計預計項目變動及錯誤更正
香港會計準則第10號	結算日後事項
香港會計準則第12號	所得稅
香港會計準則第14號	分類報告
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第18號	收入
香港會計準則第19號	僱員福利
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第23號	借款成本
香港會計準則第24號	有關連人士之披露
香港會計準則第26號	退休福利計劃之會計處理及報告
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第32號	金融工具：披露及呈報
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債及或然資產
香港會計準則第39號	金融工具：確認及計量
香港會計準則第40號	投資物業
香港財務報告準則第2號	以股份償付
香港財務報告準則第3號	業務合併

## 1. Significant accounting policies

(Continued)

### (c) Adoption of new and revised Hong Kong Financial Reporting Standards (Continued)

The adoption of HKASs 2, 7, 8, 10, 12, 14, 16, 18, 19, 23, 26, 32, 33, 37, 39 and 40 has had no material impact on the accounting policies of the Group and the Company and the methods of computation in the Group's and the Company's financial statements.

The impact of the adoption of the other HKFRSs on the financial statements is as follows:—

#### (i) Share option scheme (HKFRS 2 "Share-based Payment")

In prior years, no amounts were recognised when option holders were granted share options over shares in the Company. If the option holders chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

With effect from 1 March 2005, in order to comply with HKFRS 2, the Group recognises the fair value of such share options as an expense in the income statement, or as an asset, if the cost qualifies for recognition as an asset under the Group's accounting policies. A corresponding increase is recognised in a share-based compensation reserve within equity.

## 1. 主要會計政策 (續)

### (c) 採納新訂及經修訂香港財務報告準則 (續)

採納香港會計準則第2、7、8、10、12、14、16、18、19、23、26、32、33、37、39及40號對本集團及本公司之會計政策以及本集團及本公司財務報表之計算方法並無構成任何重大影響。

採納其他香港財務報告準則對財務報表之影響如下：

#### (i) 購股權計劃 (香港財務報告準則第2號「以股份償付」)

於過往年度，於購股權持有人獲授可認購本公司股份之購股權時，並無確認任何金額。如購股權持有人選擇行使購股權，僅以購股權之應收行使價計入股本面值及股份溢價。

為符合香港財務報告準則第2號之規定，由2005年3月1日起，本集團在收益表中將有關購股權之公允值確認為開支，或如有關成本符合資格按照本集團之會計政策確認為資產，則列作資產，並於權益中股份補償儲備確認相應增加。

## 1. Significant accounting policies

(Continued)

### (c) Adoption of new and revised Hong Kong Financial Reporting Standards (Continued)

#### (i) Share option scheme (HKFRS 2 "Share-based Payment") (Continued)

Where the option holders are required to meet vesting conditions before they become entitled to the options, the Group recognises the fair value of the options granted over the vesting period. Otherwise, the Group recognises the fair value in the period in which the options are granted.

If an option holder chooses to exercise options, the related share-based compensation reserve is transferred to share capital and share premium, together with the exercise price. If the options lapse unexercised the related share-based compensation reserve is transferred directly to retained earnings.

The new accounting policy has been applied retrospectively with comparatives restated in accordance with HKFRS 2, except that the Group has taken advantage of the transitional provisions set out in paragraph 53 of HKFRS 2 under which the new recognition and measurement policies have not been applied to the following grants of options:-

- (a) all options granted to option holders on or before 7 November 2002; and
- (b) all options granted to option holders after 7 November 2002 but which had vested before 1 March 2005.

## 1. 主要會計政策 (續)

### (c) 採納新訂及經修訂香港財務報告準則 (續)

#### (i) 購股權計劃 (香港財務報告準則第2號「以股份償付」) (續)

在購股權持有人必須於符合歸屬條件後方可獲得購股權之情況下，本集團會根據購股權之歸屬期，確認已授出購股權之公允值。否則，本集團會根據購股權之授出期間，確認其公允值。

如購股權持有人選擇行使購股權，有關股份補償儲備及行使價將會轉撥至股本及股份溢價。如購股權於失效之時仍未獲行使，則有關股份補償儲備將會直接轉撥至保留盈利。

本公司已追溯應用該條新會計政策，而比較數字亦已按照香港財務報告準則第2號之規定重列，惟本集團已應用香港財務報告準則第2號第53段所載過渡條文，據此，下述授出之購股權並無應用新確認及計算政策：

- (a) 於2002年11月7日或之前授予購股權持有人之所有購股權；及
- (b) 於2002年11月7日之後授予購股權持有人惟已於2005年3月1日前歸屬之所有購股權。

## 1. Significant accounting policies

(Continued)

### (c) Adoption of new and revised Hong Kong Financial Reporting Standards (Continued)

#### (i) Share option scheme (HKFRS 2 "Share-based Payment") (Continued)

As all the Group's options were granted to option holders either before 7 November 2002 or after 1 March 2005, the adoption of HKFRS 2 has no impact on the Group's net assets and results for the prior years.

The amount charged to the income statement as a result of the change of policy increased cost of sales, selling expenses and administrative expenses for the year ended 28 February 2006 by HK\$185,000, HK\$1,829,000 and HK\$318,000 respectively (year ended 28 February 2005: Nil), with the corresponding amounts credited to the share-based compensation reserve.

Details of the share option scheme are set out in note 26.

#### (ii) Leasehold land and buildings held for own use (HKAS 17 "Leases")

In prior years, leasehold land and buildings held for own use were stated at revalued amounts less accumulated depreciation and accumulated impairment losses. Movements of revaluation surpluses or deficits were normally taken to the land and buildings revaluation reserve.

## 1. 主要會計政策 (續)

### (c) 採納新訂及經修訂香港財務報告準則 (續)

#### (i) 購股權計劃 (香港財務報告準則第2號「以股份償付」) (續)

由於本集團所有購股權均於2002年11月7日之前或2005年3月1日之後授予購股權持有人，故採納香港財務報告準則第2號並無對本集團過往年度之資產淨值及業績構成任何影響。

因會計政策變動而計入收益表之金額導致截至2006年2月28日止年度之銷售成本、銷售費用及行政費用分別增加港幣185,000元、港幣1,829,000元及港幣318,000元(截至2005年2月28日止年度：無)，並已於股份補償儲備中計入相應金額。

有關購股權計劃之詳情載於附註26。

#### (ii) 自用租賃土地及樓宇 (香港會計準則第17號「租賃」)

在過往年度，自用租賃土地及樓宇乃以重估金額減累計折舊及累計減值虧損入賬。重估盈餘或虧損之變動一般計入土地及樓宇重估儲備。

## 1. Significant accounting policies

(Continued)

### (c) Adoption of new and revised Hong Kong Financial Reporting Standards (Continued)

#### (ii) Leasehold land and buildings held for own use (HKAS 17 "Leases") (Continued)

With the adoption of HKAS 17 as from 1 March 2005, the leasehold interest in the land held for own use is accounted for as being held under an operating lease where the fair value of the interest in any buildings situated on the leasehold land could be separately identified from the fair value of the leasehold interest in the land at the time the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later. In case the two elements cannot be allocated reliably, the entire lease is classified as a finance lease and carried at cost less accumulated depreciation and accumulated impairment losses.

As from 1 March 2005, the buildings are also stated at cost less accumulated depreciation, rather than at fair value, to be consistent with the new policy required to be adopted for the land element which should be classified as operating lease and cannot be revalued.

## 1. 主要會計政策 (續)

### (c) 採納新訂及經修訂香港財務報告準則 (續)

#### (ii) 自用租賃土地及樓宇 (香港會計準則第17號「租賃」) (續)

自2005年3月1日採納香港會計準則第17號後，倘位於租賃土地之任何建築物權益之公允值能夠與本集團首次訂立租賃時或自前度承租人接收時或有關建築物興建日（如為較遲時間）之土地租賃權益公允值分開確定，則自用土地之租賃權益會列作經營租賃入賬。如未能可靠地分配上述兩者，則整項租賃會列作融資租賃處理，並按成本值減累計折舊及累計減值虧損入賬。

自2005年3月1日起，樓宇亦按成本值減累計折舊入賬，而非按公允值列賬，以符合就應列作經營租賃而未能重估之土地部分所規定採納之新會計政策。

## 1. Significant accounting policies

(Continued)

### (c) Adoption of new and revised Hong Kong Financial Reporting Standards (Continued)

#### (ii) Leasehold land and buildings held for own use (HKAS 17 "Leases") (Continued)

The new accounting policies have been adopted retrospectively with the opening balances of accumulated losses, land and buildings, land and buildings revaluation reserve, deferred tax assets, deferred tax liabilities and the comparative information adjusted as follows:-

		As at 1 March 3月1日	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Effect of new policy (increase/(decrease))	新政策之影響 (增加/(減少))		
Accumulated losses	累計虧損	<b>(31,906)</b>	(34,537)
Land and buildings revaluation reserve	土地及樓宇重估儲備	<b>(24,997)</b>	(21,412)
Land and buildings	土地及樓宇	<b>6,143</b>	13,014
Deferred tax liabilities	遞延稅項負債	<b>(766)</b>	(111)

In respect of the year ended 28 February 2006, it is not practicable to estimate the extent to which the loss for the year, or the income or expenses taken directly to equity, are higher or lower than they would have been had the previous policy still been applied in the current year.

## 1. 主要會計政策 (續)

### (c) 採納新訂及經修訂香港財務報告準則 (續)

#### (ii) 自用租賃土地及樓宇 (香港會計準則第17號「租賃」) (續)

新會計政策已追溯應用，並就累計虧損、土地及樓宇、土地及樓宇重估儲備、遞延稅項資產、遞延稅項負債之期初結餘及比較資料調整如下：

就截至2006年2月28日止年度而言，本公司無法估計年內虧損或直接計入權益之收入或開支是否高於或低於如本年度仍採用過往政策之金額。

## 1. Significant accounting policies

(Continued)

### (c) Adoption of new and revised Hong Kong Financial Reporting Standards (Continued)

(iii) Amortisation of positive and negative goodwill (HKFRS 3 "Business Combinations" and HKAS 36 "Impairment of Assets")

In prior periods:-

- positive or negative goodwill which arose prior to 1 March 2001 was taken directly to reserves at the time it arose, and was not recognised in the income statement until disposal or impairment of the acquired business;
- positive goodwill which arose on or after 1 March 2001 was amortised on a straight line basis over its useful life and was subject to impairment testing when there were indications of impairment; and
- negative goodwill which arose on or after 1 March 2001 was amortised over the weighted average useful life of the depreciable/amortisable non-monetary assets acquired, except to the extent it related to identified expected future losses as at the date of acquisition. In such cases it was recognised in the income statement as those expected losses were incurred.

## 1. 主要會計政策 (續)

### (c) 採納新訂及經修訂香港財務報告準則 (續)

(iii) 正商譽及負商譽之攤銷 (香港財務報告準則第3號「業務合併」及香港會計準則第36號「資產減值」)

在過往期間:

- 於2001年3月1日之前產生之正商譽或負商譽於產生時直接計入儲備內,並於所收購業務出售或出現減值時方在收益表確認;
- 於2001年3月1日或之後產生之正商譽按直線法於可使用年期內攤銷,並於出現減值跡象時進行減值測試;及
- 於2001年3月1日或之後產生之負商譽按所收購應計折舊/攤銷之非貨幣資產之加權平均可使用年期攤銷,惟如負商譽關乎在收購日已識別之預計未來虧損,則於預計產生虧損時在收益表確認。



## 1. Significant accounting policies

(Continued)

### (c) Adoption of new and revised Hong Kong Financial Reporting Standards (Continued)

#### (iii) Amortisation of positive and negative goodwill (HKFRS 3 "Business Combinations" and HKAS 36 "Impairment of Assets") (Continued)

With effect from 1 March 2005, in accordance with HKFRS 3 and HKAS 36, the Group no longer amortises positive goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognised when the carrying amount of the cash generating unit to which the goodwill had been allocated exceeds its recoverable amount.

Also with effect from 1 March 2005 and in accordance with HKFRS 3 and HKAS 36, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill under the previous accounting policy), the excess is recognised immediately in the income statement as it arises.

In accordance with the transitional arrangements under HKFRS 3, goodwill which had previously been taken directly to reserves (i.e. goodwill which arose before 1 March 2001) will not be recognised in the income statement on disposal or impairment of the acquired business, or under any other circumstances.

## 1. 主要會計政策 (續)

### (c) 採納新訂及經修訂香港財務報告準則 (續)

#### (iii) 正商譽及負商譽之攤銷 (香港財務報告準則第3號「業務合併」及香港會計準則第36號「資產減值」) (續)

由2005年3月1日起，按照香港財務報告準則第3號及香港會計準則第36號，本集團不再攤銷正商譽。正商譽須每年評估減值，包括在初始確認之年度及當有跡象顯示可能減值時。當商譽分配之現金產生單位賬面值超過其可收回數額時，將確認減值虧損。

此外，由2005年3月1日起，按照香港財務報告準則第3號及香港會計準則第36號，如在業務合併中購入之資產淨額之公允值超過所付代價（即按照以往會計政策稱為負商譽之所產生金額），超出之金額於產生時即時在收益表確認。

根據香港財務報告準則第3號之過渡條文，當所收購業務被出售或出現減值時，或在任何其他情況下，以往直接計入儲備之商譽（即2001年3月1日之前產生之商譽）將不會在收益表確認。

## 1. Significant accounting policies

(Continued)

### (c) Adoption of new and revised Hong Kong Financial Reporting Standards (Continued)

#### (iii) Amortisation of positive and negative goodwill (HKFRS 3 "Business Combinations" and HKAS 36 "Impairment of Assets") (Continued)

The change in policy relating to negative goodwill had no effect on these financial statements as there was no negative goodwill deferred as at 28 February 2005.

#### (iv) Retranslation of goodwill relating to a net investment in a foreign operation (HKAS 21 "The Effects of Changes in Foreign Exchange Rates")

In prior years, goodwill was recognised directly in equity or carried at cost less amortisation and impairment.

With effect from 1 March 2005, in order to comply with HKAS 21, any goodwill arising on the acquisition of a foreign operation is treated as an asset of the foreign operation. Thus it is expressed in the functional currency of that foreign operation and is retranslated at the closing rate at each balance sheet date. Any resulting exchange difference is taken directly to the exchange reserves, together with any other differences arising from the re-translation of the net assets of the foreign operation.

In accordance with the transitional provisions in HKAS 21, this new policy has not been adopted retrospectively and will only be applied to acquisitions occurring on or after 1 March 2005. As the Group has not acquired any new foreign operations since that date, the change in policy has had no impact on these financial statements.

## 1. 主要會計政策 (續)

### (c) 採納新訂及經修訂香港財務報告準則 (續)

#### (iii) 正商譽及負商譽之攤銷 (香港財務報告準則第3號「業務合併」及香港會計準則第36號「資產減值」) (續)

負商譽會計政策之變動並無對本財務報表構成任何影響，因為於2005年2月28日並無任何遞延負商譽。

#### (iv) 重新換算有關海外業務之淨投資之商譽 (香港會計準則第21號「外幣匯率變動之影響」)

於過往年度，商譽直接於權益中確認，或按成本值減攤銷及減值列賬。

由2005年3月1日起，為符合香港會計準則第21號之規定，收購海外業務所產生任何商譽會當作海外業務之資產處理，其會以該海外業務之功能性貨幣顯示，並以各結算日之結算匯率重新換算。所產生之任何匯兌差額，連同重新換算海外業務之淨資產產生之任何其他差額，會直接計入匯兌儲備。

根據香港會計準則第21號之過渡條文，此項新政策不會追溯應用，以及其僅適用於2005年3月1日或之後進行之收購事項。由於本集團自該日以後並無收購任何新海外業務，故是項政策變動並無對本財務報表構成任何影響。

## 1. Significant accounting policies

(Continued)

### (c) Adoption of new and revised Hong Kong Financial Reporting Standards (Continued)

#### (v) *Minority interests (HKAS 1 "Presentation of Financial Statements" and HKAS 27 "Consolidated and Separate Financial Statements")*

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the income statement as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 March 2005, in order to comply with HKAS 1 and HKAS 27, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the Company, and minority interests in the results of the Group for the year are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between the minority interests and the equity holders of the Company.

The presentation of minority interests in the consolidated balance sheet, income statement and statement of changes in equity for the previous year has been restated accordingly.

## 1. 主要會計政策 (續)

### (c) 採納新訂及經修訂香港財務報告準則 (續)

#### (v) 少數股東權益 (香港會計準則第1號「財務報表之呈報」及香港會計準則第27號「綜合及獨立財務報表」)

在過往年度，於結算日之少數股東權益乃於綜合資產負債表內與負債分開呈報，並列作資產淨額之扣減。少數股東所佔本集團年內業績亦會在收益表內分開呈報，並列作計算股東應佔盈利前作出之扣減。

為符合香港會計準則第1號及香港會計準則第27號之規定，由2005年3月1日起，於結算日之少數股東權益會在綜合資產負債表之權益項目中，與本公司股東之應佔權益分開呈列，而少數股東所佔本集團年內業績則會在綜合收益表中列為本公司少數股東與股東之間分配之年內盈利或虧損總額。

往年度於綜合資產負債表、收益表及權益變動表內呈列之少數股東權益已相應重列。

## 1. Significant accounting policies

(Continued)

### (d) Judgement and estimates

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

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

### (e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 28 February 2006. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

## 1. 主要會計政策 (續)

### (d) 判斷及估計

按照香港財務報告準則編製財務報表時，管理層必須作出影響政策應用及所呈報資產、負債、收入及開支數額之判斷、估計及假設。在沒有其他明顯可參考的渠道下，其資產及負債的價值有關結果將有乃以過往經驗及多項其他於有關情況下視作合理之因素為基準的估計及假設組成。實際業績可能有別於此等估計數字。

估計及相關假設按持續基準予以檢討。僅影響該期間之會計估計修訂於修訂估計期間確認，或倘修訂影響現時及日後期間，則於修訂之期間及日後期間確認。

### (e) 綜合基準

綜合財務報表綜合計入本公司及其附屬公司截至2006年2月28日止之財務報表。本公司會於必要時調整附屬公司財務報表，致使所用會計政策與本集團其他成員公司所用者一致。

## 1. Significant accounting policies

(Continued)

### (e) Basis of consolidation (Continued)

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital or controls more than half the voting power or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full on consolidation. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to fair values of the assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair values of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

## 1. 主要會計政策 (續)

### (e) 綜合基準 (續)

根據香港公司條例，附屬公司為本集團直接或間接持有過半數已發行股本或控制過半數投票權或控制董事會的組成的公司。倘本公司有權直接或間接監控附屬公司的財務及經營政策以自其業務中獲益，有關附屬公司即被視為受到控制。

附屬公司的業績自收購日期（即本集團取得控制權之日）起至有關控制權終止之日期間綜合入賬。集團內部間的結餘及交易以及任何因集團內部間交易產生的未變現盈利於綜合賬目時悉數對銷。集團內部間交易產生的未變現虧損按與未變現收益相同方式對銷，惟有證據顯示出現減值者除外。

年內所收購附屬公司已按收購會計法入賬。此方法涉及將業務合併成本分配至於收購日期所收購資產以及所承擔負債及或然負債的公允值。收購成本按於交易日期所給予資產、所發行股本工具及所產生或承擔負債的公允值總額，另加收購直接應佔成本計算。

## 1. Significant accounting policies

(Continued)

### (e) Basis of consolidation (Continued)

Any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. Any excess of the Group's interest in fair values of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in the income statement.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

## 1. 主要會計政策 (續)

### (e) 綜合基準 (續)

收購成本超出所收購可識別資產淨值公允值的任何差額確認為商譽。商譽按成本值減累計減值虧損列賬。商譽分配至現金產生單位，並每年進行減值測試。本集團應佔被收購方可識別資產、負債及或然負債公允值的權益超出業務合併成本的任何差額即時於收益表確認。

於結算日的少數股東權益（即並非由本公司直接或透過附屬公司間接擁有的股本權益應佔附屬公司資產淨值的部分）於綜合資產負債表及權益變動表呈列為權益，與本公司股東應佔權益分開呈列。於本集團業績之少數股東權益於綜合收益表呈列為少數股東權益與本公司股東間之年內盈利或虧損總額的分配。

倘適用於少數股東權益的虧損超出附屬公司權益的少數股東權益，則有關差額及任何適用於少數股東權益的進一步虧損均自本集團權益扣除，惟少數股東權益具有約束性責任並可補償虧損者除外。倘附屬公司其後錄得盈利，則本集團之權益將分配至所有該等盈利，直至收回本集團先前承擔的少數股東權益應佔虧損為止。

## 1. Significant accounting policies

(Continued)

### (f) Impairment of assets

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 any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings other than investment property carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

## 1. 主要會計政策 (續)

### (f) 資產減值

本集團於每個結算日檢討其有形及無形資產賬面值，以釐定有否跡象顯示該等資產出現減值虧損。倘出現有關跡象，則會估計該資產之可收回金額，以釐定減值虧損（如有）的程度。倘無法估計個別資產的可收回金額，則本集團將估計資產所屬現金產生單位的可收回金額。

可收回金額為售價淨額與使用價值之較高者。於評估使用價值時，估計日後現金流量會貼現至反映金錢時間值現行市場評估及有關資產特定風險的除稅前貼現率計算的現值。

倘資產或現金產生單位的可收回金額估計少於其賬面值，則調減資產（現金產生單位）的賬面值至其可收回金額。減值虧損隨即確認為開支，除非有關資產為按重估價值列賬的投資物業以外的土地或樓宇，於此情況下，減值虧損視作重估減少處理。

## 1. Significant accounting policies

(Continued)

### (f) Impairment of assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### (g) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, less provisions for depreciation and any impairment losses. Details are set out in note 11. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the item has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the item, the expenditure is capitalised as an additional cost of the item. When an item of property, plant and equipment is sold, its cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from the disposal, being the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement.

## 1. 主要會計政策 (續)

### (f) 資產減值 (續)

倘減值虧損其後撥回，資產（現金產生單位）的賬面值將增至其可收回金額之經修訂估計，惟經增加之賬面值不得超出倘資產（現金產生單位）於過往年度並無確認減值虧損而應釐定的賬面值。減值虧損的撥回即時確認為收入，除非有關資產按重估值列賬，於此情況下，減值虧損的撥回視作重估增加處理。

### (g) 物業、廠房及設備與折舊

物業、廠房及設備按成本值減折舊撥備及任何減值虧損入賬。詳情載於附註11。物業、廠房及設備項目之成本包括其購入價及將資產達至其運作狀況及地點作擬定用途之直接應佔成本。該項目投產後之開支（例如維修保養及大修費用）一般自產生年度之收益表扣除。倘能明確顯示該開支導致預期因使用該項目而產生之日後經濟利益增加，該項目則予以資本化，列為該項目之額外成本。當物業、廠房及設備出售時，其成本及累計折舊則自財務報表中撇除，而出售產生之損益（即該資產出售所得款項淨額與賬面值之差額）將計入收益表內。



## 1. Significant accounting policies

(Continued)

### (g) Property, plant and equipment and depreciation (Continued)

Depreciation is provided on the straight-line method, based on the estimated economic useful lives of the individual assets, as follows:–

Leasehold land and buildings	55 years from the date of purchase
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Furniture, fixtures and equipment	1 to 10 years
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Plant and machinery	3 to 7 years
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Motor vehicles	4 to 10 years
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### (h) Leased assets

(i) *Classification of assets leased to the Group*  
Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

## 1. 主要會計政策 (續)

### (g) 物業、廠房及設備與折舊 (續)

折舊按直線法於個別資產之估計經濟可用年期作出撥備如下：

租賃土地及樓宇	自購買日期起計 55年
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傢具、裝置及設備	1至10年
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廠房及機器	3至7年
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汽車	4至10年
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### (h) 租賃資產

(i) *本集團租賃資產之分類*  
本集團持有的租賃資產，如大部份相關風險及回報已轉讓至本集團，該租賃資產歸類為按融資租賃持有。並無轉讓所有權全部相關風險及回報的租賃，歸類為經營租賃。

## 1. Significant accounting policies

(Continued)

### (h) Leased assets (Continued)

#### (ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased assets, or, if lower, the present value of the minimum lease payments of such assets, are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of assets over the term of the relevant leases or, where it is likely the Group or the Company will obtain ownership of the assets, the life of the assets, as set out in note 1(g) above. Impairment losses are accounted for in accordance with the accounting policy as set out in note 1(f) above. Finance charges implicit in the lease payments are charged to income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals, if any, are charged to income statement in the accounting period in which they are incurred.

#### (iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in income statement as an integral part of the aggregate net lease payments made. Contingent rentals, if any, are charged to income statement in the accounting period in which they are incurred.

## 1. 主要會計政策 (續)

### (h) 租賃資產 (續)

#### (ii) 以融資租賃購入的資產

倘本集團按融資租賃獲得資產的使用權，則將相當於租賃資產公允值或最低租賃付款額的現值（如為較低數額）記入物業、廠房及設備，而扣除融資費用後的相應負債則列為融資租賃承擔。折舊是在相關的租賃期或資產的可用年限（如本公司或本集團很可能取得資產的所有權）內，以沖銷資產成本或估值的比率計提；有關可用年限載列於上文附註1(g)。減值虧損按照上文附註1(f)所列會計政策入賬。租賃付款內含的融資費用會計入租賃期內的收益表，致使每個會計期間的融資費用佔承擔餘額的比率大致相同。或有租金（如有）在其產生的會計期間計入收益表。

#### (iii) 經營租賃費用

如本集團透過經營租賃使用資產，則根據租賃作出的付款會在租賃期所涵蓋會計期間內，以等額在收益表扣除；但如有其他基準能更清楚地反映租賃資產所產生收益模式則除外。經營租賃協議所涉及優惠措施均在收益表中確認為租賃淨付款總額的組成部分。或有租金（如有）在其產生的會計期間內在收益表扣除。

## 1. Significant accounting policies

(Continued)

### (i) Investments in subsidiaries

Investments in subsidiaries are stated in the Company's balance sheet at cost less any identified impairment losses. Results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

### (j) Investments in securities

From 1 March 2005 onwards, the Group classifies and measures its debt and equity securities in accordance with HKAS 39 "Financial Instruments: Recognition and Measurement". 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" that are not part of a hedging relationship and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to current market value of another instrument, which is substantially the same; a discounted cash flow analysis and option pricing models. When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

## 1. 主要會計政策 (續)

### (i) 於附屬公司之投資

於附屬公司之投資乃按成本減任何已識別減值虧損於本公司資產負債表入賬。附屬公司業績按已收及應收股息為基準計入本公司賬目。

### (j) 證券投資

自2005年3月1日起，本集團根據香港會計準則第39號「金融工具：確認及計量」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「按公允值計入損益之財務資產」、「可供出售財務資產」、「貸款及應收款項」或「持至到期財務資產」。不涉及對沖關係之「按公允值計入損益之財務資產」及按公允值列賬之「可供出售財務資產」，公允值變動則分別於損益及權益確認。「貸款及應收款項」及「持至到期財務資產」以實際利率法按攤銷成本計算。

在有秩序金融市場交投活躍之投資之公允值乃參考結算日營業時間結束時之市場買入價釐定。對於無活躍市場之投資，其公允值則以估價方法釐定。估價方法包括使用近期公平市場交易、參照大致相同之其他財務工具現行市場價值、貼現現金流量分析及期權訂價模式。倘非上市股本證券之公允值由於(a)公允值合理估計之變化性對該投資而言屬重大；或(b)各項估計之或然率無法可靠評估及用以估計公允值，則有關證券按成本減任何減值虧損列賬。

## 1. Significant accounting policies

(Continued)

### (k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

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

### (l) Foreign currency translation

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

## 1. 主要會計政策 (續)

### (k) 存貨

存貨以成本及可變現淨值兩者中的較低數額列賬。成本以加權平均成本法計算，其中包括所有採購成本、加工成本及將存貨達至目前地點和現狀的成本。

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

存貨出售時，其賬面金額在相關收入獲確認的期間內確認為支出。存貨數額撇減至可變現淨值及存貨的所有虧損，均在出現減值或虧損的期間內確認為支出。存貨的任何減值轉回之數，均在出現轉回的期間內確認為已列作支出的存貨數額減少。

### (l) 外幣換算

年度內的外幣交易按交易日的匯率換算。以外幣為單位的貨幣資產及負債則按結算日的匯率換算。匯兌盈虧於收益表確認。

## 1. Significant accounting policies

(Continued)

### (l) Foreign currency translation (Continued)

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

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

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

### (m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at cost less allowance for bad and doubtful debts.

## 1. 主要會計政策 (續)

### (l) 外幣換算 (續)

按歷史成本法以外幣計量之非貨幣資產及負債乃按交易日之匯率換算。以外幣按公允值呈列之非貨幣資產及負債乃按於釐定公允值日期之匯率換算。

海外業務的業績按交易日的概約匯率換算為港元；資產負債表項目（包括綜合於2005年1月1日或之後收購之海外業務產生之商譽）則按結算日的匯率換算為港元。所產生匯兌差額獨立直接確認為權益部分。因於2005年1月1日之前收購海外業務所產生的商譽按收購該海外業務當日適用之匯率換算。

出售海外業務時，與該海外企業有關於權益確認之累計匯兌差額會在計算出售的盈利或虧損時包括在內。

### (m) 應收賬款及其他應收款

應收賬款及其他應收款初步按公允值確認，其後按成本減呆壞賬撥備列賬。

## 1. Significant accounting policies

(Continued)

### (n) Trade and other payables

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

### (o) Provisions

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

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

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

## 1. 主要會計政策 (續)

### (n) 應付賬款及其他應付款

應付賬款及其他應付款初步按公平值確認，其後按攤銷成本列賬，惟倘貼現之影響並不重大，則按成本列賬。

### (o) 撥備

倘若本公司或本集團須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致經濟效益外流，並可作出可靠的估計時，便會就該時間或數額不定的負債計提撥備。如果貨幣時間價值重大，則按預計履行義務所需資源的現值呈列撥備。

倘貼現之影響重大，就撥備而確認之金額為於結算日預期履行義務所需未來開支之現值。因時間過去而引致之貼現現值增加將計入收益表內之財務費用。

倘若經濟效益外流的可能性較低，或無法對有關數額作出可靠估計，則將該義務披露為或有負債；但倘有關資源外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在義務，亦會披露為或有負債；但倘有關資源外流的可能性極低則除外。

## 1. Significant accounting policies

(Continued)

### (p) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and contributions to the retirement schemes operated by the relevant authorities for employees of the subsidiaries in the People's Republic of China ("PRC") and Malaysia are recognised as an expense in the income statement as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.
- (iii) The Group's net obligation in respect of lump sum long service amounts payable on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method by a qualified actuary, discounted to its present value, and the fair value of any related plan assets is deducted. The discount rate is the yield at balance sheet date on Exchange Fund Notes that have maturity dates approximating the terms of the Group's obligations.

## 1. 主要會計政策 (續)

### (p) 僱員福利

- (i) 薪金、年度獎金、有薪年假、假期旅遊津貼及各項非貨幣福利導致本集團產生的成本，均在本集團僱員提供相關服務的年度內累計。如延遲付款或結算，而有關影響重大，則上述數額按現值列賬。
- (ii) 根據香港《強制性公積金計劃條例》規定作出的強制性公積金供款及為中華人民共和國（「中國」）及馬來西亞之附屬公司僱員參與有關政府部門管理之退休金計劃的供款，均於產生時在收益表列支；但已計入尚未確認為開支的存貨成本的數額除外。
- (iii) 本集團就香港《僱傭條例》的規定在若干情況下停止聘用員工而應以整筆款項形式支付長期服務金所承擔的義務淨額，是僱員在本期和以往期間提供服務所賺取未來福利的數額。該義務金額由合資格的精算師按預期福利單位法計算，該福利已貼現至現值，並已扣除任何相關計劃資產的公允價值。計算現值所採用的貼現率是根據外匯基金債權證於結算日的收益率釐定，其到期日與本集團就該福利須履行供款責任的年期相若。

## 1. Significant accounting policies

(Continued)

### (q) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

## 1. 主要會計政策 (續)

### (q) 所得稅

- (i) 本年度所得稅包括本期稅項及遞延稅項資產和負債的變動。本期稅項及遞延稅項資產和負債的變動均在收益表內確認，但與直接確認為股東權益項目相關者，則於權益中確認。
- (ii) 本期稅項是按本年度應稅收入根據已執行或在結算日實質上已執行的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。
- (iii) 遞延稅項資產和負債分別由可抵扣和應稅暫時差異產生。暫時差異是指資產和負債在財務報表上的賬面金額與這些資產和負債的計稅基礎的差異。遞延稅項資產也可以由未運用可抵扣虧損和未運用稅款抵減產生。



## 1. Significant accounting policies

(Continued)

### (q) Income tax (Continued)

(iii) (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

## 1. 主要會計政策 (續)

### (q) 所得稅 (續)

(iii) (續)

除某些有限例外情況外，所有遞延稅項負債和遞延稅項資產（只限於很可能獲得能運用該遞延稅項資產來抵扣的未來應稅盈利）均會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應稅盈利包括因轉回目前存在的應稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關及同一應稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年或遞延稅項資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應稅暫時差異是否足以支持確認由未運用可抵扣虧損和稅款抵減所產生的遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應稅實體有關，並是否預期在能夠使用未運用可抵扣虧損和稅款抵減撥回的同一年或向前期結轉的期間內轉回。

## 1. Significant accounting policies

(Continued)

### (q) Income tax (Continued)

(iii) (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, negative goodwill treated as deferred income, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination).

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

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

## 1. 主要會計政策 (續)

### (q) 所得稅 (續)

(iii) (續)

不確認為遞延稅項資產和負債的暫時差異是產生自以下有限的例外情況：不可扣稅商譽；作為遞延收入處理的負商譽；不影響會計或應稅盈利的資產或負債的初始確認（如屬業務合併的一部分則除外）。

遞延稅項是按照資產和負債賬面金額的預期實現或清償方式，根據在結算日已執行或實質上已執行的稅率計量。遞延稅項資產和負債均不貼現計算。

本集團會在每個結算日評估遞延稅項資產的賬面金額。如果本集團預期不再可能獲得足夠的應稅盈利以抵扣相關的稅務利益，則會調低該遞延稅項資產的賬面金額；惟倘日後可能獲得足夠應稅盈利，有關減額則會轉回。

## 1. Significant accounting policies

(Continued)

### (q) Income tax (Continued)

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:–

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:–
  - o the same taxable entity; or
  - o different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

## 1. 主要會計政策 (續)

### (q) 所得稅 (續)

(iv) 本期和遞延稅項結餘及其變動額會分開列示，且不予抵銷。本期和遞延稅項資產只會在本公司或本集團有法定行使權以本期稅項資產抵銷本期所得稅負債，並且符合以下附帶條件的情況下，方可分別抵銷本期和遞延稅項負債：

- 本期稅項資產和負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 遞延稅項資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
  - o 同一應稅實體；或
  - o 不同應稅實體，而這些實體計劃在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準變現本期稅項資產和清償本期稅項負債，或同時變現該資產和清償該負債。

## 1. Significant accounting policies

(Continued)

### (r) Revenue recognition

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

#### (i) Sale of goods

Revenue is recognised when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts and returns.

#### (ii) Commission and consultancy service income

Commission and consultancy service income are recognised when the related services are rendered.

#### (iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rental are recognised as income in the accounting period in which they are earned.

## 1. 主要會計政策 (續)

### (r) 收入確認

收入在經濟效益可能流入本集團，以及能夠可靠地計算收入和成本（如適用）時，根據下列基準在收益表內確認：

#### (i) 銷售貨品

收入在客戶接收貨品及其所有權相關的風險及回報時確認。收入不包括增值稅或其他銷售稅，並扣除任何營業折扣及退貨。

#### (ii) 佣金及顧問服務收入

佣金及顧問服務收入在有關服務提供後確認。

#### (iii) 經營租賃的租金收入

經營租賃的應收租金收入在租賃期所涵蓋會計期間內，以等額在收益表確認；但如有其他基準能更清楚地反映租賃資產所產生收益模式則除外。經營租賃協議所涉及優惠措施均在收益表中確認為應收租賃淨付款總額的組成部分。或有租金在其產生的會計期間內確認為收入。

## 1. Significant accounting policies

(Continued)

### (r) Revenue recognition (Continued)

#### (iv) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

#### (v) Interest income

Interest income from bank deposits is accrued on a time-apportioned basis by reference to the principal outstanding and at the rate applicable.

### (s) Borrowing costs

Borrowing costs are expensed as incurred except where they relate to the financing of major capital projects where they are capitalised up to the date that the assets are brought into a working condition for their intended use.

### (t) Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition, less advances from banks repayable within three months from the date of the advance. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

## 1. 主要會計政策 (續)

### (r) 收入確認 (續)

#### (iv) 股息

- 非上市投資的股息收入在股東收取款項的權利確立時確認。
- 上市投資的股息收入在投資項目的股價除息時確認。

#### (v) 利息收入

銀行存款的利息收入以時間比例基準，按尚餘本金及適用利率計算。

### (s) 借貸成本

借貸成本於產生時支銷，惟倘該等成本與主要資本項目之融資有關，則該等成本會資本化，直至有關資產達至擬定用途之運作狀況為止。

### (t) 現金及現金等價物

就綜合現金流量而言，現金及現金等價物包含銀行存款及現金、存放於銀行和其他財務機構的活期存款，以及短期和流動性極高，而可換算為已知數額現金、所承受價值變動風險甚小，並在購入後三個月內到期的投資項目，減須於墊款日期起計三個月償還之銀行墊款。現金及現金等價物亦包括須於接獲通知時償還，及構成本集團現金管理一部分的銀行透支。

## 1. Significant accounting policies

(Continued)

### (u) Related parties

A party is considered to be related to the Group if:–

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence;
- (ii) the party is a member of the key management personnel of the Group;
- (iii) the party is a close member of the family of any individual referred to in (i) or (ii);
- (iv) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (ii) or (iii); or
- (v) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

## 1. 主要會計政策 (續)

### (u) 有關連人士

在以下情況，下列人士將視作本集團有關連人士：

- (i) 透過一家或以上中介公司直接或間接控制本集團或對本集團之財務及經營決策行使重大影響力（反之亦然），或本集團與該名人士受共同控制或共同影響；
- (ii) 為本集團主要管理人員；
- (iii) 為(i)或(ii)項所述任何人士之近親；
- (iv) 為受直接或間接與(ii)或(iii)項所述任何人士有關之實體控制、共同控制或受重大影響或行使大量投票權之實體；或
- (v) 該方提供福利予本集團或屬於其關連人士之任何實體僱員的離職後福利計劃。

## 1 Significant accounting policies

(Continued)

### (v) Segment reporting

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

In accordance with the Group's internal financial reporting, the Group has chosen geographical segment information as the primary reporting format. No business segments analysis of the Group is presented as all the Group's turnover and trading result are generated from the manufacture, sale and marketing of jewellery products and provision of related agency services.

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

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

## 1. 主要會計政策 (續)

### (v) 分部報告

分部是指本集團內可明顯區分的組成部分，並且負責提供單項或一組相關的產品或服務（業務分部），或在特定經濟環境中提供產品或服務（地區分部），並承擔有別於其他分部的風險和回報。

按照本集團的內部財務報告程序，本集團選擇以地區分部為報告分部資料的主要形式。由於本集團的營業額及經營業績均來自製造、銷售及推廣珠寶首飾和提供相關的代理服務，故並無提供有關本集團之業務分類分析。

分部收入、支出、經營業績、資產及負債均含直接歸屬某一部，以及可按合理的基準分配至該分部的項目的數額。例如，分部資產可能包括存貨、應收賬款及固定資產。分部收入、支出、資產及負債包含須在編製綜合財務報表時抵銷的集團內部往來的餘額和集團內部交易；但同屬一個分部的集團企業之間的集團內部往來的餘額和交易則除外。

分部資本開支指年內購入預計可使用超過一年的分部資產所產生成本總額。

## 1. Significant accounting policies

(Continued)

### (v) Segment reporting (Continued)

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses.

## 2. Turnover

The principal activities of the Group are the manufacture, sale and marketing of jewellery products and provision of related agency services.

Turnover represents the sales value of jewellery products sold to customers and commission income. The amount of each significant category of revenue recognised in turnover during the year is as follows:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Sales of jewellery products	珠寶產品銷售	1,323,678	1,253,603
Commission income	佣金收入	454	22,393
		<b>1,324,132</b>	1,275,996

## 3. Other revenue

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Rental income	租金收入	32	161
Interest income	利息收入	279	132
Foreign exchange gain	匯兌收益	908	2,755
Consultancy service income	顧問服務收入	-	256
Others	其他	1,525	5,731
		<b>2,744</b>	9,035

## 1. 主要會計政策 (續)

### (v) 分部報告 (續)

未分配項目主要包括財務及企業資產、計息貸款、借款、企業和融資支出。

## 2. 營業額

本集團的主要業務是製造、銷售及推廣珠寶首飾和提供相關的代理服務。

營業額包括銷售給客戶珠寶首飾的銷售價值及佣金收入。年內已在營業額中確認的各項重要收入類別的數額如下：

## 3. 其他收入



#### 4. Profit from ordinary activities before taxation

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

#### 4. 除稅前正常業務盈利

除稅前正常業務盈利已扣除／(計入)：

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
(a) Finance costs	(a) 財務費用		
Interest on bank loans and overdraft	銀行貸款及透支的利息	2,049	739
Interest on other loans	其他貸款的利息	4,050	4,189
Interest on amount due to a minority shareholder	應付少數股東款項的利息	-	62
Finance charges on obligations under finance leases	融資租賃承擔的財務費用	60	47
		<b>6,159</b>	5,037

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
(b) Staff costs	(b) 員工成本		
Contribution to defined contribution retirement plan	界定供款退休計劃供款	4,814	4,518
Expense recognised in respect of long service payments (note 21(a)(ii) and (iii))	已就長期服務金確認的支出 (附註21(a)(ii)及(iii))	(1,431)	844
Retirement costs	退休計劃成本	3,383	5,362
Equity-settled share option expenses	以股份結算購股權支出	2,332	-
Salaries, wages and other benefits	薪金、工資及其他福利	190,876	144,742
		<b>196,591</b>	150,104

#### 4. Profit from ordinary activities before taxation (Continued)

#### 4. 除稅前正常業務盈利 (續)

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
(c) Other items	(c) 其他項目		
Auditors' remuneration	核數師酬金		
– current year provision	– 本年度撥備	3,250	3,218
– prior year under provision	– 往年度撥備不足	1,077	1,114
Cost of inventories sold	出售存貨成本	657,896	693,496
Depreciation	折舊	24,225	15,378
Operating leases charges	經營租賃費用		
– land and buildings situated in Hong Kong	– 香港之土地及建築物	66,512	48,662
– land and buildings situated other than in Hong Kong	– 香港以外之土地及建築物	9,830	4,476
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	47	197
Write back of provision for properties held for sale	撥回待售物業減值撥備	–	(913)
Reversal of provision for inventories	存貨撥備撥回	(2,701)	(350)
Rentals receivable from properties less direct outgoings of HK\$12,000 (2005: HK\$48,000)	應收物業租金減直接支出港幣12,000元 (2005年: 港幣48,000元)	(20)	(113)

Cost of inventories sold includes HK\$37,829,000 (2005: HK\$26,324,000) relating to staff costs, depreciation expenses, operating lease charges and reversal of provision for inventories, which amount is also included in the respective total amounts disclosed separately above in note 4(b) and 4(c) for each of these types of expenses.

出售存貨成本包括與員工成本、折舊費用、經營租賃費用及存貨撥備撥回有關的港幣37,829,000元(2005年: 港幣26,324,000元)。有關數額亦已記入以上附註4(b)及附註4(c)所列各類相關開支中。

## 5. Taxation

(a) Income tax in the consolidated income statement represents:-

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
<b>Current tax – Provision for Hong Kong Profits Tax</b>	本期稅項 – 香港 利得稅撥備		
Tax for the year	本年度稅項	<b>815</b>	9,683
Underprovision in respect of prior years	以往年度撥備不足	<b>50,964</b>	26,005
		<b>51,779</b>	35,688
<b>Current tax – overseas</b>	本期稅項 – 海外		
Tax for the year	本年度稅項	<b>22,948</b>	14,249
Overprovision in respect of prior years	以往年度超額撥備	<b>(1,107)</b>	–
		<b>21,841</b>	14,249
<b>Deferred tax</b>	遞延稅項		
Origination and reversal of temporary differences	暫時差異的產生 和轉回	<b>(3,069)</b>	(14,714)
		<b>70,551</b>	35,223

(i) The provision for Hong Kong Profits Tax is calculated at 17.5% (2005: 17.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is similarly charged at the appropriate current rate of taxation ruling in the relevant countries.

## 5. 稅項

(a) 綜合收益表所示的所得稅為：

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
<b>Current tax – Provision for Hong Kong Profits Tax</b>	本期稅項 – 香港 利得稅撥備		
Tax for the year	本年度稅項	<b>815</b>	9,683
Underprovision in respect of prior years	以往年度撥備不足	<b>50,964</b>	26,005
		<b>51,779</b>	35,688
<b>Current tax – overseas</b>	本期稅項 – 海外		
Tax for the year	本年度稅項	<b>22,948</b>	14,249
Overprovision in respect of prior years	以往年度超額撥備	<b>(1,107)</b>	–
		<b>21,841</b>	14,249
<b>Deferred tax</b>	遞延稅項		
Origination and reversal of temporary differences	暫時差異的產生 和轉回	<b>(3,069)</b>	(14,714)
		<b>70,551</b>	35,223

(i) 香港利得稅撥備是按本年度的估計應評稅盈利以17.5% (2005年：17.5%) 的稅率計算。海外附屬公司的稅項以相關國家適用的現行稅率按類似方法計算。

## 5. Taxation (Continued)

### (a) (Continued)

- (ii) Since the end of the last financial year and up to the date of these financial statements, certain subsidiaries of the Group received from the Inland Revenue Department (“IRD”) additional assessments amounting to approximately HK\$51,000,000 relating to certain offshore income and agents commission payments and promoter fees essentially for all prior years under dispute in respect of which the IRD has been challenging the tax treatments adopted by the subsidiaries.

The subsidiaries are in the process of gathering relevant information to support the tax treatments adopted. The directors consider it prudent to establish a full provision of HK\$51,000,000 in respect of the above which has been charged to the consolidated income statement for the year.

## 5. 稅項 (續)

### (a) (續)

- (ii) 自上一個財政年度完結至本財務報表日期，本集團若干附屬公司收到稅務局就以往年度的若干離岸收入及代理佣金支出與業務推廣費用發出為數約港幣51,000,000元的補加評稅通知，稅務局並且就此質疑有關附屬公司所採用的稅務處理方法。

附屬公司正在搜集相關資料以支持採用的稅務處理方法。董事認為就以上項目提撥港幣51,000,000元全數撥備是審慎做法，上述金額已計入本年度綜合收益表。

## 5. Taxation (Continued)

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

## 5. 稅項 (續)

(b) 稅項和按適用稅率計算的會計盈利之對賬：

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
Profit before taxation	除稅前盈利	42,433	78,418
Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned	按照在相關國家獲得盈利的適用稅率計算除稅前盈利的名義稅項	4,810	20,495
Tax effect of profits entitled to tax exemption	可享有免稅優惠的盈利的稅項影響	(811)	(700)
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	21,414	4,233
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(10,733)	(1,624)
Tax effect of prior year's tax losses utilised this year	於本年度動用往年度稅損的稅項影響	(1,197)	(360)
Tax effect of temporary differences not recognised	未確認暫時差異的稅項影響	2,328	342
Tax effect of prior year's temporary difference recognised this year	於本年度確認往年度暫時差異的稅項影響	(1,808)	(15,373)
Tax effect of unused tax losses not recognised	未確認及未運用的稅項虧損的稅項影響	6,691	2,205
Underprovision in respect of prior years	以往年度撥備不足	49,857	26,005
Actual tax expense	實際稅項支出	70,551	35,223

## 6. Directors' remuneration

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

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
Fees	袍金	1,260	1,440
Salaries and other emoluments	薪金及其他酬金	7,128	6,480
Performance related incentives	與表現相關之獎勵	3,784	4,114
Share-based payments	以股份償付	1,139	–
Contributions to retirement benefits scheme	退休福利計劃供款	25	36
		<b>13,336</b>	<b>12,070</b>

Included in the directors' remuneration were fees of HK\$1,260,000 (2005: HK\$1,440,000) paid to the non-executive directors during the year.

## 6. 董事酬金

根據香港《公司條例》第161條披露的董事酬金如下：

	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
Fees	1,260	1,440
Salaries and other emoluments	7,128	6,480
Performance related incentives	3,784	4,114
Share-based payments	1,139	–
Contributions to retirement benefits scheme	25	36
	<b>13,336</b>	<b>12,070</b>

董事酬金包括年內支付予非執行董事的袍金港幣1,260,000元(2005年：港幣1,440,000元)。

## 6. Directors' remuneration (Continued)

## 6. 董事酬金 (續)

		Contributions					
		Salaries and other Fees	Performance related incentives	to retirement benefits scheme	Share-based payments	Total	
		薪金及 袍金	與表現相關 之獎勵	退休福利 計劃供款	以股份償付	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
2006							
Executive directors:	執行董事:						
Tse Tat Fung, Tommy	謝達峰	-	3,078	3,001	12	530	6,621
Peter Gerardus Van Weerdenburg	溫彼得	-	1,765	156	-	530	2,451
Leung Yit Kuen, Raymond	梁悅權	-	195	92	1	-	288
Alex Chan	陳偉康	-	830	35	12	53	930
Erwin Steve Huang	黃岳永	-	1,260	500	-	26	1,786
		-	7,128	3,784	25	1,139	12,076
Non-executive directors:	非執行董事:						
Hong Po Kui, Martin	康寶駒	180	-	-	-	-	180
Chui Chi Yun, Robert *	崔志仁*	360	-	-	-	-	360
Gerald Clive Dobby *	Gerald Clive Dobby*	360	-	-	-	-	360
Lui Pui Kee, Francis *	呂培基*	360	-	-	-	-	360
		1,260	-	-	-	-	1,260
		1,260	7,128	3,784	25	1,139	13,336

\* Independent non-executive directors.

\* 獨立非執行董事

## 6. Directors' remuneration (Continued)

## 6. 董事酬金 (續)

			Salaries and other Fees	Performance related incentives	Contributions to retirement benefits scheme	Share-based payments	Total
			薪金及 袍金	與表現相關 之獎勵	退休福利 計劃供款	以股份償付	總計
			HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
2005							
Executive directors:	執行董事:						
Tse Tat Fung, Tommy	謝達峰	-	2,999	3,000	12	-	6,011
Peter Gerardus Van Weerdenburg	溫彼得	-	1,765	600	-	-	2,365
Leung Yit Kuen, Raymond	梁悅權	-	1,041	214	12	-	1,267
Alex Chan	陳偉康	-	675	300	12	-	987
		-	6,480	4,114	36	-	10,630
Non-executive directors:	非執行董事:						
Hong Po Kui, Martin	康寶駒	360	-	-	-	-	360
Chui Chi Yun, Robert *	崔志仁*	360	-	-	-	-	360
Gerald Clive Dobby *	Gerald Clive Dobby*	360	-	-	-	-	360
Lui Pui Kee, Francis *	呂培基*	360	-	-	-	-	360
		1,440	-	-	-	-	1,440
		1,440	6,480	4,114	36	-	12,070

\* Independent non-executive directors.

\* 獨立非執行董事



## 7. Individuals with highest emoluments

Of the five individuals with the highest emoluments, three (2005: three) are directors whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the other two (2005: two) individuals are as follows:-

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
Salaries and other emoluments	薪金及其他酬金	2,408	1,296
Performance related incentives	與表現相關之獎勵	2,456	4,167
Contributions to retirement benefits scheme	退休福利計劃供款	24	24
Share-based payments	以股份償付	86	-
		<b>4,974</b>	<b>5,487</b>

The emoluments of the two (2005: two) individuals with the highest emoluments are within the following bands:-

		2006 Number of individuals 人數	2005 Number of individuals 人數
HK\$1,000,001 to HK\$1,500,000	港幣1,000,001元至港幣1,500,000元	1	1
HK\$3,500,001 to HK\$4,000,000	港幣3,500,001元至港幣4,000,000元	1	-
HK\$4,000,001 to HK\$4,500,000	港幣4,000,001元至港幣4,500,000元	-	1

## 8. Loss attributable to shareholders

The consolidated loss attributable to shareholders includes a loss of HK\$37,831,000 (2005: profit of HK\$59,281,000) which has been dealt with in the financial statements of the Company.

## 7. 最高酬金人士

在五名最高酬金人士中，三名(2005年：三名)為董事，有關酬金詳情載於附註6。其餘兩名(2005年：兩名)人士的酬金總額如下：

該兩名(2005年：兩名)最高酬金人士的酬金在以下範圍內：

## 8. 股東應佔虧損

股東應佔綜合虧損包括一筆已列入本公司財務報表的港幣37,831,000元虧損(2005年：港幣59,281,000元盈利)。

## 9. (Loss)/earnings per share

### (a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to shareholders of HK\$47,977,000 (2005: profit attributable to shareholders of HK\$35,813,000 – restated) and the weighted average of 207,063,221 ordinary shares (2005: 75,063,433 ordinary shares after adjusting for the capital reorganisation in 2005) in issue during the year.

### (b) Diluted (loss)/earnings per share

Diluted loss per share is not shown for the year ended 28 February 2006 as all the potential ordinary shares (i.e. the share options) are anti-dilutive.

There were no dilutive potential ordinary shares in existence during the year ended 28 February 2005.

## 9. 每股(虧損)/盈利

### (a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利是按照本年度的股東應佔虧損港幣47,977,000元(2005年:股東應佔盈利港幣35,813,000元—經重列),以及年內已發行普通股的加權平均數207,063,221股(2005年:就2005年進行的資本重組調整後75,063,433股普通股)計算。

### (b) 每股攤薄(虧損)/盈利

由於截至2006年2月28日止年度所有潛在普通股(即購股權)均具反攤薄影響,故並無呈列每股攤薄虧損。

於截至2005年2月28日止年度,本公司並無潛在攤薄影響的普通股。

## 10. Segment reporting

Segment information is presented in respect of the Group's geographical segments. Information relating to geographical segments based on the location of assets is chosen because this is more relevant to the Group in making operating and financial decisions. No business segments analysis of the Group is presented as all the Group's turnover and trading result are generated from the manufacture, sale and marketing of jewellery products and provision of related agency services.

## 10. 分部報告

分部資料是按本集團的地區分部作出呈述。選擇根據資產所在位置而提供有關地區分類之資料，乃因有關資料對本集團作出經營及財務決策時更適用。由於本集團的營業額及經營業績均來自製造、銷售及推廣珠寶首飾和提供相關的代理服務，故並無提供有關本集團之業務類別分析。

		PRC (including Hong Kong) 中國(包括香港)		Others 其他		Inter-segment elimination 分部間抵銷數額		Consolidated 綜合數額	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
Revenue from external customers	來自外界客戶的收入	1,297,568	1,249,624	26,564	26,372	-	-	1,324,132	1,275,996
Inter-segment revenue	分部間收入	10,254	11,134	-	-	(10,254)	(11,134)	-	-
Other revenue from external customers	來自外界客戶的其他收入	2,397	8,688	347	347	-	-	2,744	9,035
<b>Total</b>	<b>總額</b>	<b>1,310,219</b>	<b>1,269,446</b>	<b>26,911</b>	<b>26,719</b>	<b>(10,254)</b>	<b>(11,134)</b>	<b>1,326,876</b>	<b>1,285,031</b>
Segment results	分部業績	48,144	79,252	448	876			48,592	80,128
Finance costs	財務費用							(6,159)	(5,037)
Cost of financial restructuring	財務重組費用							-	(1,142)
Loss on disposal of properties	出售物業虧損							-	(68)
Recovery of debts written off in prior years	收回過往年度所撇銷壞賬							-	4,537
Income tax	所得稅							(70,551)	(35,223)
(Loss)/profit for the year	本年度(虧損)/盈利							<b>(28,118)</b>	<b>43,195</b>
Depreciation for the year	本年度折舊	24,193	14,786	32	592				
Significant non-cash expenses (other than depreciation)	大額非現金支出(折舊除外)	47	374	-	-				
Segment assets	分部資產	921,814	870,602	16,699	18,891	(108,565)	(109,595)	829,948	779,898
Unallocated assets	未分配資產							21,853	18,336
Total assets	資產總值							<b>851,801</b>	<b>798,234</b>
Segment liabilities	分部負債	420,662	374,309	110,190	112,612	(108,565)	(109,595)	422,287	377,326
Unallocated liabilities	未分配負債							182,604	153,900
Total liabilities	負債總額							<b>604,891</b>	<b>531,226</b>
Capital expenditure incurred during the year	本年度內產生的資本開支	36,014	23,987	93	11				

## 11. Property, plant and equipment

### (a) The Group

		Land and buildings 土地及 建築物 HK\$'000 港幣千元 (restated) (經重列)	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 港幣千元	Plant and machinery 廠房及機器 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Sub-total 小計 HK\$'000 港幣千元 (restated) (經重列)	Investment properties 投資物業 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元 (restated) (經重列)
<b>Cost or valuation:</b>	成本或估值:							
1 March 2004	於2004年3月1日	76,469	112,605	19,527	3,718	212,319	530	212,849
Exchange adjustments	匯兌調整	-	110	9	6	125	-	125
Additions	增置	-	19,662	3,337	999	23,998	-	23,998
Transfer from properties held for sale	從待售物業中轉入	19,906	-	-	-	19,906	850	20,756
Disposals	出售	-	(6,235)	(1,322)	(935)	(8,492)	-	(8,492)
Surplus on revaluation	重估盈餘	-	-	-	-	-	40	40
28 February 2005	於2005年2月28日	96,375	126,142	21,551	3,788	247,856	1,420	249,276
Exchange adjustments	匯兌調整	-	517	28	6	551	-	551
Additions	增置	-	33,785	1,887	435	36,107	-	36,107
Transfer from investment properties	從投資物業中轉入	1,420	-	-	-	1,420	(1,420)	-
Disposals	出售	-	(4,926)	(496)	(1,318)	(6,740)	-	(6,740)
28 February 2006	於2006年2月28日	97,795	155,518	22,970	2,911	279,194	-	279,194
- at cost	- 按成本							
<b>Accumulated depreciation:</b>	折舊總額:							
1 March 2004	於2004年3月1日	18,377	98,017	16,358	3,527	136,279	-	136,279
Exchange adjustments	匯兌調整	-	61	2	4	67	-	67
Charge for the year	本年度折舊	1,391	12,142	1,409	436	15,378	-	15,378
On disposals	出售時	-	(5,946)	(1,251)	(935)	(8,132)	-	(8,132)
28 February 2005	於2005年2月28日	19,768	104,274	16,518	3,032	143,592	-	143,592
Exchange adjustments	匯兌調整	-	353	11	3	367	-	367
Charge for the year	本年度折舊	1,910	20,121	1,827	367	24,225	-	24,225
On disposals	出售時	-	(4,875)	(496)	(1,310)	(6,681)	-	(6,681)
28 February 2006	於2006年2月28日	21,678	119,873	17,860	2,092	161,503	-	161,503
<b>Net book value:</b>	賬面淨值:							
28 February 2006	於2006年2月28日	76,117	35,645	5,110	819	117,691	-	117,691
28 February 2005	於2005年2月28日	76,607	21,868	5,033	756	104,264	1,420	105,684

## 11. 物業、廠房及設備

### (a) 本集團

## 11. Property, plant and equipment

(Continued)

### (b) The Company

## 11. 物業、廠房及設備 (續)

### (b) 本公司

		Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 港幣千元
<b>Cost:</b>	<b>成本:</b>	
1 March 2004 and 28 February 2005	於2004年3月1日及於2005年2月28日	207
Additions	增置	240
Disposals	出售	(3)
<hr/>		
At 28 February 2006	於2006年2月28日	444
<hr/>		
<b>Accumulated depreciation:</b>	<b>折舊總額:</b>	
1 March 2004 and 28 February 2005	於2004年3月1日及於2005年2月28日	207
Charge for the year	本年度折舊	5
On disposals	出售時	(3)
<hr/>		
28 February 2006	於2006年2月28日	209
<hr/>		
<b>Net book value:</b>	<b>賬面淨值:</b>	
28 February 2006	於2006年2月28日	235
<hr/>		
28 February 2005	於2005年2月28日	—
<hr/>		

## 11. Property, plant and equipment

(Continued)

(c) The analysis of net book value of properties is as follows:-

## 11. 物業、廠房及設備 (續)

(c) 物業賬面淨值的分析如下:-

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
In Hong Kong	在香港		
- Long leases	- 長期租賃	7,292	7,462
- Medium-term leases	- 中期租賃	64,877	66,530
		<b>72,169</b>	73,992
-----			
Other parts of the PRC	在中國其他地方		
- Long leases	- 長期租賃	1,909	1,951
- Medium-term leases	- 中期租賃	2,039	2,084
		<b>3,948</b>	4,035
-----			
		<b>76,117</b>	78,027

At the balance sheet date, the property ownership certificates in respect of the property interests held in other parts of the PRC of HK\$1,909,000 as stated above have not been issued by the relevant PRC government authority.

於結算日，國內相關政府部門仍未就上述本集團在中國其他地方持有的港幣1,909,000元物業權益發出房地產擁有權證明書。

## 11. Property, plant and equipment

(Continued)

- (d) The net book value of machinery and motor vehicle held under finance leases of the Group and the Company was HK\$499,000 (2005: HK\$715,000).

## 12. Interests in subsidiaries

Unlisted shares/capital contributions, at cost	非上市股份／資本投入，按成本
Due from subsidiaries	應收附屬公司賬款

Less: Impairment loss

減：減值虧損

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

## 11. 物業、廠房及設備 (續)

- (d) 本集團及本公司以融資租賃持有的機器及汽車的賬面淨值為港幣499,000元 (2005年：港幣715,000元)。

## 12. 附屬公司權益

The Company

本公司

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
		<b>708,072</b>	708,072
		<b>426,274</b>	300,236
		<b>1,134,346</b>	1,008,308
		<b>(928,076)</b>	(764,466)
		<b>206,270</b>	243,842

下表只載列對本集團的業績、資產或負債有重大影響的附屬公司詳情。除另有註明者外，所持有的股份均為普通股。

## 12. Interests in subsidiaries (Continued)

## 12. 附屬公司權益 (續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立/註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及繳足 股本詳情	Proportion of ownership interest 所有權權益比率			Principal activity 主要業務
			Group's effective interest 本集團的 實際權益	held by the Company 由本公司 持有	held by subsidiary 由附屬 公司持有	
Beijing Tse Sui Luen Jewellery Company Limited#/*("BTSL") 北京謝瑞麟珠寶有限公司 (「北京謝瑞麟」)*	PRC 中國	Rmb1,750,000 and US\$1,800,000 1,750,000人民幣 及1,800,000美元	56.46%	–	56.46%	Jewellery manufacturing and trading 珠寶製造及貿易
Excellent Ford Development Limited ("EF") 福銳發展有限公司 (「福銳發展」)	Hong Kong 香港	HK\$10,000 港幣10,000元	56.46%	–	56.46%	Jewellery trading 珠寶貿易
Foyer Investment Limited 富雅投資有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	100%	–	100%	Property holding and investment 持有物業及投資
Guangzhou Xi Yun Jewellery Company Limited #/** 廣州禧雲珠寶有限公司**	PRC 中國	Rmb2,000,000 2,000,000人民幣	56.46%	–	56.46%	Jewellery retailing 珠寶零售
Guangzhou Xiang Yun Jewellery Company Limited ("GZ Xiang Yun") #/** 廣州祥雲珠寶有限公司 (「廣州祥雲」)**	PRC 中國	Rmb3,000,000 3,000,000人民幣	56.46%	–	56.46%	Jewellery trading and retailing 珠寶貿易及零售
Ho Loong Jewellery Casting Company Limited 何龍珠寶鑄藝有限公司	Hong Kong/ PRC 香港/中國	HK\$2 港幣2元	100%	–	100%	Jewellery retailing 珠寶零售



## 12. Interests in subsidiaries (Continued)

## 12. 附屬公司權益 (續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立/註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及繳足 股本詳情	Proportion of ownership interest 所有權權益比率			Principal activity 主要業務
			Group's effective interest 本集團的 實際權益	held by the Company 由本公司 持有	held by subsidiary 由附屬 公司持有	
Impromptus Asia Pacific Limited	Hong Kong 香港	HK\$10,000 港幣10,000元	100%	–	100%	Goldsmith and jewellery trading 足金及珠寶貿易
Infinite Assets Corp. ("IAC")	British Virgin Islands ("BVI") 英屬處女群島	HK\$275,254 港幣275,254元	56.46%	–	56.46%	Investment holding 投資控股
Queen Busy Limited	Hong Kong 香港	HK\$2 港幣2元	100%	–	100%	Property holding 持有物業
Shanghai Fu Yun Jewellery Company Limited #/** 上海福雲珠寶有限公司**	PRC 中國	Rmb1,000,000 1,000,000人民幣	56.46%	–	56.46%	Jewellery retailing 珠寶零售
上海嘉慧通商務諮詢有限公司 ("上海嘉慧通")***	PRC 中國	US\$140,000 140,000美元	56.46%	–	100%	Provision of consultancy services 提供顧問服務
Tse Sui Luen Investment (China) Limited ("TSL China") 謝瑞麟投資(中國)有限公司 ("謝瑞麟中國")	BVI 英屬處女群島	US\$6,863 6,863美元	56.46%	–	56.46%	Investment holding 投資控股

## 12. Interests in subsidiaries (Continued)

## 12. 附屬公司權益 (續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立/註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及繳足 股本詳情	Proportion of ownership interest 所有權權益比率			Principal activity 主要業務
			Group's effective interest 本集團的 實際權益	held by the Company 由本公司 持有	held by subsidiary 由附屬 公司持有	
Tse Sui Luen Jewellery Company Limited ("TSLJ") 謝瑞麟珠寶有限公司 (「謝瑞麟珠寶」)	Hong Kong 香港	HK\$34,000 港幣34,000元	100%	–	100%	Jewellery manufacturing, trading and retailing 珠寶製造、 貿易及零售
Tse Sui Luen Jewellery (Malaysia) Limited 謝瑞麟珠寶(馬來西亞) 有限公司	Hong Kong/ Malaysia 香港/馬來西亞	HK\$3,000,000 港幣3,000,000元	100%	–	100%	Jewellery retailing 珠寶零售
Tse Sui Luen Jewellery Trading & Distribution Limited ("TSL Trading") 謝瑞麟珠寶商貿及分銷 有限公司(「謝瑞麟商貿」)	Samoa 薩摩亞	US\$1 1美元	56.46%	–	56.46%	Jewellery trading and provision of related agency services 珠寶貿易及提供 相關的代理服務
TSL Investment (B.V.I.) Limited	BVI 英屬處女群島	HK\$1,000 港幣1,000元	100%	100%	–	Investment holding 投資控股
TSL Jewellery (H.K.) Company Limited 謝瑞麟珠寶(香港)有限公司	Hong Kong 香港	HK\$490 港幣490元	100%	–	100%	Jewellery retailing 珠寶零售
TSL Properties Management Limited 謝瑞麟物業管理有限公司	Hong Kong 香港	HK\$1,000 港幣1,000元	100%	–	100%	Property holding and investment 持有物業及投資

# *Unofficial translation*  
非正式譯名

\* *Registered under the laws of the PRC as sino-foreign joint venture*  
根據中國法律註冊為中外合資經營企業

\*\* *Registered under the laws of the PRC as limited liability company*  
根據中國法律註冊為有限責任公司

\*\*\* *Registered under the laws of the PRC as foreign enterprise*  
根據中國法律註冊為外資企業

### 13. Other financial asset

### 13. 其他財務資產

		The Group 本集團	
		2006	2005
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Investment security, at cost less provision	證券投資, 按成本減撥備		
– Membership and seat in the Chinese Gold and Silver Exchange Society	– 金銀業貿易場會籍及席位		
		<b>500</b>	<b>500</b>

### 14. Inventories

### 14. 存貨

		The Group 本集團	
		2006	2005
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Raw materials	原材料	<b>80,776</b>	76,283
Work in progress	在製品	<b>54,422</b>	56,337
Finished goods	製成品	<b>365,525</b>	333,340
Finished goods – consigned outward	製成品 – 在外寄售	–	28,597
		<b>500,723</b>	<b>494,557</b>

## 15. Trade and other receivables

Included in trade and other receivables are trade debtors (net of provision for bad and doubtful debts) with the following ageing analysis:

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
0 to 30 days	0至30天	41,983	30,348
31 to 60 days	31天至60天	3,117	1,675
61 to 90 days	61天至90天	2	3,966
Over 90 days	超過90天	20,386	10,437
<hr/>			
Total trade debtors	應收賬款總額	65,488	46,426
Other receivables, deposits and prepayments	其他應收款、按金 及預付款	44,192	50,768
<hr/>			
		109,680	97,194

Details of trade and other receivables denominated in different currencies are as follows:-

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Hong Kong dollars	港幣	52,235	35,694
Chinese Renminbi	人民幣	52,576	57,467
United States dollars	美元	4,169	3,626
Others	其他	700	407
<hr/>			
		109,680	97,194

The directors consider that trade and other receivables approximate their fair value.

Apart from retail customers, the Group allows an average credit period from 30 to 75 days to other customers.

## 15. 應收賬款及其他應收款

包括於應收賬款及其他應收款內的應收賬款(已扣除呆壞賬撥備)的賬齡分析如下:

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
0 to 30 days	0至30天	41,983	30,348
31 to 60 days	31天至60天	3,117	1,675
61 to 90 days	61天至90天	2	3,966
Over 90 days	超過90天	20,386	10,437
<hr/>			
Total trade debtors	應收賬款總額	65,488	46,426
Other receivables, deposits and prepayments	其他應收款、按金 及預付款	44,192	50,768
<hr/>			
		109,680	97,194

以不同貨幣列值之應收賬款及其他應收款詳情如下:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Hong Kong dollars	港幣	52,235	35,694
Chinese Renminbi	人民幣	52,576	57,467
United States dollars	美元	4,169	3,626
Others	其他	700	407
<hr/>			
		109,680	97,194

董事認為，應收賬款及其他應收款與其公平值相若。

除零售顧客外，本集團給予其他顧客平均由30至75天的除賬期。

## 16. Cash at bank and in hand

Details of cash at bank and in hand denominated in different currencies are as follows:-

		The Group 本集團	
		2006	2005
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Hong Kong dollars	港幣	34,824	43,940
Chinese Renminbi	人民幣	62,937	32,289
Malaysian Ringgits	馬來西亞元	2,125	2,363
United States dollars	美元	1,069	2,911
Others	其他	294	322
		<b>101,249</b>	<b>81,825</b>

## 17. Trade and other payables

Included in trade and other payables are trade creditors with the following ageing analysis:

		The Group 本集團	
		2006	2005
		HK\$'000	HK\$'000
		港幣千元	港幣千元
0 to 30 days	0至30天	34,603	28,147
31 to 60 days	31天至60天	31,713	32,582
61 to 90 days	61天至90天	19,209	28,757
Over 90 days	超過90天	97,461	124,270
Total trade creditors	應付賬款總額	<b>182,986</b>	<b>213,756</b>
Other payables and accruals	其他應付款及應計費用	<b>172,033</b>	<b>154,146</b>
		<b>355,019</b>	<b>367,902</b>

## 16. 銀行存款及現金

以不同貨幣列值之銀行存款及現金詳情如下:

## 17. 應付賬款及其他應付款

包括於應付賬款及其他應付款內的應付賬款的賬齡分析如下:

## 17. Trade and other payables (Continued)

Details of trade and other payables denominated in different currencies are as follows:-

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Hong Kong dollars	港幣	141,699	123,199
Chinese Renminbi	人民幣	101,901	95,450
United States dollars	美元	107,774	145,570
Others	其他	3,645	3,683
		<b>355,019</b>	<b>367,902</b>

The directors consider that trade and other payables approximate their fair values.

## 18. Bank loans and overdrafts – secured

At 28 February 2006, the secured bank loans were repayable as follows:

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Within 1 year or on demand	1年內或接獲通知時	4,000	18,656
After 1 year but within 2 years	1年後但2年內	12,800	1,907
After 2 years but within 5 years	2年後但5年內	40,200	159
		<b>53,000</b>	<b>2,066</b>
		<b>57,000</b>	<b>20,722</b>

Details of the securities for the bank loans and overdrafts are set out in note 28 to the financial statements.

## 17. 應付賬款及其他應付款 (續)

以不同貨幣列值之應付賬款及其他應付款詳情如下:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Hong Kong dollars	港幣	141,699	123,199
Chinese Renminbi	人民幣	101,901	95,450
United States dollars	美元	107,774	145,570
Others	其他	3,645	3,683
		<b>355,019</b>	<b>367,902</b>

董事認為，應付賬款及其他應付款與其公允值相若。

## 18. 銀行貸款及透支－有抵押

於2006年2月28日，有抵押銀行貸款的還款期如下:

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Within 1 year or on demand	1年內或接獲通知時	4,000	18,656
After 1 year but within 2 years	1年後但2年內	12,800	1,907
After 2 years but within 5 years	2年後但5年內	40,200	159
		<b>53,000</b>	<b>2,066</b>
		<b>57,000</b>	<b>20,722</b>

銀行貸款及透支之抵押詳情載於財務報表附註28。

## 19. Other loans – secured

At 28 February 2006, the other loans were repayable as follows:–

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Within 1 year or on demand	1年內或接獲通知時	14,500	–
After 1 year but within 2 years	1年後但2年內	21,800	22,000
After 2 years but within 5 years	2年後但5年內	36,067	50,367
		57,867	72,367
		72,367	72,367

- (a) Other loans represent the secured loans from Partner Logistics Limited. At 28 February 2006, the other loans are secured, interest bearing at Hong Kong Interbank Offering Rate plus 2%.
- (b) Details of the securities for other loans are set out in note 28 to the financial statements.

## 19. 其他貸款 – 有抵押

於2006年2月28日，其他貸款的還款期如下：–

- (a) 其他貸款是指應收Partner Logistics Limited的有抵押貸款。於2006年2月28日，其他貸款為有抵押，按香港銀行同業拆息加2厘計息。
- (b) 其他貸款之抵押詳情載於財務報表附註 28。

## 20 Obligations under finance leases

The Group leases office equipment and a motor vehicle under finance leases expiring in two years (note 11(d)). The Group also leases computer equipment of HK\$1,349,000 (2005: HK\$943,000) under finance leases expiring in three years. The computer equipment was included in prepayments. At the end of the lease term, the Group has the option to purchase the assets at a price deemed to be a bargain purchase option. None of the leases included contingent rentals.

At 28 February 2006, the Group and the Company had obligations under finance leases repayable as follows:

### (a) The Group

		2006			2005		
		Present value of the minimum lease payments	Interest expense relating to future periods	Total minimum lease payments	Present value of the minimum lease payments	Interest expense relating to future periods	Total minimum lease payments
		最低租賃付款額現值	日後期間的利息支出	最低租賃付款額總數	最低租賃付款額現值	日後期間的利息支出	最低租賃付款額總數
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Within 1 year	1年內	660	60	720	508	57	565
After 1 year but within 2 years	1年後但2年內	479	24	503	534	31	565
After 2 years but within 5 years	2年後但5年內	135	6	141	342	6	348
		614	30	644	876	37	913
		1,274	90	1,364	1,384	94	1,478

## 20. 融資租賃承擔

本集團透過於兩年內到期之融資租賃租用辦公室設備及汽車(附註11(d))。本集團亦透過三年內到期之融資租賃租用為數港幣1,349,000元(2005年:港幣943,000元)之電腦設備。電腦設備乃計入預付款。於租賃期完結時,本集團有權以優惠價格購入有關的資產。各融資租賃均不包含或有租金。

於2006年2月28日,本集團及本公司的融資租賃承擔的還款期如下:

### (a) 本集團



## 20. Obligations under finance leases

(Continued)

### (b) The Company

## 20. 融資租賃承擔 (續)

### (b) 本公司

		2006			2005		
		Present value of the minimum lease payments 最低租賃 付款額現值 HK\$'000 港幣千元	Interest expense relating to future periods 日後期間 的利息支出 HK\$'000 港幣千元	Total minimum Lease payments 最低租賃 付款額總數 HK\$'000 港幣千元	Present value of the minimum lease payments 最低租賃 付款額現值 HK\$'000 港幣千元	Interest expense relating to future periods 日後期間 的利息支出 HK\$'000 港幣千元	Total minimum lease payments 最低租賃 付款額總數 HK\$'000 港幣千元
Within 1 year	1年內	446	47	493	305	34	339
After 1 year but within 2 years	1年後但 2年內	331	21	352	320	19	339
After 2 years but within 5 years	2年後但 5年內	135	6	141	195	3	198
		466	27	493	515	22	537
		912	74	986	820	56	876

## 21. Employee benefit obligations

### (a) Long service payments

Under the Hong Kong Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

- (i) The amount recognised in the consolidated balance sheet is as follows:

Present value of unfunded obligations                      非注入資金的義務的現值

## 21. 僱員福利義務

### (a) 長期服務金

根據香港《僱傭條例》，如果本集團在若干情況下停止聘用在本集團服務至少五年的某些員工，便須以整筆款項的形式向這些員工支付長期服務金。應付的長期服務金金額按員工的最終薪金和服務年期計算，並扣除他們在本集團退休計劃所累積權益中由本集團供款的部分。本集團並無預留任何資產以支付其餘的義務金額。

- (i) 在綜合資產負債表確認的數額如下：

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Present value of unfunded obligations	非注入資金的義務的現值	8,759	10,190

## 21. Employee benefit obligations (Continued)

### (a) Long service payments (Continued)

- (ii) Movements in the net liability recognised in the consolidated balance sheet are as follows:

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
At beginning of the year	年初餘額	10,190	9,570
Expense recognised in the income statement (note 4(b))	在收益表確認的支出 (附註4(b))	(1,431)	844
Employer contributions/benefit payments	僱主供款/福利付款	-	(224)
At end of the year	年末餘額	8,759	10,190

- (iii) Expense recognised in the consolidated income statement is as follows:

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Current service cost	本年度服務成本	13	99
Interest cost	利息費用	427	522
Net actuarial (gains)/losses recognised	已確認精算(收益)/虧損淨額	(1,871)	223
		(1,431)	844

## 21. 僱員福利義務 (續)

### (a) 長期服務金 (續)

- (ii) 在綜合資產負債表確認的負債淨額變動如下:

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
At beginning of the year	年初餘額	10,190	9,570
Expense recognised in the income statement (note 4(b))	在收益表確認的支出 (附註4(b))	(1,431)	844
Employer contributions/benefit payments	僱主供款/福利付款	-	(224)
At end of the year	年末餘額	8,759	10,190

- (iii) 在綜合收益表確認的支出如下:

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Current service cost	本年度服務成本	13	99
Interest cost	利息費用	427	522
Net actuarial (gains)/losses recognised	已確認精算(收益)/虧損淨額	(1,871)	223
		(1,431)	844

## 21. Employee benefit obligations (Continued)

### (a) Long service payments (Continued)

- (iv) The expense is recognised in the following line items in the consolidated income statement:

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Cost of sales	銷售成本	(289)	96
Selling expenses	銷售費用	(854)	553
Administrative expenses	行政費用	(288)	195
		<b>(1,431)</b>	<b>844</b>

- (v) The principal actuarial assumptions used as at 28 February 2006 (expressed as weighted average) are as follows:

		The Group 本集團	
		2006	2005
Discount rate	折讓率	4.25%	4.25%
Future salary increases	未來薪金升幅		
Year 2006	2006年	4%	3%
Year 2007 and thereafter	2007年及其後	3%	3%

## 21. 僱員福利義務 (續)

### (a) 長期服務金 (續)

- (iv) 各項支出在下列綜合收益表項目內確認：

- (v) 於2006年2月28日使用的主要精算假設(以加權平均數表示)如下：

## 21. Employee benefit obligations *(Continued)*

### (b) Defined contribution retirement plan

The Group operates a Mandatory Provident Fund Scheme ("the MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the scheme vest immediately.

The Group also operates defined contribution retirement benefits schemes for all qualifying employees in the PRC and Malaysia with contributions to the schemes at 7% and 12% of the gross salaries respectively. The assets of the schemes are held separately from those of the Group in funds under the control of independent trustees.

## 21. 僱員福利義務 *(續)*

### (b) 界定供款退休計劃

本集團亦按照香港《強制性公積金計劃條例》的規定，為根據香港《僱傭條例》聘用的僱員設立強制性公積金計劃（「強積金計劃」）。強積金計劃是一個界定供款退休計劃，由獨立的受託人管理。根據強積金計劃，僱主和僱員均須按照僱員相關入息的5%向計劃作出供款；但每月的相關入息上限為港幣20,000元。向計劃作出的供款即時成為既定僱員福利。

本集團亦為中國及馬來西亞所有合資格的僱員設立一個界定供款退休計劃。向該等計劃支付的供款分別佔中國及馬來西亞的員工薪金總額的7%及12%。計劃的資產獨立於本集團的資產持有，並由獨立受託人管理。

## 22. Current tax (recoverable)/payable

(a) Current taxation in the balance sheet represents:

## 22. (可收回)／應付本期稅項

(a) 資產負債表所示即期稅項為：

		The Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Provision for Hong Kong Profits	本年度香港利得稅撥備		
Tax for the year		815	9,683
Provisional Profits Tax paid	已付暫繳利得稅	(1,353)	(2,226)
		(538)	7,457
Overseas taxation	海外稅項	9,553	10,418
Balance of profits tax provision relating to prior years	以往年度利得稅撥備結餘	81,841	40,119
		90,856	57,994
<i>Representing:</i>	代表：		
Tax recoverable	可收回稅項	(1,020)	(652)
Tax payable	應付稅項	91,876	58,646
		90,856	57,994

## 22. Current tax (recoverable)/payable

(Continued)

### (b) Deferred tax assets and liabilities recognised:

#### The Group

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

		Depreciation allowances in excess of related depreciation 超過相關折舊的折舊免稅額 HK\$'000 港幣千元	Revaluation of properties 物業重估 HK\$'000 港幣千元	Employee benefit obligations 僱員福利義務 HK\$'000 港幣千元	Provision for inventories 存貨準備 HK\$'000 港幣千元	Tax losses 稅項虧損 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
<i>Deferred tax arising</i>	<i>遞延稅項來自:</i>						
<i>From:</i>							
1 March 2004	於2004年3月1日						
As previously reported	如前呈報	252	221	-	-	(3,316)	(2,843)
Prior year adjustments	上年度調整	110	(221)	-	-	-	(111)
As restated	經重列	362	-	-	-	(3,316)	(2,954)
(Charged)/credited to consolidated income statement – restated	在綜合收益表(列支)/計入 – 經重列	(3,328)	-	(1,783)	(10,052)	448	(14,715)
28 February 2005 and 1 March 2005 – restated	於2005年2月28日及3月1日 – 經重列	(2,966)	-	(1,783)	(10,052)	(2,868)	(17,669)
(Charged)/credited to consolidated income statement	在綜合收益表(列支)/計入	(1,278)	-	250	43	(2,084)	(3,069)
Exchange difference	匯兌差異	(11)	-	-	(39)	-	(50)
28 February 2006	於2006年2月28日	(4,255)	-	(1,533)	(10,048)	(4,952)	(20,788)

## 22. (可收回)/應付本期稅項 (續)

### (b) 已確認遞延稅項資產和負債:

#### 本集團

在綜合資產負債表確認的遞延稅項(資產)/負債及年內的變動如下:

## 22. Current tax (recoverable)/payable

(Continued)

### (b) Deferred tax assets and liabilities recognised: (Continued)

The Group (Continued)

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
Net deferred tax asset recognised on the consolidated balance sheet	在綜合資產負債表確認的遞延稅項資產淨值	(20,834)	(17,684)
Net deferred tax liability recognised on the consolidated balance sheet	在綜合資產負債表確認的遞延稅項負債淨額	46	15
		<b>(20,788)</b>	<b>(17,669)</b>

### (c) Deferred tax assets and liabilities not recognised

The components of unrecognised deferred tax (assets)/liabilities at the balance sheet date are as follows:-

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
Depreciation allowances in excess of related depreciation	超過相關折舊的折舊免稅額	4,156	3,997
Tax losses	稅項虧損	(107,617)	(81,959)
Net deferred tax assets not recognised	未確認的遞延稅項資產淨值	<b>(103,461)</b>	<b>(77,962)</b>

The net deferred tax assets have not been recognised in the financial statements in view of the uncertainty of the recoverability.

## 22. (可收回) / 應付本期稅項 (續)

### (b) 已確認遞延稅項資產和負債: (續)

本集團 (續)

	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
	(20,834)	(17,684)
	46	15
	<b>(20,788)</b>	<b>(17,669)</b>

### (c) 未確認的遞延稅項資產和負債

於結算日之未確認的遞延稅項(資產) / 負債部分如下:

	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 (restated) (經重列)
	4,156	3,997
	(107,617)	(81,959)
	<b>(103,461)</b>	<b>(77,962)</b>

由於未能預測未來溢利流向，因此本集團並未於財務報表內確認以上的遞延稅項資產淨值。



## 23. Share capital

## 23. 股本

		2006		2005	
		No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 港幣千元	No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 港幣千元
<i>Authorised:</i>	法定股本:				
Ordinary shares of HK\$0.25 each	每股面值港幣 0.25元普通股	1,500,000	375,000	1,500,000	375,000
<i>Issued and fully paid:</i>	已發行及 繳足股本:				
Ordinary shares	普通股				
At beginning of the year	年初餘額	207,063	51,766	391,889	97,972
Capital reorganisation (note (a))	股本重組 (附註(a))	–	–	(352,700)	(88,175)
Shares issued under loan conversion (note (b))	貸款轉換發行 股份 (附註(b))	–	–	133,364	33,341
Shares issued under open offer (note (c))	公開發售發行 股份 (附註(c))	–	–	34,510	8,628
At end of the year	年末餘額	207,063	51,766	207,063	51,766

### Notes:

(a) By a special resolution passed at the special general meeting held on 18 November 2004, a capital reorganisation was approved and details of which are as follows:–

- (i) Every 100 issued ordinary shares of HK\$0.25 each in the capital of the Company was consolidated into one issued consolidated ordinary share of HK\$25 ("Consolidated Share");
- (ii) The nominal value of each issued Consolidated Share was reduced from HK\$25 to HK\$2.5 by cancelling paid-up capital to the extent of HK\$22.5 on each issued Consolidated Share ("Capital Reduction");

### 附註:

(a) 根據於2004年11月18日舉行的特別股東大會中通過的特別決議案，資本重組獲得批准，詳情如下：

- (i) 本公司資本中每100股每股面值港幣0.25元的已發行普通股合併為1股每股面值港幣25元的已發行合併普通股（「合併股份」）；
- (ii) 透過取消為數港幣22.5元的每股已發行合併股份的繳足股本，把每股已發行合併股份的票面值由港幣25元減至港幣2.5元（「減資」）；

## 23. Share capital (Continued)

Notes: (Continued)

- (iii) The amount standing to the credit of the share premium account of the Company as at 29 February 2004, being HK\$86,037,000, was cancelled ("Share Premium Cancellation");
  - (iv) The amount standing to the credit of the contributed surplus account and the capital redemption reserve account of the Company as at 29 February 2004, being HK\$532,336,000 and HK\$173,969,000 respectively, was released from such accounts;
  - (v) Each issued Consolidated Share of HK\$2.5 was subdivided into ten adjusted shares of HK\$0.25 each ("Adjusted Share");
  - (vi) The credit arising from the Capital Reduction and the Share Premium Cancellation in the amount of HK\$174,212,000, together with the amount of HK\$173,969,000 released from the capital redemption reserve account of the Company (as referred to (iv) above), totalling together HK\$348,181,000, was transferred to the contributed surplus account of the Company;
  - (vii) The directors authorised the set-off of the aggregate amount of HK\$348,181,000 transferred to the contributed surplus account of the Company (as referred to (vi) above), together with the amount of HK\$532,336,000 already standing to the credit of the contributed surplus account of the Company, against all of the accumulated losses of the Company as at 29 February 2004, being HK\$865,747,000; and
  - (viii) The authorised share capital of the Company was increased from HK\$270,000,000 to HK\$375,000,000 by the creation of 420,000,000 new Adjusted Shares.
- (b) Partner Logistics Limited converted secured other loans of HK\$137,365,000 into 133,364,000 Adjusted Shares at a conversion price of HK\$1.03 per Adjusted Share. The share capital and share premium account have been increased by HK\$33,341,000 and HK\$104,024,000 respectively.
- (c) Pursuant to an open offer in 2005 34,510,000 Adjusted Shares were issued at a subscription price of HK\$1.03 per Adjusted Share. The share capital and share premium account were increased by HK\$8,628,000 and HK\$26,918,000 respectively.

## 24. 股本 (續)

附註: (續)

- (iii) 取消於2004年2月29日原置於本公司股份溢價賬的港幣86,037,000元款項(「取消股份溢價」);
  - (iv) 解除於2004年2月29日原置於實繳盈餘及資本贖回儲備這兩個賬項,分別為數港幣532,336,000元及港幣173,969,000元的款項;
  - (v) 每股面值港幣2.5元的已發行合併股份細分為10股每股面值港幣0.25元的調整股份(「調整股份」);
  - (vi) 減資及取消股份溢價產生的港幣174,212,000元款項及從本公司的資本贖回儲備解除的港幣173,969,000元款項(如上述(iv)所載)的總和港幣348,181,000元轉入本公司的實繳盈餘賬項內;
  - (vii) 董事獲授權以轉入本公司實繳盈餘賬項內總數為港幣348,181,000元的款項(如上述(vi)所載)及本公司從實繳盈餘中解除原置於該賬項的港幣532,336,000元款項抵銷本公司於2004年2月29日為數港幣865,747,000元的所有累計虧損;及
  - (viii) 本公司透過增加420,000,000股新的調整股份,把法定股本由港幣270,000,000元增至港幣375,000,000元。
- (b) Partner Logistics Limited按每股調整股份港幣1.03元的轉換價,把港幣137,365,000元的有抵押其他貸款轉換為133,364,000股調整股份。股本及股份溢價分別增加港幣33,341,000元及港幣104,024,000元。
- (c) 按照2005年一次公開售股,本公司發行34,510,000股調整股份,認股價為每調整股份港幣1.03元。股本及股份溢價分別增加港幣8,628,000元及港幣26,918,000元。

## 24. Reserves The Company

## 24. 股本 本公司

		Share premium	Contributed surplus	Share-based compensation reserve	Capital redemption reserve	(Accumulated losses)/ retained profits (累計虧損)/	Total
		股份溢價 HK\$'000 港幣千元	實繳盈餘 HK\$'000 港幣千元	股份補償儲備 HK\$'000 港幣千元	資本贖回儲備 HK\$'000 港幣千元	保留盈利 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
1 March 2004	於2004年3月1日	86,037	532,336	-	173,969	(865,747)	(73,405)
Capital reorganisation (note 23)	股本重組 (附註23)	(86,037)	(517,566)	-	(173,969)	865,747	88,175
Shares issued under loan conversion (note 23)	貸款轉換發行股份 (附註23)	104,024	-	-	-	-	104,024
Shares issued under open offer (note 23)	公開發售發行股份 (附註23)	26,918	-	-	-	-	26,918
Share issue expenses	股份發行開支	(14,308)	-	-	-	-	(14,308)
Profit for the year	本年度盈利	-	-	-	-	59,281	59,281
28 February 2005	於2005年2月28日	116,634	14,770	-	-	59,281	190,685
1 March 2005	於2005年3月1日	116,634	14,770	-	-	59,281	190,685
Issue of share options	發行購股權	-	-	2,332	-	-	2,332
Loss for the year	本年度虧損	-	-	-	-	(37,831)	(37,831)
28 February 2006	於2006年2月28日	116,634	14,770	2,332	-	21,450	155,186

## 24. Reserves (Continued)

### The Company (Continued)

- (i) The contributed surplus of the Company arose from the difference between the consolidated net assets of the Group's subsidiaries acquired pursuant to a group reorganisation at the date on which the reorganisation became effective, and the nominal amount of the Company's ordinary shares issued under the reorganisation; less the set-off of the accumulated losses of the Company amounting to HK\$865,747,000 as at 29 February 2004 pursuant to a capital reorganisation.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution.

However, the Company cannot declare or pay a dividend or make a distribution out of contributed surplus if:-

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.
- (ii) The aggregate amount of reserves available for distribution to shareholders of the Company at 28 February 2006 was HK\$155,186,000 (2005: HK\$190,685,000).

## 24. 股本 (續)

### 本公司 (續)

- (i) 本公司之實繳盈餘乃產生自集團附屬公司於重組生效日期因集團重組被收購時之綜合資產淨值與因重組發行之本公司普通股面值之差額；減根據一項資本重組，本公司於2004年2月29日為數港幣865,747,000元的累計虧損抵銷額。

根據百慕達1981年公司法(經修訂)，本公司之實繳盈餘賬可分派予股東。

但在下列情況下，本公司不得從實繳盈餘提取款項作宣派或繳付股息之用，或分派實繳盈餘：

- (a) 在繳付股息後，本公司不能或將不能繳付到期負債；或
- (b) 本公司資產的可變現價值因而低於其負債、已發行股本及股份溢價賬之總和。
- (ii) 於2006年2月28日，可分派予本公司股東之儲備為港幣155,186,000元(2005年：港幣190,685,000元)。

## 25. Commitments

- (a) Capital commitments outstanding at 28 February 2006 not provided for in the financial statements were as follows:

		The Group 本集團		The Company 本公司	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Contracted for	已訂約	3,017	1,267	–	–

- (b) At 28 February 2006, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group 本集團		The Company 本公司	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Within 1 year	1年內	57,444	46,164	3,174	2,520
After 1 year but within 5 years	1年後但5年內	56,829	45,147	–	1,050
After 5 years	5年後	–	701	–	–
		114,273	92,012	3,174	3,570

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually adjusted to reflect market rentals upon renegotiation of the terms of the lease.

本集團以經營租賃租用部分物業。這些租賃一般初步為期一年至三年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。租賃付款額通常會於商議租約條款時調整，以反映市場租金。

## 25. 承擔

- (a) 於2006年2月28日，未償付而未在財務報表內提撥準備的資本承擔如下：

- (b) 於2006年2月28日，根據不可解除的經營租賃在日後應付的最低租賃付款額總數如下：

## 26. Share options

As disclosed under the heading of Share Option Scheme, 8,825,000 options were granted in 2005 to the directors, employees and service providers of the Company and its subsidiaries pursuant to the 2003 Share Option Scheme. 20% options granted are exercisable from 22 August 2005. The next 40% options granted are exercisable from 18 months from the date of grant and the remaining 40% options granted are exercisable from 24 months from the date of grant.

The fair value of options granted, was determined by using the Binomial valuation model. The significant inputs into the model were share price of \$1.71 at the grant date, exercise price of \$1.76, expected volatility of the Company's share price: 60% p.a., expected life of options of 4 years, expected nil dividend, annual risk-free interest rate of 3.38% p.a., rate of leaving service of 15% p.a. and assume option holders will exercise their options when the share price is at least 180% of the exercise price. The fair value of options granted are as follows:

Exercise period 行使期		Fair value per option 每份購股權的 公允值	No. of vested options granted 已授出並歸屬 的購股權數目
22 August 2005 – 25 July 2009	2005年8月22日—2009年7月25日	\$0.56元	1,765,000
22 January 2007 – 25 July 2009	2007年1月22日—2009年7月25日	\$0.69元	3,530,000
25 July 2007 – 25 July 2009	2007年7月25日—2009年7月25日	\$0.73元	3,530,000

Given the above assumptions and the inherent limitations of the Binomial valuation model, shareholders and other investors are hereby warned of the subjectivity and uncertainty of the aforementioned values of the options.

## 26. 購股權

誠如購股權計劃一節所披露，本公司根據2003年購股權計劃，在2005年共授出8,825,000份購股權予本公司及其附屬公司之董事、僱員及服務供應商。其中20%已授出的購股權可自2005年8月22日起行使，另外40%已授出的購股權可於授出日期起計18個月後行使，餘下40%已授出的購股權則可於授出日期起計24個月後行使。

已授出的購股權的公允值按「二項式」期權定價模式計算。上述模式所依據的主要數據包括授出日期的股價1.71元、行使價1.76元、本公司股價之預期波幅每年60%、購股權的預期年期4年、預期零股息、無風險年利率3.38%、每年離職比率15%，並假設購股權持有人將於股價達行使價最少180%時行使購股權。已授出的購股權的公允值如下：

Exercise period 行使期		Fair value per option 每份購股權的 公允值	No. of vested options granted 已授出並歸屬 的購股權數目
22 August 2005 – 25 July 2009	2005年8月22日—2009年7月25日	\$0.56元	1,765,000
22 January 2007 – 25 July 2009	2007年1月22日—2009年7月25日	\$0.69元	3,530,000
25 July 2007 – 25 July 2009	2007年7月25日—2009年7月25日	\$0.73元	3,530,000

鑑於上述假設及「二項式」期權定價模式之既有限制，本公司謹此提醒各股東及其他投資者，上述購股權價值相當主觀，而且難以預計。

## 27. Contingent liabilities

- (a) At 28 February 2006, the Company has issued guarantees to banks and financial creditors in respect of general banking and other credit facilities extended to certain subsidiaries of the Company amounting to HK\$150,096,000 (2005: HK\$95,346,000).
- (b) As set out in the announcements of the Company dated 1 February 2006 and 20 April 2006, the Company was informed that two directors, a consultant and an employee (collectively "the Officers") were charged by the Independent Commission Against Corruption ("ICAC") relating to the alleged offences under the Prevention of Bribery Ordinance, the Crime Ordinance and the Theft Ordinance ("the ICAC Charges"). It is alleged that the Officers were involved in a scheme to offer illegal commissions to employees of a number of travel agencies and to help them to evade tax.

Under the Company's Bye-Laws, the Company may be required to indemnify its directors from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur in execution of their duty, provided that such indemnity shall not be extended to any matter in respect of, among other things, fraud and dishonesty.

The directors have consulted with the Company's legal advisers as to what legal implication the ICAC Charges may have, if any, for the Group as a whole. In view of the discussions with the legal advisers, the directors are of the view that they are not in a position to conclude whether and/or to what extent the Company may be required to indemnify the directors involved in relation to the ICAC Charges.

## 27. 或有負債

- (a) 於2006年2月28日，本公司就銀行及財務債權人給予部分附屬公司一般銀行及其他貸款融資信貸，向銀行及財務債權人作出合共港幣150,096,000元（2005年：港幣95,346,000元）的擔保。
- (b) 誠如本公司日期為2006年2月1日及2006年4月20日之公佈所載，本公司得悉兩名董事、一名顧問及一名僱員（統稱「有關主管人員」）被廉政公署（「廉署」）檢控，涉及觸犯防止賄賂條例、刑事罪行條例及盜竊罪條例中多項罪行（「廉署檢控」）。有關主管人員被指涉及一宗向多間旅行社員工提供非法佣金及協助其逃稅之計劃。

根據本公司之公司細則，本公司可能須就其董事因履行職務而產生之所有訴訟、成本、支出、損失、賠償及開支向彼等或彼等當中任何人士作出彌償，惟有關彌償並不包括（其中包括）欺詐及不誠實行為。

董事已諮詢本公司法律顧問有關廉署檢控可能（如有）對本集團整體構成之法律影響。基於與法律顧問所進行之討論，董事認為，彼等未能就是否需要向涉及廉署檢控之董事作出彌償及／或本公司作出彌償之程度作出定論。

## 27. Contingent liabilities (Continued)

- (c) As explained in note 5(a)(ii), the outcome of the challenges by the IRD on the tax treatments adopted by the Group relating to certain offshore income and agent commission payments and promoter fees arising in prior years is undetermined as at 28 February 2006. The Group has established a provision of approximately HK\$91,000,000 in respect of such disputes. In the event that the Group is not successful in defending the tax treatments adopted, the Group may be subject to significant additional tax liabilities and possibly penalties which, under the provisions of the current tax legislation, may be up to three times any tax under-reported as assessed by the IRD. Furthermore, the ICAC's allegations as mentioned in (b) above and the ongoing investigation may or may not have impact on the IRD's challenges on the tax treatments adopted by the Group relating to agents commission payments and promoter fees arising in prior years. The directors consider that it is impractical to estimate the potential amount of additional tax liabilities arising if the IRD's challenge in respect of the agent commission payments and promoter fees is successful.

## 28. Pledge of assets

- (a) At 28 February 2006, debentures were executed by the Group in favour of its bankers and financial creditors charging, by way of fixed and floating charges, all of the undertakings, properties and assets of the Company and of its 17 subsidiaries as security for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to the bankers and financial creditors. Rental revenue of the Group is also charged in favour of the Group's bankers.

## 27. 或有負債 (續)

- (c) 誠如附註5(a)(ii)所述，稅務局對本集團就以往年度的若干離岸收入及代理佣金支出與業務推廣費用所採納稅務處理方法之質疑於2006年2月28日尚未得出結論。本集團已就該事件作出約港幣91,000,000元之撥備。倘本集團未能就所採納稅務處理方法成功辯護，本集團或須承擔額外稅務責任，且可能須繳交罰款，根據現行稅法，罰款或會多達稅務局評估任何漏報稅項之三倍。此外，上文(b)項所述廉署之指控及持續調查，可能對稅務局就本集團有關以往年度代理佣金支出與業務推廣費用所採納稅務處理方法之質疑構成影響。董事認為，倘稅務局就本集團有關以往年度代理佣金支出與業務推廣費用所採納稅務處理方法之質疑落實，評估所產生之潛在額外稅務負債並不切實可行。

## 28. 資產抵押

- (a) 於2006年2月28日，本集團訂立債權證，以本公司及其17間附屬公司之所有業務、物業及資產透過固定及浮動抵押付予銀行及財務債權人作為抵押，以作為（其中包括）本集團不時欠銀行及財務債權人的所有實際或或有負債及債務的抵押品。本集團之租金收益亦抵押予本集團之銀行。



## 28. Pledge of assets *(Continued)*

- (b) At 28 February 2006, the Group pledged the capital contribution to a subsidiary of the Group amounting to US\$235,000 and all the benefits accruing to the pledged equity interest of 11.625% of the subsidiary to the Group's bankers and financial creditors as security for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to the bankers and financial creditors.
- (c) At 28 February 2006, the Group pledged all rights, titles and interests in 56.46% of the entire share capital of IAC and TSL China and all benefits accruing to the pledged equity interest to the Group's bankers and financial creditors as security for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to the bankers and financial creditors.

## 29. Connected and related party transactions

- (a) During the year ended 28 February 2006, four subsidiaries of the Company, BTSL, EF, GZ Xiang Yun and TSL Trading sold and consigned finished goods to Hua Long amounting to HK\$9,480,000 (2005: HK\$128,417,000) and Rui Feng amounting to HK\$684,000 (2005: HK\$16,852,000) and Mr. Qi Jian Hong ("Mr. Qi") amounting to HK\$2,888,000. The transactions were carried out by way of cost-plus pricing arrangements in the normal course of business of the subsidiaries.

## 28. 資產抵押 (續)

- (b) 於2006年2月28日，本集團把其於一間附屬公司的235,000美元出資額及其於該附屬公司的11.625%已抵押股本權益所累計的一切利益抵押予本集團的銀行及財務債權人，以作為（其中包括）本集團不時欠銀行及財務債權人的所有實際或或有負債及債務的抵押品。
- (c) 於2006年2月28日，本集團把其於IAC和謝瑞麟中國總資本額的56.46%的一切權利、所有權和權益及已抵押股本權益所累計的一切利益，抵押予本集團的銀行及財務債權人，以作為（其中包括）本集團不時欠銀行及財務債權人的所有實際或或有負債及債務的抵押品。

## 29. 關連及關聯人士交易

- (a) 於截至2006年2月28日止年度內，本公司四間附屬公司北京謝瑞麟、福銳發展、廣州祥雲和謝瑞麟商貿分別售賣及寄售製成品予華龍港幣9,480,000元（2005年：港幣128,417,000元）；瑞峰港幣684,000元（2005年：港幣16,852,000元）和慕建虹先生（「慕先生」）港幣2,888,000元。這些交易是各附屬公司在正常業務過程中以成本加成定價法進行。

## 29. Connected and related party transactions (Continued)

### (a) (Continued)

Hua Long and Rui Feng were licensees of Tse Sui Luen Jewellery (China) Limited and distributed the consigned finished goods to shop outlets operating under the trade names of "Tse Sui Luen" in the Mainland China. There was no monetary consideration paid by the licensees in respect of using the trademark licenses.

During the year ended 28 February 2006, TSL Trading received commission, depending on the nature of the products, amounting to HK\$372,000 (2005: HK\$19,515,000) and HK\$82,000 (2005: HK\$2,878,000) from Hua Long and Rui Feng for their respective confirmed purchases from BTSL.

During the year ended 28 February 2006, Tse Sui Luen Jewellery Consultancy Service Limited ("TSLJCS") paid Hua Long consultation fee amounting to HK\$605,000 (2005: HK\$558,000) for Hua Long's advice of public relation matters to TSLJCS.

In March and April 2004, 上海嘉慧通 (formerly, Shanghai Tse Sui Luen Consultancy Service Limited) received consultancy fees of HK\$226,000 and HK\$30,000 from Hua Long and Rui Feng, respectively. No consultancy fees have been charged to Hua Long and Rui Feng since 1 May 2004.

At 28 February 2006, the amount due to Hua Long was HK\$2,461,000 (2005: due from Hua Long of HK\$15,183,000) and the amount due from Mr. Qi was HK\$2,888,000 (2005: Nil). At 28 February 2005, the amount due from Rui Feng was HK\$17,000.

## 29. 關連及關聯人士交易 (續)

### (a) (續)

華龍和瑞峰均為謝瑞麟珠寶金行(中國)有限公司的認可商標使用者,負責把寄售製成品分銷至在中國內地以「謝瑞麟」為營運名稱的店鋪。認可商標使用者毋須就使用商標支付任何金錢代價。

於截至2006年2月28日止年度內,謝瑞麟商貿就華龍和瑞峰確認向北京謝瑞麟購買的貨品,分別按產品性質向這兩間公司收取佣金港幣372,000元(2005年:港幣19,515,000元)和港幣82,000元(2005年:港幣2,878,000元)。

截至2006年2月28日止年度內,謝瑞麟珠寶顧問服務有限公司(「謝瑞麟顧問服務」)就華龍向該公司所提供的公共關係事務諮詢,向華龍支付諮詢費用港幣605,000元(2005年:港幣558,000元)。

於2004年3月及4月,上海嘉慧通(前稱上海謝瑞麟商務諮詢有限公司)分別自華龍及瑞峰收取港幣226,000元及港幣30,000元之諮詢費用。自2004年5月1日起再無向華龍及瑞峰收取任何諮詢費用。

於2006年2月28日,應付華龍之金額為港幣2,461,000元(2005年:華龍欠本集團港幣15,183,000元),應收慕先生之金額則為港幣2,888,000元(2005年:無)。於2005年2月28日,應收瑞峰之金額為港幣17,000元。

## 29. Connected and related party transactions (Continued)

### (a) (Continued)

Hua Long and Rui Feng are companies controlled by Mr. Qi who is a substantial shareholder and a director of the two subsidiaries of the Company, IAC and TSL China, and is also a director of a subsidiary of TSL China, BTSL. The licensing, sales, consignment, commission and consultancy service arrangements therefore constituted connected transactions under the Listing Rules.

The independent non-executive directors of the Company have reviewed these connected transactions and confirmed that such transactions were:

- entered into the ordinary and usual course of business of the Group;
- conducted either on normal commercial terms or, if there is no available comparison, on terms that are fair and reasonable so far as the shareholders of the Company are concerned;
- in accordance with the Licensing and Consignment Terms (as defined in the circular dated November 2003), master supply agreement, comprehensive services agreement, and other terms governing the continuing connected transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- within the respective limits as set out in the circular dated 6 November 2003.

## 29. 關連及關聯人士交易 (續)

### (a) (續)

華龍和瑞峰均由綦先生控制，而綦先生也是本公司兩間附屬公司－IAC和謝瑞麟中國的主要股東和董事，並為謝瑞麟中國一間附屬公司北京謝瑞麟的董事。因此，認可商標的使用、售賣、寄售、佣金和顧問服務的安排構成上市規則定義的關連交易。

本公司的獨立非執行董事已審閱這些關連交易，並確認這些交易是在下列情況下進行：

- 在本集團的一般和日常業務過程中進行；
- 按正常商業條款，或（倘若缺乏同類交易以作比較）按對本公司股東而言屬於公平和合理的條款進行；
- 按認可商標使用與寄賣條款（按2003年11月發出的通函所界定）、總供貨協議、全面服務協議，以及其他規範持續關連交易的公平和合理的條款進行，並在整體上符合本公司股東的權益；及
- 按2003年11月6日發出的通函所載的相關限額內進行。

## 29. Connected and related party transactions *(Continued)*

- (b) Partner Logistics Limited acquired all the rights, title and interests in the indebtedness due to certain of the bank lenders by the Group amounting to HK\$195,731,000 and HK\$14,000,000 on 11 February 2004 and 2 April 2004, respectively. Partner Logistics Limited is a company controlled by Mr. Tse Tat Fung, Tommy, the substantial shareholder and a director of the Company.

On 16 December 2004, Partner Logistics Limited converted HK\$137,365,000 of the loans owned by the Group into ordinary shares of HK\$0.25 each in the capital of the Company.

The outstanding loans due to Partner Logistics Limited amounted to HK\$72,367,000 (2005: HK\$72,367,000) are secured and interest bearing at Hong Kong Interbank Offering Rate plus 2%. During the year ended 28 February 2006, interest expenses paid to Partner Logistics Limited amounted to HK\$3,880,000 (2005: HK\$4,189,000).

- (c) During the year ended 28 February 2006, TSLJ, a subsidiary of the Company, purchased raw materials and finished goods from Rosy Blue Hong Kong Limited ("Rosy Blue HK") amounting to HK\$144,782,000 (2005: HK\$122,000,000) and sold raw materials to Rosy Blue HK amounting to HK\$2,020,000 (2005: Nil). As at 28 February 2006, the amount due to Rosy Blue HK was HK\$78,987,000 (2005: HK\$67,000,000).

## 29. 關連及關聯人士交易 (續)

- (b) Partner Logistics Limited於2004年2月11日及2004年4月2日分別購入本集團應償還某些貸款銀行的港幣195,731,000元及港幣14,000,000元債務的所有權利、所有權和權益。Partner Logistics Limited是一間由本公司主要股東兼董事謝達峰先生控制的公司。

Partner Logistics Limited於2004年12月16日把本集團的港幣137,365,000元貸款轉換為本公司股本中每股面值港幣0.25元的普通股。

尚欠Partner Logistics Limited的貸款港幣72,367,000元(2005年:港幣72,367,000元)為有抵押及按香港銀行同業拆息加2厘計息。於截至2006年2月28日止年度,已付Partner Logistics Limited的利息支出為港幣3,880,000元(2005年:港幣4,189,000元)。

- (c) 本公司一間附屬公司謝瑞麟珠寶於截至2006年2月28日止年度,從Rosy Blue Hong Kong Limited(「Rosy Blue HK」)購入為數港幣144,782,000元(2005年:港幣122,000,000元)的原材料及製成品,並向Rosy Blue HK出售為數港幣2,020,000元(2005年:無)的原材料。於2006年2月28日,應付Rosy Blue HK的款項為港幣78,987,000元(2005年:港幣67,000,000元)。

## 29. Connected and related party transactions (Continued)

### (c) (Continued)

During the year ended 28 February 2006, TSLJ sold raw materials to Rosy Blue Japan Limited ("Rosy Blue Japan") amounting to HK\$184,000 (2005: Nil), sold raw materials to Rosy Blue Inc. amounting to HK\$100,000 (2005: Nil) and sold raw materials to Rosy Blue Fine Inc. amounting to HK\$375,000 (2005: Nil). As at 28 February 2006, the amount due from Rosy Blue Fine Inc. was HK\$134,000.

TSLJ borrowed HK\$15,600,000 (US\$2,000,000) from Rosy Blue HK on 2 September 2005. The loan is unsecured, bears interest at London Interbank Offering Rate plus 3% per annum and was fully repaid on 14 October 2005. Interest expenses paid to Rosy Blue HK amounted to HK\$170,000 for the year ended 28 February 2006 (2005: Nil).

During the year ended 28 February 2006, EF sold raw materials to BTSL through Rosy Blue (Shanghai) Diamond Company Limited ("Rosy Blue SH"), an authorised diamond trading company in the PRC, amounting to HK\$48,433,000 (2005: HK\$71,000,000). As at 28 February 2006, the amount due from Rosy Blue SH was HK\$665,000 (2005: HK\$5,000,000).

Rosy Blue HK, Rosy Blue Japan, Rosy Blue Fine Inc., Rosy Blue Inc. and Rosy Blue SH are subsidiaries of Rosy Blue Investments S.a.R.L., a preference shareholder of Partner Logistics Limited. In the opinion of the Directors of the Company, the transactions were carried out on normal commercial terms and in the ordinary course of business.

## 29. 關連及關聯人士交易 (續)

### (c) (續)

截至2006年2月28日止年度，謝瑞麟珠寶向Rosy Blue Japan Limited (「Rosy Blue Japan」) 出售為數港幣184,000元 (2005年：無) 的原材料；向Rosy Blue Inc. 出售為數港幣100,000元 (2005年：無) 的原材料；及向Rosy Blue Fine Inc. 出售為數港幣375,000元 (2005年：無) 的原材料。於2006年2月28日，應收Rosy Blue Fine Inc. 的款項為港幣134,000元。

謝瑞麟珠寶於2005年9月2日向Rosy Blue HK 借取港幣15,600,000元 (2,000,000美元)。該等貸款為無抵押、按倫敦銀行同業拆息加3厘計息、並於2005年10月14日悉數償還。截至2006年2月28日止年度向Rosy Blue HK 支付之利息支出為港幣170,000元 (2005年：無)。

福銳發展於截至2006年2月28日止年度透過一間中國認可鑽石貿易公司藍玫瑰 (上海) 鑽石有限公司 (「藍玫瑰上海」) 向北京謝瑞麟出售原材料，為數港幣48,433,000元 (2005年：港幣71,000,000元)。於2006年2月28日，應收藍玫瑰上海的款項為港幣665,000元 (2005年：港幣5,000,000元)。

Rosy Blue HK、Rosy Blue Japan、Rosy Blue Fine Inc.、Rosy Blue Inc. 和藍玫瑰上海為Partner Logistics Limited的優先股股東Rosy Blue Investments S.a.R.L. 之附屬公司。本公司董事認為，交易在日常業務過程中按正常商業條款進行。

## 29. Connected and related party transactions (Continued)

- (d) TSLJ has entered into a Consultancy Agreement on 11 April 2005 with Mr. Tse Sui Luen ("Mr. Tse") for the provision of consultancy service. Mr Tse is the father of Mr Tse Tat Fung, Tommy, the substantial shareholder and a director of the Company. During the year ended 28 February 2006, consultancy fees of HK\$2,080,000 and share-based payments of HK\$40,000 were paid to Mr. Tse.
- (e) The Group paid key management personnel compensation as follows:–

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Short-term employee benefits	短期僱員福利	12,980	13,844
Post-employment benefits	退休福利	37	48
Equity compensation benefits	股本補償福利	1,165	–
		<b>14,182</b>	<b>13,892</b>

## 30. Financial risk management and estimation of fair values

### (a) Financial risk management

The Group is exposed to a variety of risks including foreign currency risk, credit risk, liquidity risk and cash flow interest rate risk arising in the normal course of the Group's business activities.

The Group does not have any written risk management policies and guidelines. The directors monitor the financial risk management of the Group and take such measures as considered necessary from time to time to minimise such financial risks.

## 29. 關連及關聯人士交易 (續)

- (d) 謝瑞麟珠寶於2005年4月11日與謝瑞麟先生(「謝先生」)就提供顧問服務訂立顧問協議。謝先生為本公司主要股東兼董事謝達峰先生之父親。截至2006年2月28日止年度，已向謝先生支付港幣2,080,000元之顧問費用及以股份償付港幣40,000元。
- (e) 本集團向主要管理人員所支付補償如下：

## 30. 財務風險管理及公允值估計

### (a) 財務風險管理

本集團面對各種風險，包括於其業務活動之一般過程中產生之外幣風險、信貸風險、流動資金風險及現金流量利率風險。

本集團並無訂立任何書面風險管理政策及指引。董事監察本集團之財務風險管理，並不時採納認為必需之措施，以減低該等財務風險。

### 30. Financial risk management and estimation of fair values (Continued)

#### (a) Financial risk management (Continued)

##### (i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars, Malaysian Ringgits and Chinese Renminbi. The Group does not hold or issue any derivative financial instruments for trading purposes or to hedge against fluctuations in foreign exchange rates. The Group mitigates this risk by conducting the sales and purchases transactions in the same currency, whenever possible.

##### (ii) Credit risk

Credit risk arises from the possibility that customers may not be able to settle obligations within the normal terms of transactions. The Group performs ongoing credit evaluation of the debtors' financial condition and maintains an account for allowance for doubtful trade and other accounts receivable based upon the expected collectibles of all trade and other accounts receivable.

At the balance sheet date, there were no major concentrations of credit risk.

The maximum exposure to credit risk is therefore represented by the carrying amount of each financial asset as stated in the balance sheet.

Cash is held with financial institutions of good standing.

### 30. 財務風險管理及公允值估計 (續)

#### (a) 財務風險管理 (續)

##### (i) 外幣風險

外幣風險乃指金融工具價值因匯率變動而波動之風險。

本集團主要面對之外幣風險，是來自經營相關之功能貨幣以外之貨幣列值之買賣。導致此風險之貨幣主要為美元、馬來西亞元及人民幣。本集團並無持有或發行任何衍生金融工具，以作買賣用途或對沖匯率波動用途。本集團透過在可能情況下以同一貨幣進行買賣交易減低此風險。

##### (ii) 信貸風險

信貸風險乃因客戶可能無法於一般交易期內清還債務而產生。本集團按照所有貿易及其他應收賬款之預期可收回程度，對債務人之財政狀況作出持續信貸評估，及就貿易及其他應收賬款之呆賬撥提準備。

於結算日，信貸風險並無過度集中。

因此，最大之信貸風險為資產負債表所載各財務資產之賬面值。

現金乃存放於具有良好聲譽之金融機構。

### 30. Financial risk management and estimation of fair values (Continued)

#### (a) Financial risk management (Continued)

##### (iii) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Prudent liquidity risk management implies maintaining sufficient cash. The Group monitors and maintains a level of bank balances deemed adequate to finance the Group's operations.

##### (iv) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

#### (b) Estimation of fair values

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash at bank, trade and other payables) are assumed to approximate their fair values. The fair value of finance lease liabilities is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

The fair value of non-trade balances due from/to group and related companies has not been determined as the timing of the expected cash flows of these balances cannot be reasonably determined because of the relationship.

### 30. 財務風險管理及公允值估計 (續)

#### (a) 財務風險管理 (續)

##### (iii) 流動資金風險

流動資金風險乃指企業在集資以應付與金融工具相關承擔時遇上困難之風險。流動資金風險或會因無法迅速按接近其公允值之價格出售金融資產而產生。

審慎之流動資金風險管理指維持充足現金。本集團會監察及維持視為足夠撥付本集團營運所需之銀行結餘水平。

##### (iv) 現金流量及公允值利率風險

現金流量利率風險乃指因市場利率變動導致金融工具之未來現金流量波動之風險。公允值利率風險乃指因市場利率變動導致金融工具之價值波動之風險。

由於本集團並無重大計息資產，因此，本集團之收入及經營現金流量大部分獨立於市場利率變動。

#### (b) 公允值之估計

於一年內到期之財務資產及負債（包括應收賬款及其他應收款、銀行存款、應付賬款及其他應付款）之名義金額假定為與其公允值相若。融資租賃負債之公允值估計為未來現金流量之現值，並按相關金融工具之現行市場利率貼現。

由於預期現金流量時間無法合理釐定，故並無釐定應收／應付本集團及關連公司之非貿易結餘之公允值。



### 31. Recent accounting and financial reporting pronouncements

The HKICPA has issued the following amendments, new standards and interpretations which may be/ are relevant to the preparation of the Group's financial statements after 31 December 2005:–

### 31. 最近頒佈的會計及財務報告準則

香港會計師公會已頒佈下列可能與本集團截至2005年12月31日後之財務報表編製相關之修訂、新準則及詮釋：

		<b>Effective for accounting periods beginning on or after 於以下日期或之後開始之 會計期間生效</b>
HKAS 1 (Amendment) 香港會計準則第1號 (修訂)	Presentation of Financial Statements: Capital Disclosures 財務報表之呈報: 資本披露	1 January 2007 2007年1月1日
HKAS 19 (Amendment) 香港會計準則第19號 (修訂)	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures 僱員福利 – 精算損益、集團計劃及披露	1 January 2006 2006年1月1日
HKAS 21 (Amendment) 香港會計準則第21號 (修訂)	The Effects of Changes in Foreign Exchange Rate 匯率變動之影響	1 January 2006 2006年1月1日
HKAS 39 (Amendment) 香港會計準則第39號 (修訂)	Financial Instruments: Recognition and Measurement 金融工具: 確認及計量	1 January 2006 2006年1月1日
HKFRS 1 (Amendment) 香港財務報告準則第1號 (修訂)	First-time Adoption of Hong Kong Financial Reporting Standards 首次採納香港財務報告準則	1 January 2006 2006年1月1日
HKFRS 6 香港財務報告準則第6號	Exploration for and Evaluation of Mineral Resources 礦產資源之勘探及評估	1 January 2006 2006年1月1日
HKFRS 7 香港財務報告準則第7號	Financial Instruments: Disclosures 金融工具: 披露事項	1 January 2007 2007年1月1日
HKFRS-Int 4 香港財務報告準則 – 詮釋第4號	Determining whether an Arrangement contains a Lease 釐定安排是否包括租賃	1 January 2006 2006年1月1日
HKFRS-Int 5 香港財務報告準則 – 詮釋第5號	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds 終止運作、復原及環境修復基金產生權益之權利	1 January 2006 2006年1月1日

## 31. Recent accounting and financial reporting pronouncements (Continued)

HK(IFRIC)-Int 6 香港(國際財務報告詮釋委員會) — 詮釋第6號	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment 參與特定市場產生之負債—廢棄電子及電力設備
HK(IFRIC)-Int 7 香港(國際財務報告詮釋委員會) — 詮釋第7號	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economics 採用香港會計準則第29號「於嚴重通脹經濟中之財務報告」之重列法
HK(IFRIC)-Int 8 香港(國際財務報告詮釋委員會) — 詮釋第8號	Scope of HKFRS 2 香港財務報告準則第2號的範圍
HK(IFRIC)-Int 9 香港(國際財務報告詮釋委員會) — 詮釋第9號	Reassessment of Embedded Derivatives 重估嵌入衍生工具

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

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

## 32. Ultimate controlling party

At 28 February 2006, the Directors consider the ultimate holding company to be Blink Technology Limited, which is incorporated in the British Virgin Islands, and the ultimate controlling party to be Mr. Tse Tat Fung, Tommy.

## 31. 最近頒佈的會計及財務報告準則 (續)

Effective for accounting periods beginning on or after 於以下日期或之後開始之會計期間生效

1 December 2005  
2005年12月1日

1 March 2006  
2006年3月1日

1 May 2006  
2006年5月1日

1 June 2006  
2006年6月1日

此外，2005年香港公司(修訂)條例於2005年12月1日生效，並首次應用於本集團於2006年3月1日開始之年度之財務報表。

本集團現正評估預期該等修訂、新準則及詮釋對首次採納之期間造成之影響。目前結論為採納該等修訂、新準則及詮釋不大可能會對本集團之經營業績及財政狀況造成重大影響。

## 32. 最終控股方

於2006年2月28日，董事認為，最終控股公司為於英屬處女群島註冊成立的Blink Technology Limited，而最終控股人士為謝達峰先生。