

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated accounts are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The accounts have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention, as modified by the revaluation of buildings, investment properties, financial assets and financial liabilities which are carried at fair value.

The preparation of the accounts in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the accounts, are disclosed in note 3.

- (a) Standards and amendments effective in 2006 and relevant to the Group's operations are as follows:

HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 and HKFRS 4 (Amendment)	Financial Guarantee Contracts

These new standards and amendments have no material impact on the Group's accounting policies.

1. 主要會計政策摘要

編製此等賬目所採用之主要會計政策載於下文。除有說明外，此等政策在所呈報的所有年度內貫徹應用。

1.1 編製基準

本賬目乃按照香港財務報告準則及詮釋編製。賬目並依據歷史成本常規法編製，惟若干物業，投資物業，財務資產及財務負債之會計政策乃按公允值更新列賬。

編製符合財務準則的財務報表需要使用若干關鍵會計估算。這亦需要管理層在應用本公司會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，在附註3中披露。

- (a) 對二零零六年生效的已公佈且與本集團營運有關的準則：

香港會計準則21 (修訂)	海外業務之 投資淨額
香港會計準則39及 香港財務準則4 (修訂)	財務擔保 合約

此等準則對本集團之會計政策並無任何重大影響。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.1 Basis of preparation (continued)

- (b) Standards and amendments and interpretations effective in 2006 but not relevant to the Group's operations are as follows:

HKAS 19 (Amendment)	Actuarial Gains and Loss, Group Plans and Disclosures
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKFRS 1 and HKFRS 6 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards and Exploration for and Evaluation of Mineral Resources
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease
HK(IFRIC)-Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

1. 主要會計政策摘要(續)

1.1 編製基準(續)

- (b) 對二零零六年生效的已公佈且與本集團營運無關的準則、修訂及註釋：

香港會計準則19 (修訂)	精算損益， 集團計劃及 披露
香港會計準則39 (修訂)	預計集團內部 交易的現金流 對沖會計處理
香港會計準則39 (修訂)	公平值選擇權
香港財務準則1 及香港 財務準則6 (修訂)	首度採納香港 財務報告准 準則及礦產 資源的勘察及 評估
香港財務準則6	礦產資源的勘 察及評估
香港(國際財務 報告詮釋 委員會) - 詮釋4	釐定一項安排 是否包括租賃
香港(國際財務 報告詮釋 委員會) - 詮釋5	解除、恢復及 環境修復基金 所產生的權利
香港(國際財務 報告詮釋 委員會) - 詮釋6	參與特定 市場的責任- 電力及 電子廢料

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.1 Basis of preparation (continued)

- (c) Standards, amendment and interpretations that are not yet effective and to relevant for the Group's operations:

The following new standards, amendment and interpretations to existing standards have been published that are mandatory for the accounting periods beginning on or after 1st March 2006 or later periods but which are not relevant to the Group's operations.

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

1. 主要會計政策摘要(續)

1.1 編製基準(續)

- (c) 已頒佈但未生效且與本集團之營運無關之新準則、現有準則的修訂及註釋：

以下為已頒佈但未生效之新準則、修訂及已生效且與本集團無關之註釋。該等準則及修訂於二零零六年三月一日或其後開始的會計年度期間生效。

香港會計準則1 (修訂)	資金披露
香港財務準則7	金融工具:披露
香港財務準則8	業務分部
香港(國際財務報告 詮釋委員會) -詮釋7	應用香港會計 準則第29「嚴 重通脹經濟的 財則務報告」 項下重列法
香港(國際財務報告 詮釋委員會) -詮釋8	香港財務報告 準則2之範圍
香港(國際財務報告 詮釋委員會) -詮釋9	重新評估內含 衍生工具
香港(國際財務報告 詮釋委員會) -詮釋10	中期財務報告 與減值
香港(國際財務報告 詮釋委員會) -詮釋11	集團及庫務 股份交易

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.1 Basis of preparation (continued)

The Directors are of the opinion that the adoption of these standards, amendments and interpretations will not result in substantial changes to the Group's accounting policies.

1.2 Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment of losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

1. 主要會計政策摘要(續)

1.1 編製基準(續)

董事認為採納新的香港會計準則、修訂及詮釋均不會導致本集團的會計政策出現重大改變。

1.2 綜合賬目

綜合賬目包括本公司及各附屬公司截至十二月三十一日止之賬目。

附屬公司指本集團有權管控其財政及營運政策而控制所有實體，一般附帶超過半數投票權的股權。在評定本集團是否控制另一實體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。

附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

公司內部交易，結餘及集團公司間之交易所產生之未實現收益予并除。除減值顯出資產轉移減值外，虧損亦予以并除。附屬公司之會計政策已按需要作出更改，以確保與本集團所採納之政策相一致。

在本公司之資產負債表內，附屬公司之投資以成本值扣除減值虧損準備入賬。本公司將附屬公司之業績按已收及應收股息入賬。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Foreign currency translation

- (i) Functional and presentation currency
Items included in the accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated accounts are presented in Hong Kong dollars, which is the Company's functional and presentation currency.
- (ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.
- (iii) Group companies
The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
 - (ii) income and expenses for each profit and loss account are translated at average exchange rates for the year; and
 - (iii) all resulting exchange differences are recognised as a separate component of equity.

1. 主要會計政策摘要(續)

1.3 外幣換算

- (i) 功能及呈報貨幣
所有集團公司各自賬目中的項目均按有關公司營運所在的主要經濟環境的貨幣(「功能貨幣」)計算。綜合賬目則以港元作呈列，其為本公司的功能及呈報貨幣。
- (ii) 交易及結餘
外幣交易按交易日的匯率換算為功能貨幣。因此等交易的結算以及因以外幣為本位的貨幣資產及負債按年終匯率進行換算而產生的匯兌盈虧均記入損益賬。
- (iii) 集團公司
集團其下所有公司如持有與呈報貨幣不一致的功能貨幣，其業績和財務狀況均按以下方法兌換為呈報貨幣：
 - (i) 每項資產負債表之資產及負債均按該資產負債表結算日的匯率折算為呈報貨幣；
 - (ii) 每項損益賬之收入及支出均按該年度平均匯率折算為呈報貨幣；及
 - (iii) 所有匯兌差異均確認為權益帳內的一個分項。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Foreign currency translation (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings are taken to equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the profit and loss account as part of the gain or loss on sale.

1.4 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group's companies, is classified as investment property. Investment property comprises land held under operating leases. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. The valuation is reviewed annually by external independent valuers on an open market basis. Separate value is not attributed to land and buildings. The valuation is incorporated in the accounts. Changes in fair values are recognised in the profit and loss account.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profits and loss account during the financial period in which they are incurred.

1. 主要會計政策摘要(續)

1.3 外幣換算(續)

在編制綜合賬目時，換算海外業務的淨投資，以及換算借貸及其他指定作為該等投資對沖的貨幣工具所產生的匯兌差異，均列入股東權益帳內。當售出一項海外業務時，該記錄於權益帳內的匯兌差異將於損益表內確認為出售盈虧的一部份。

1.4 投資物業

持有物業為長期租賃收益或資本增值或兩者兼備，及並非由集團內公司所佔有，並歸類為投資物業。投資物業包括以營運租賃持有的土地。以營運租賃持有的土地，如符合投資物業其餘定義，按投資物業分類及記賬。

投資物業按最初之成本，包括相關之交易成本計算。

經過最初之確認，投資物業以公允值結轉。此估價由外部估值師於公開市場進行年審，而土地及樓宇並不分開估值。估值會用於賬目內。調整之公允值將反映於損益賬內。

其後之支出只有在與該項目有關的未來經濟利益有可能流入集團時，而該項目的成本能可靠衡量時，才計入資產的賬面值中。在此財務期間，所有其他維修及保養成本於損益賬列為開支。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Property, plant and equipment

- (i) Buildings
Buildings comprise factories and offices. Buildings are shown at fair value, based on annual valuations by external independent valuers, less subsequent depreciation. The valuations are on an open market basis. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of buildings are credited to building revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against building revaluation reserve directly in equity; all other decreases are expensed in the profit and loss account.

- (ii) Other property, plant and equipment
Other property, plant and equipment, comprising leasehold improvements, plant and machinery, furniture and fixtures, office equipment, motor vehicles and pleasure boat are stated at cost less accumulated depreciation and accumulated impairment losses.

Construction in progress is stated at cost which comprises construction costs, purchase costs and other related expenses incurred in connection with the construction of buildings, plant and machinery for own use, less provision for impairment losses, if any.

- (iii) Depreciation
Depreciation on buildings is calculated to write off of their costs or valuation less accumulated impairment losses on a straight-line basis over the unexpired period of the leases or their estimated useful lives, whichever is shorter. The principal annual rates used for this purpose are 2.5%-5%.

1. 主要會計政策摘要(續)

1.5 物業、廠房及設備

- (i) 樓宇
樓宇主要包括工廠和辦公室。樓宇根據外部獨立估值師定期進行的估值按公允值減其後的折舊列賬。在估值日的任何累積折舊與資產的賬面值總額對銷，而淨額則重列至資產的重估金額。

重估樓宇產生的賬面值增加撥入股東權益的樓宇重估儲備內。對重估之減少將直接對銷同一資產以往在股東權益帳內的樓宇重估儲備增加。所有其他減少在損益表支銷。

- (ii) 其他物業、廠房及設備
其他物業、廠房及設備，即租賃物業裝修、廠房及機器、傢俬及裝置、辦公室設備、汽車及遊艇均按成本值減累積折舊及累積減值虧損列賬。

在建工程成本包括建築成本、採購成本及其他建造樓宇、廠房及機器以供自用之直接開支，減去減值撥備列賬(如有)。

- (iii) 折舊
租賃土地按租約年期折舊。租賃樓宇之折舊及按未屆滿租約年期或估計其可供使用之年期兩者之較短期間以直線法撇銷其成本值或估值減累積減值虧損。為此而採用之主要年率為2.5%-5%。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Property, plant and equipment (continued)

(iii) Depreciation (continued)

Other property, plant and equipment except construction in progress are depreciated at rates sufficient to write off of their costs less accumulated impairment losses over their estimated useful lives on a reducing balance basis. The principal annual rates are as follows:

Leasehold improvements	20% or lease period, which ever is shorter
Plant and machinery	20%
Furniture and fixtures	15%-20%
Office equipment	20%
Motor vehicles	15%-20%
Pleasure boat	10%

No depreciation is provided for construction in progress until they are completed and put into production ready for their intended use, upon which they will be transferred to property, plant and equipment

(iv) Others

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the profit and loss account during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1. 主要會計政策摘要(續)

1.5 物業、廠房及設備(續)

(iii) 折舊(續)

其他物業、廠房及設備(不包括在建工程)之折舊乃以餘額遞減法按其估計可使用年期撇銷其成本值減累積減值虧損。為此而採用之主要年率如下:

租賃物業裝修	20%或租約年期兩者之較短期間
廠房及機器	20%
傢俬及裝置	15%-20%
辦公室設備	20%
汽車	15%-20%
遊艇	10%

在建工程在工程完成及投入生產前不會計提折舊撥備, 在工建工程已準備好作其計劃用途則轉為物業、機器及設備。

(iv) 其他

其後支出只有在與該項目有關的未來經濟利益有可能流入本集團, 而該項目的成本能可靠衡量時, 才計入在資產的賬面值中。所有其他維修及保養成本在產生的財政期間內於損益表支銷。

資產的剩餘價值及可使用年期在每個結算日進行檢討, 及在適當時調整。

若資產的賬面值高於其估計可收回價值, 其賬面值即時撇減至可收回金額。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Property, plant and equipment (continued)

- (v) Gains and losses on disposals
Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss account. Where revalued assets are sold, the amounts included in buildings revaluation reserve are transferred to retained earnings.

1.6 Assets under hire purchase contracts/leases

- (i) Operating leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in the profit and loss account on a straight-line basis over the period of the lease.
- (ii) Hire purchase
Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as hire purchase. Hire purchase are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is recognised in the profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1. 主要會計政策摘要(續)

1.5 物業、廠房及設備(續)

- (v) 資產處理的盈虧
賬上處理資產的做法是以銷售金額減去賬值，而計算得來的盈／虧皆以在損益表上處理。所轉讓資產中，若有未重估值的，其相應在物業重估儲備中的部份會轉至保留盈利。

1.6 租購資產／租賃

- (i) 經營租賃
如租賃擁有權的重大部份風險和回報由出租人保留，分類為營運租賃。根據營運租賃支付的款項（扣除自出租人收取之任何獎勵金後）於租賃期內以直線法計入損益表內。
- (ii) 租購
如本集團持有租賃資產擁有權的大部份所有風險及回報，將分類為融資租賃。融資租賃在租賃開始時按租賃物業之公允值及最低租賃付款現值兩者之較低者入賬。每項租金均分攤為負債及財務開支，使財務費用佔融資結欠額之常數比率。相應租賃責任在扣除財務開支後計入流動及非流動貸款內。財務費用的利息部份於租約期內在損益表確認，使財務費用與每個期間的負債餘額之比為常數定期利率。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items on the first-in first-out basis and are arrived at as follows:

- (i) Raw materials purchased for use in the manufacturing process – invoiced price and shipping cost.
- (ii) Work in progress and finished manufactured goods – costs of direct materials, direct labour and an appropriate proportion of production overhead.
- (iii) Finished goods purchased for resale – invoiced price and shipping cost.

Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

1.8 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

1.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

1. 主要會計政策摘要(續)

1.7 存貨

存貨以成本值及可變現淨值兩者中較低者入賬。成本值按個別項目以先入先出法計算如下：

- (i) 採購用於製造工序之原料 – 發票價及運費。
- (ii) 在製品及製成品 – 直接原料、直接勞工之成本及應佔之生產經常費用。
- (iii) 採購以作轉銷之製成品 – 發票價及運費。

可變現淨值按估計銷售收益減估計銷售開支釐定。

1.8 應收貿易賬款

應收貿易賬款按最初之公允值及隨後採用有效益利息方法分攤成本而計算，減減值撥備。當客觀證據顯示集團將不能按最初應收貿易賬款條款收回所有到期賬項時，便構成應收貿易賬款減值撥備。撥備金額為資產之賬面值及預期現金流之現值，按實際利率折讓的差額。撥備金額於損益賬內被確認。

1.9 現金及現金等價物

現金及現金等價物乃按成本在資產負債表列賬。就編製現金流量表而言，現金及現金等價物包括手頭現金及存於銀行之通知存款。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.10 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised costs.

1.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

All borrowing costs are charged to the profit and loss account in the financial period in which they are incurred.

1.12 Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

1. 主要會計政策摘要(續)

1.10 應付貿易款項

應付貿易款項初步以公平值確認，其後利用實際利息法按攤銷成本計量。

1.11 借貸

借款最初以公允值，構成淨交易成本而確認。交易成本為增加之成本，直接歸因於收購，發行或變賣財務資產或財務負債，包括費用及支付予代理，顧問，經紀及經銷商之佣金，監管代理及證券交易所之徵費，及轉讓稅項。借款隨後被定為分攤成本；在貨價收入(淨交易成本)與贖回價值間之任何差異於損益賬內採用有效益利息方法之逾期借款而被確認。

在此財務期間，所有借款成本於損益賬列為開支。

1.12 僱員福利

(i) 僱員應享假期

僱員在年假及長期服務休假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Employee benefits (continued)

- (ii) Bonus plans
The expected cost of bonus payment, at the discretion of the Remuneration Committee, is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

- (iii) Retirement benefit costs
For Hong Kong employees, the Group contributes to Mandatory Provident Fund ("MPF") scheme in accordance with Hong Kong Mandatory Provident Fund Schemes Ordinance. Contributions to the scheme by the Group and employees are calculated as a percentage of employees' remuneration received. The Group's contributions to MPF scheme are expensed as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

For employees in the Mainland China, the Group contributes to a defined contribution retirement scheme managed by the local municipal government in the Mainland China. The Group's contributions to the retirement scheme are expensed as incurred while the local municipal government in the Mainland China undertakes to assume the retirement benefit obligations of the qualified employees in the Mainland China.

1. 主要會計政策摘要(續)

1.12 僱員福利(續)

- (ii) 獎金計劃
當本集團因為僱員提供之服務而產生現有法律或推定性責任，而責任金額能可靠估算時，則將獎金計劃之預計成本確認為負債入賬。獎金計劃之負債預期須在十二個月內償付，並根據在償付時預期會支付之金額計算。

- (iii) 退休金成本
就香港僱員，本集團根據香港強制性公積金條例向強制性公積金("強積金")計劃供款。本集團及僱員向退休計劃之供款按各僱員的所收報酬比率計算。本集團向強積金計劃作出之供款在發生時作為費用支銷。該計劃之資產與本集團資產分開，由獨立之行政基金持有。

就中國大陸僱員，本集團向中國大陸地方政府作出退休計劃供款，并在供款時作為費用支銷。并由中國大陸地方政府為合資格的僱員的退休福利作出承擔。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13 Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

1.14 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, interest income and operating lease rental income in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discount and after eliminating sales within the Group. Revenue is recognised as follows:

- (i) Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.
- (ii) Interest income is recognised on a time proportion basis using effective interest method.
- (iii) Operating lease rental income is recognised on a straight-line basis over the lease periods.

1. 主要會計政策摘要(續)

1.13 遞延稅項

遞延所得稅利用負債法就資產和負債的稅基與在資產和負債在財務報表的賬面值所產生的暫時差異作全數撥備。然而，遞延所得稅來自在交易(不包括企業合併)中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率(及法例)而釐定。

遞延所得稅資產是就可能有未來應課稅盈利而就此可使用暫時差異而確認。

遞延稅項就附屬公司產生之暫時差異而撥備，但假若本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回則除外。

1.14 收入確認

收益包括出售貨品，利息、收入及租金收入的公允值，並扣除增值稅、回扣和折扣，以及除去集團內部銷售。收益確認如下：

- (i) 銷售貨品所得之收入於擁有權之風險及回報轉移時確認，通常亦即為貨品付運予客戶及擁有權轉歸客戶時相符。
- (ii) 利息收入採用實際利息法按時間比例基準確認。
- (iii) 租賃期間之經營租賃之租金收入按直線法確認。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the accounts in the period in which the dividends are approved by the Company's shareholders.

1.17 Segment reporting

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Unallocated costs represent mainly corporate expenses. Segment assets consist primarily of property, plant and equipment, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities. Capital expenditure mainly comprises additions to property, plant and equipment.

In respect of geographical segment reporting, sales are based on the country in which the customer is located and total assets and capital expenditure are where the assets are located.

1. 主要會計政策摘要(續)

1.15 撥備

當集團因已發生的事件須承擔現有之法律性或推定性的責任，而解除責任時有可能消耗資源，並在責任金額能夠可靠地作出估算的情況下，需確立撥備。

撥備以稅前市場現金價值加以風險估值再以現今值來計算。因事件久未處理好，利息費用也會因時間長久加以撥備。

1.16 派發股息

向本公司股東分派的股息在股息獲本公司股東批准的期間內於財務報表內列為負債。

1.17 分部報告

根據本集團之內部財務報告，本集團已決定將業務分部資料作為主要分部報告，而地區分部資料則作次要呈報方式。

未分類費用意指公司開支。分類資產主要包括物業、廠房及設備、存貨、應收賬款及經營現金。分類負債指經營負債。資本開支包括添置之物業、廠房及設備。

銷售額乃以顧客所在之國家作地區分類和總資產及資本開支則以資產所在地分類。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

2. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed moderately to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the Directors. The Directors provide principles for overall risk management, as well as policies covering specific areas.

(a) Foreign exchange risk

The Group operates internationally and is exposed primarily to exchange risk arising from US dollars with respect to HK dollars. Since HK dollars are linked to US dollars, the Group has no significant exposure of foreign exchange risk.

(b) Credit risk

The Group has no significant concentration of credit risk. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The carrying amount of the trade receivable included in the balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets.

(c) Liquidity risk

The Group has minimal liquidity risk as it maintains sufficient cash and credit lines to meet its liquidity requirements.

(d) Interest rate risk

The Group is exposed primarily to interest rate risk arising from its interest-bearing liabilities. The Group's policy is to maintain interest-bearing borrowings at a prudent level.

2. 財務風險管理

本集團之活動普遍觸及多種財務風險：匯率風險，信貸風險，流動資金風險及利率風險。本集團整體風險管理方案專注于不可預測之金融市場，及試圖將潛在不利本集團財務狀況的影響減至最少。

風險管理乃根據董事所核准之政策而執行。董事提供整體風險管理之原則，包括政策中之特定範疇。

(a) 匯率風險

本集團在全球營運，故此承受美元貨幣產生的匯率風險，因港元與美元掛鈎，本集團並無重大匯率風險。

(b) 信貸風險

本集團並無重大集中的信貸風險。本集團有政策確保產品的銷售是向擁有適當信貸歷史的客戶銷售。於資產負責表內應收貿易賬款賬面值代表本集團其財務資產之最高信貸風險。

(c) 流動資金風險

本集團有極少的流動資金風險，因維持有足夠現金及信貸額度去應付流動資金的需要。

(d) 利率風險

本集團以審慎態度借款。因而，本集團的借貸款也會面對一般的利率風險。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) **Taxation**

The Group is subject to taxation in several jurisdictions. Significant judgement is required in determining the provision for taxation. Sufficient provisions are set aside to meet all tax liabilities.

(b) **Fair value estimation**

Investment property and buildings are revalued annually on the basis of open market value.

3. 關鍵會計估算及假設

估算和假設會被持續評估，並根據過往經驗和其他因素進行評價包括在有關情況下相信為合理的對未來事件的預測。

本集團對未來作出估算和假設。所得的會計估算(如其定義)，很少會與其實際結果相同。很大機會導致下個財政年度的資產和負債的賬面值作出重大調整的估算和假設討論如下。

(a) **稅項**

本集團需要在多個司法權轄區繳納稅項。在釐定稅項撥備時，需要作出重大判斷。充足的撥備已釐定以應付所有稅務。

(b) **公允值的估計**

投資物業及樓宇於每年重估，其價值按市場情況釐定。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

4. TURNOVER, REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and trading of electric cable and wire products. Turnover recognised during the year is as follows:

Sale of goods 銷貨

An analysis of the Group's turnover and contribution to operating profit for the year by principal activity and market is as follows:

Business segment

Turnover 營業額

Segment results 分部業績

Unallocated costs 未分配費用

Operating profit 經營溢利

Finance costs 財務費用

Profit before taxation 除稅前溢利

Taxation 稅項

Profit for the year 本年度溢利

Depreciation and amortisation 折舊及攤銷

4. 營業額、收益及分部資料

本集團主要經營製造及買賣電線及導線產品業務。年內列賬之營業額如下：

2006	2005
HK\$'000	HK\$'000
千港元	千港元
439,352	375,383

本集團之年度營業額及經營溢利之貢獻按主要業務及市場所作之分析如下：

業務分部資料

Cable and wire products	Investment holdings	Group
電線及導線產品	投資	本集團
2006	2006	2006
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
439,352	–	439,352
78,565	1,842	80,407
		(44,136)
		36,271
		(5,268)
		31,003
		(1,543)
		29,460
7,268	–	7,268

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

4. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

Business segment (continued)

The segment assets, liabilities and capital expenditure at 31st December 2006 are as follows:

		Cable and wire products 電線及 導線產品 2006 HK\$'000 千港元	Investment holdings 投資 2006 HK\$'000 千港元	Unallocated 未分配 2006 HK\$'000 千港元	Group 本集團 2006 HK\$'000 千港元
Assets	資產	300,297	36,716	-	337,013
Liabilities	負債	138,832	4,519	6,320	149,671
Capital expenditure	資本性開支	23,465	-	-	23,465

There is no sale or other transaction between the business segments.

4. 營業額、收益及分部資料(續)

業務分部資料(續)

於二零零六年十二月三十一日之分部資產、負債及資本性開支:

業務分部之間沒有銷售或其他交易。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

4. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

Business segment (continued)

4. 營業額、收益及分部資料(續)

業務分部資料(續)

		Cable and wire products 電線及 導線產品 2005 HK\$'000 千港元	Investment holdings 投資 2005 HK\$'000 千港元	Group 本集團 2005 HK\$'000 千港元
Turnover	營業額	375,383	–	375,383
Segment results	分部業績	69,317	631	69,948
Unallocated costs	未分配費用			(39,635)
Operating profit	經營溢利			30,313
Finance costs	財務費用			(3,464)
Profit before taxation	除稅前溢利			26,849
Taxation	稅項			(1,441)
Profit for the year	本年度溢利			25,408
Depreciation and amortisation	折舊及攤銷	8,307	–	8,307

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

4. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

Business segment (continued)

The segment assets, liabilities and capital expenditure at 31st December 2005 are as follows:

		Cable and wire products 電線及 導線產品 2005 HK\$'000 千港元	Investment holdings 投資 2005 HK\$'000 千港元	Unallocated 未分配 2005 HK\$'000 千港元	Group 本集團 2005 HK\$'000 千港元
Assets	資產	243,688	37,278	–	280,966
Liabilities	負債	88,283	5,372	22,100	115,755
Capital expenditure	資本性開支	2,864	–	–	2,864

There is no sale or other transaction between the business segments.

4. 營業額、收益及分部資料(續)

業務分部資料(續)

於二零零五年十二月三十一日之分部資產、負債及資本性開支：

業務分部之間沒有銷售或其他交易。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

4. TURNOVER, REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical segment

		Turnover	Segment results	Total assets	Capital expenditure
		營業額	分部業績	總資產	資本性開支
		2006	2006	2006	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	213,344	28,039	137,684	15,935
Mainland China	中國大陸	68,143	9,348	160,542	7,521
Other Asian countries	其他亞洲國家	28,455	6,762	6,425	9
America	美洲	116,831	33,313	30,772	-
Europe	歐洲	7,584	1,473	1,590	-
South Africa	南非	4,995	1,472	-	-
		439,352	80,407	337,013	23,465
Unallocated costs	未分配成本		(44,136)		
Operating profit	經營溢利		36,271		
		Turnover	Segment results	Total assets	Capital expenditure
		營業額	分部業績	總資產	資本性開支
		2005	2005	2005	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	189,064	25,919	100,462	577
Mainland China	中國大陸	30,816	4,462	142,984	2,287
Other Asian countries	其他亞洲國家	25,657	6,101	4,655	-
America	美洲	124,020	32,013	31,888	-
Europe	歐洲	3,568	834	977	-
South Africa	南非	2,258	619	-	-
		375,383	69,948	280,966	2,864
Unallocated costs	未分配費用		(39,635)		
Operating profit	經營溢利		30,313		

There is no sale between the geographical segments.

地區分部之間並無任何銷售。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

5. OTHER GAINS

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Gross rental income from investment property	投資物業租金收入毛額	242	231
Revaluation surplus on investment property	投資物業之重估盈餘	1,600	400
Interest income	利息收入	50	100
		1,892	731

5. 其他收益

6. OPERATING PROFIT

Operating profit is stated after charging the following:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Amortisation and depreciation:	攤銷及折舊：		
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	787	787
Depreciation of owned property, plant and equipment	自置物業、廠房及設備折舊	5,542	6,377
Depreciation of property, plant and equipment held under hire purchase contracts	根據租購合約持有之物業、廠房及設備折舊	939	1,143
Auditors' remuneration	核數師酬金	1,100	950
Cost of inventories sold	出售存貨成本	298,459	249,539
Net exchange loss	外匯淨虧損	223	859
Operating lease rentals in respect of land and buildings	土地及樓宇之經營租約租金	447	392
Provision for slow-moving inventories	存貨撥備	441	648
Impairment of trade receivables	應收貿易款之減值	734	55
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	421	-
Staff costs (including directors' emoluments) (note 12)	員工成本(包括董事酬金)(附註12)	48,148	45,807
Revaluation deficit on buildings	物業之重估虧損	1,522	-

經營溢利已扣除下列各項：

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

7. FINANCE COSTS

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank loans – wholly repayable within five years	銀行貸款利息 – 須於五年內全數償還	5,066	3,059
Interest of hire purchase contracts	租購合約中之利息	202	405
		5,268	3,464

7. 財務費用

8. TAXATION

- (a) Hong Kong profits tax has been provided at the rate of 17.5% (2005:17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the consolidated profit and loss account represents:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong profits tax	香港利得稅	953	893
Overseas taxation	海外稅項	316	761
Over provision in prior year	年前超額撥備	(524)	(12)
Deferred taxation relating to the origination and reversal of temporary differences	暫時差異的產生 及撥回之遞延稅項	798	(201)
		1,543	1,441

8. 稅項

- (a) 香港利得稅乃根據本年度之估計應課稅溢利17.5%(二零零五年:17.5%)之稅率撥備。海外溢利稅項為本集團附屬公司本年度之估計應課稅溢利按其業務所在國家之現行稅率計算。

扣除/(計入)綜合損益賬之稅款指:

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

8. TAXATION (CONTINUED)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation	除稅前溢利	31,003	26,849
Calculated at a taxation rate of 17.5% (2005: 17.5%)	按稅率 17.5% (二零零五年: 17.5%) 計算之稅項	5,426	4,699
Income not subject to taxation	毋須課稅之收入	(555)	(298)
Effect of different taxation rate in other countries	其他國家不同稅率之影響	(3,344)	(3,205)
Expenses not deductible for taxation purposes	不可扣稅之支出	675	511
Over provision in prior year	年前超額撥備	(524)	(12)
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	-	(23)
Deferred tax assets not recognised	未確認之遞延稅項資產	160	108
Others	其他	(295)	(339)
Taxation charge	稅款扣除	1,543	1,441

(b) The movement on the net deferred tax liabilities account is as follows:

		Group	
		本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
At 1st January	於一月一日	194	344
Deferred taxation credited to the consolidated profit and loss account (note 8(a))	計入綜合損益賬之遞延稅項 (附註 8(a))	798	(201)
Taxation charged to equity	自權益賬中扣除之遞延稅項	-	51
At 31st December	於十二月三十一日	992	194

8. 稅項(續)

本集團有關除稅前溢利之稅項與假設採用香港利得稅率而計算之理論稅額之差異如下:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation	除稅前溢利	31,003	26,849
Calculated at a taxation rate of 17.5% (2005: 17.5%)	按稅率 17.5% (二零零五年: 17.5%) 計算之稅項	5,426	4,699
Income not subject to taxation	毋須課稅之收入	(555)	(298)
Effect of different taxation rate in other countries	其他國家不同稅率之影響	(3,344)	(3,205)
Expenses not deductible for taxation purposes	不可扣稅之支出	675	511
Over provision in prior year	年前超額撥備	(524)	(12)
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	-	(23)
Deferred tax assets not recognised	未確認之遞延稅項資產	160	108
Others	其他	(295)	(339)
Taxation charge	稅款扣除	1,543	1,441

(b) 遞延稅項負債賬目如下:

		Group	
		本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
At 1st January	於一月一日	194	344
Deferred taxation credited to the consolidated profit and loss account (note 8(a))	計入綜合損益賬之遞延稅項 (附註 8(a))	798	(201)
Taxation charged to equity	自權益賬中扣除之遞延稅項	-	51
At 31st December	於十二月三十一日	992	194

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

8. TAXATION (CONTINUED)

The deferred taxation charged to equity during the year is as follows:

		Group 本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Revaluation reserve in equity	權益賬內之估值儲備	-	51

Deferred tax liabilities

遞延稅項負債

		Group 本集團	
		Tax depreciation 稅項折舊	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
At 1st January	於一月一日	2,634	2,632
Charged/(credited) to the consolidated profit and loss account	自綜合損益賬中扣除/(計入)	1,028	(49)
Charged to equity	自權益賬中扣除	-	51
At 31st December	於十二月三十一日	3,662	2,634

Deferred tax assets

遞延稅項資產

		Group 本集團					
		Tax losses 稅損		Tax depreciation 稅項折舊		Total 總額	
		2006	2005	2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1st January	於一月一日	1,672	1,034	768	1,254	2,440	2,288
(Charged)/credited to the consolidated profit and loss account	自綜合損益賬中(扣除)/計入	(49)	638	279	(486)	230	152
At 31st December	於十二月三十一日	1,623	1,672	1,047	768	2,670	2,440

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

9. PROFIT FOR THE YEAR

The profit for the year is dealt with in the accounts of the Company to extent of HK\$18,573,000 (2005: profit of HK\$19,447,000).

10. DIVIDENDS

Interim, paid, of HK\$0.01 (2005: HK\$0.01) per ordinary share	每股普通股1港仙之已派發 中期股息(二零零五年: 1港仙)
Final, proposed, of HK\$0.03 (2005: HK\$0.03) per ordinary share	每股普通股3港仙之建議派發 末期股息(二零零五年: 3港仙)

At a meeting held on 23rd March 2007, the Directors proposed a final dividend of HK\$0.03 per ordinary share. This proposed dividend is not reflected as a dividend payable in the accounts, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2007.

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the year of HK\$29,460,000 (2005: HK\$25,408,000) and on the weighted average number of 198,958,000 (2005: 198,958,000) ordinary shares in issue during the year.

Diluted earnings per share equals basic earnings per share as there is no potential dilutive ordinary share during the year.

9. 本年度溢利

計入本公司賬目之本年度溢利為18,573,000港元(二零零五年: 溢利19,447,000港元)。

10. 股息

2006 HK\$'000 千港元	2005 HK\$'000 千港元
1,990	1,990
5,970	5,970
7,960	7,960

於二零零七年三月二十三日舉行之會議上, 董事擬派發末期股息每股3港仙。此項擬派發股息並無於本賬目中列作應付股息, 惟將於截至二零零七年十二月三十一日止年度賬目中列作保留溢利之分派。

11. 每股盈利

每股基本盈利乃根據年內之本集團本年度溢利29,460,000港元(二零零五年: 25,408,000港元)及按年內已發行普通股之加權平均數198,958,000股(二零零五年: 198,958,000股)計算。

由於年內並無具攤薄效應之潛在普通股, 故每股攤薄盈利與每股基本盈利相同。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

12. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Wages, salaries and fringe benefits	薪酬，工資及額外津貼	45,306	43,800
Social security costs	社會保障成本	2,234	1,319
Pension costs—contribution to MPF scheme	退休成本—強積金計劃作出之供款	414	382
Others	其他	194	306
		48,148	45,807

12. 員工成本(包括董事酬金)

13. DIRECTOR'S AND KEY MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments
The remuneration of every Director for the year ended 31st December 2006 is set out below:

Name of Director 董事姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonuses 酌情獎金 HK\$'000 千港元	Other benefits (ii) 其他福利(ii) HK\$'000 千港元	合計 HK\$'000 千港元
Mr. MON Chung Hung 孟振雄先生	–	4,340	900	12	5,252
Ms. KOO Di An, Louise 顧迪安女士	–	1,320	300	12	1,632
Ms. LI Man Wai 李文嫻女士	–	1,686	600	366	2,652
Mr. SIU Yuk Shing, Marco 蕭旭成先生	–	584	327	258	1,169
Ms. MON Wai Ki, Vicky (iv) 孟瑋琦女士 (iv)	–	196	21	10	227
Ms. MON Tiffany 孟韋怡女士	–	264	98	12	374
Mr. LI Ho Cheong (iii) 李可昌先生 (iii)	–	635	162	305	1,102
Mr. LAU Chun Kay (i) 劉振麒先生 (i)	180	–	–	–	180
Mr. LIAO Zhixiong (i) 廖志雄先生 (i)	72	–	–	–	72
Mr. MA Chun Hon, Richard (i) and (v) 馬鎮漢先生 (i) and (v)	64	–	–	–	64

13. 董事及高層管理人員之酬金

(a) 董事薪酬
截至二零零六年十二月三十一日止年度，每名董事的薪酬如下：

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

13. DIRECTOR'S AND KEY MANAGEMENT'S EMOLUMENTS (CONTINUED)

(a) Directors' emoluments (continued)

THE REMUNERATION OF EVERY DIRECTOR FOR THE YEAR ENDED 31ST DECEMBER 2005 IS SET OUT BELOW:

Name of Director 董事姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonuses 酌情獎金 HK\$'000 千港元	Other benefits (ii) 其他福利(ii) HK\$'000 千港元	合計 HK\$'000 千港元
Mr. MON Chung Hung 孟振雄先生	-	4,340	581	12	4,933
Ms. KOO Di An, Louise 顧迪安女士	-	1,320	290	12	1,622
Ms. LI Man Wai 李文嫻女士	-	1,728	681	324	2,733
Mr. SIU Yuk Shing, Marco 蕭旭成先生	-	584	165	186	935
Ms. MON Tiffany 孟韋怡女士	-	240	21	12	273
Mr. LI Ho Cheong (iii) 李可昌先生 (iii)	-	610	615	284	1,509
Mr. LAU Chun Kay (i) 劉振麒先生 (i)	120	-	-	-	120
Mr. LIAO Zhixiong (i); 廖志雄先生 (i)	60	-	-	-	60
Mr. CHENG Kwok Kit, Edwin (i) and (vi) 鄭國傑先生 (i) and (vi)	300	-	-	-	300

(i) Independence non-executive directors

(ii) Other benefits include commission, quarters allowance, travel allowance, tax reserve certificate allowance and MPF scheme contribution.

(iii) Resigned on 2nd September 2006

(iv) Appointed on 2nd September 2006

(v) Appointed on 13th February 2006

(vi) Resigned on 31st December 2005

(i) 獨立非執行董事

(ii) 其他福利包括銷售佣金、宿舍津貼、差旅津貼、儲稅券津貼及強積金之供款

(iii) 於二零零六年九月二日辭職

(iv) 於二零零六年九月二日委任

(v) 於二零零六年二月十三日委任

(vi) 於二零零五年十二月三十一日辭職

13. 董事及高層管理人員之酬金(續)

(a) 董事薪酬(續)

截至二零零五年十二月三十一日止年度，每名董事的薪酬如下：

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

13. DIRECTOR'S AND KEY MANAGEMENT'S EMOLUMENTS (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31st December 2006 and 2005 are also Directors whose emoluments are reflected in the analysis presented above.

(c) Key management emoluments

13. 董事及高層管理人員之酬金(續)

(b) 五位最高薪酬人士

截止二零零六年及二零零五年十二月三十一日上年度，本集團最高薪酬之五位人士均為董事，彼等之酬金已載於上文分析。

(c) 高層管理人員之薪酬

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Basic salaries, housing allowances, other allowances and benefits in kind	基本薪金、房屋津貼、其他津貼及實物利益	12,188	11,640
Discretionary bonuses	酌情獎金	2,760	2,547
Social security costs	社會保障成本	23	16
Pension costs-contribution to MPF scheme	退休成本-強積金計劃作出之供款	97	85
		15,068	14,288

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

14. LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book value are analysed as follows:

Opening net book value	期初賬面淨值
Amortisation of leasehold land and land use rights	土地租賃及土地 使用權攤銷
Closing net book value	期末賬面淨值

In Hong Kong held on:	於香港擁有:
– Leases of between 10 to 50 years	租賃於十至五十年 之間
Outside Hong Kong held on:	於海外擁有:
– Leases of between 10 to 50 years	租賃於十至五十年 之間

At 31st December 2006, the net book value of leasehold land pledged as security for the Group's bank loans amounted to HK\$21,947,000 (2005: HK\$22,502,000).

14. 土地租賃及土地使用權

本集團之土地租賃及土地使用權權益列作預付經營租賃款項及其賬面淨值分析如下:

		Group 本集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
		31,136	31,923
		(787)	(787)
		30,349	31,136
		21,947	22,502
		8,402	8,634
		30,349	31,136

於二零零六年十二月三十一日，銀行貸款以賬面值21,947,000港元（二零零五年：22,502,000港元）的土地租賃作為抵押。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Group 本集團									Total 總額
		Buildings 樓宇		Leasehold improvements 裝修	Plant and machinery 廠房及 機器	Furniture and fixtures 傢俬及 裝置	Office equipment 辦公室 設備	Motor vehicles 汽車	Pleasure boat 遊艇	Construction in progress 在建工程	
		Inside HK 本地	Outside HK 海外								
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元		
Net book value at 1st January 2006	於二零零六年一月一日 之賬面淨值	9,362	30,022	1,758	18,380	1,225	4,154	2,812	68	-	67,781
Additions	添置	-	6,230	238	995	-	894	1,618	14,565	5,155	29,695
Disposals	出售	-	-	-	(106)	(29)	(195)	(264)	(62)	-	(656)
Depreciation	折舊	(233)	(811)	(316)	(3,321)	(216)	(784)	(553)	(247)	-	(6,481)
Revaluation	重估	94	(2,228)	-	-	-	-	-	-	-	(2,134)
Exchange adjustment	匯率調整	-	-	40	762	83	132	44	-	-	1,061
Net book value at 31st December 2006	於二零零六年十二月 三十一日賬面淨值	9,223	33,213	1,720	16,710	1,063	4,201	3,657	14,324	5,155	89,266
At 31st December 2006	於二零零六年十二月 三十一日										
At cost	成本	-	-	3,561	68,212	5,064	8,242	6,946	14,565	5,155	111,745
At valuation - 2006	估值 - 2006	9,340	33,560	-	-	-	-	-	-	-	42,900
Accumulated depreciation	累積折舊	(117)	(347)	(1,841)	(51,502)	(4,001)	(4,041)	(3,289)	(241)	-	(65,379)
Net book value	賬面淨值	9,223	33,213	1,720	16,710	1,063	4,201	3,657	14,324	5,155	89,266

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

15. 物業、廠房及設備(續)

		Group 本集團									
		Buildings 樓宇		Leasehold improvements	Plant and machinery 廠房及 機器	Furniture and fixtures 傢俬及 裝置	Office equipment 辦公室 設備	Motor vehicles 汽車	Pleasure boat 遊艇	Construction in progress 在建工程	Total 總額
		Inside HK 本地	Outside HK 海外	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Net book value at 1st January 2005	於二零零五年一月一日 之賬面淨值	9,698	30,377	1,984	20,841	1,437	3,576	2,904	10,055	-	80,872
Additions	添置	-	-	114	984	8	1,271	487	-	-	2,864
Disposals	出售	-	-	(15)	(18)	-	(57)	(55)	(9,334)	-	(9,479)
Depreciation	折舊	(336)	(756)	(373)	(3,863)	(267)	(712)	(560)	(653)	-	(7,520)
Revaluation	重估	-	401	-	-	-	-	-	-	-	401
Exchange adjustment	匯率調整	-	-	48	436	47	76	36	-	-	643
Net book value at 31st December 2005	於二零零五年十二月 三十一日賬面淨值	9,362	30,022	1,758	18,380	1,225	4,154	2,812	68	-	67,781
At 31st December 2005	於二零零五年十二月 三十一日										
At cost	成本	-	-	3,278	66,871	5,122	7,817	5,795	76	-	88,959
At valuation - 2005	估值-2005	9,480	30,400	-	-	-	-	-	-	-	39,880
Accumulated depreciation	累積折舊	(118)	(378)	(1,520)	(48,491)	(3,897)	(3,663)	(2,983)	(8)	-	(61,058)
Net book value	賬面淨值	9,362	30,022	1,758	18,380	1,225	4,154	2,812	68	-	67,781
Net book value of hire purchase assets: At 31st December 2006	租購資產淨值: 於二零零六年十二月 三十一日	-	-	-	2,011	-	14	2,058	14,324	-	18,407
At 31st December 2005	於二零零五年十二月 三十一日	-	-	-	2,461	-	18	1,131	-	-	3,610

- (a) Buildings were revalued on the basis of open market value by DTZ Debenham Tie Leung Limited and Centaline Surveyors Limited, independent firms of chartered surveyors.

The carrying amount of these buildings would have been HK\$35,432,000 (2005: HK\$38,189,000) had they been stated at cost less accumulated depreciation and accumulated impairment losses.

At 31st December 2006, the net book value of buildings pledged as security for the Group's bank loans amounted to HK\$9,223,000 (2005: HK\$9,362,000).

- (a) 樓宇由獨立專業估值師戴德梁行有限公司及中原測量師行有限公司根據公開市值之基準重估。

如該等樓宇乃按成本值減折舊及累積減值虧損列賬，則該等租賃物業之賬面淨值應為35,432,000港元(二零零五年：38,189,000港元)。

於二零零六年十二月三十一日，賬面淨值合共9,223,000港元(二零零五年：9,362,000港元)之樓宇，已作為本集團長期銀行貸款之抵押。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

16. INVESTMENT PROPERTY

16. 投資物業

		Group 本集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Opening net book value	期初賬面淨值	3,100	2,700
Revaluation surplus credited to the consolidated profit and loss account	重估盈餘計入 綜合損益賬	1,600	400
Closing net book value	期末賬面淨值	4,700	3,100
<p>(a) Investment property was revalued on the basis of open market value by DTZ Debenham Tie Leung Limited, an independent firm of chartered surveyors.</p> <p>(b) At 31 st December 2006, the net book value of investment property pledged as security for the Group's bank loans amounts to HK\$4,700,000 (2005: Nil).</p> <p>(c) The Group's interests in investment property are analysed as follows:</p>		<p>(a) 租賃物業及投資物業由獨立專業估值師戴德梁行有限公司根據公開市值之基準重估。</p> <p>(b) 於二零零六年十二月三十一日，銀行貸款以賬面值4,700,000港元(二零零五年：無)的投資物業作為抵押。</p> <p>(c) 本集團之投資物業權益分析如下：</p>	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
In Hong Kong, held on: Leases of between 10 to 50 years	於香港擁有： 租賃於十至五十年 之間	4,700	3,100

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

17. INVESTMENTS IN SUBSIDIARIES

17. 於附屬公司之投資

		Company 本公司	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted investments, at cost	非上市投資成本	20	20
Amounts due from subsidiaries (note)	應收附屬公司款項 (附註)	143,361	132,659
		143,381	132,679

Note:

The amounts due from subsidiaries are unsecured, interest-free and have no fixed term of repayment.

Particulars of the Company's subsidiaries are set out in note 31.

附註：

應收附屬公司款項均無抵押、免息並無固定還款期。

本公司之附屬公司詳情載於附註31。

18. INVENTORIES

18. 存貨

		Group 本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原材料	33,111	39,333
Work in progress	在製品	14,788	12,137
Finished goods	製成品	28,007	13,211
		75,906	64,681
Provision for slow moving inventories	慢用存貨撥備	(2,414)	(1,973)
		73,492	62,708

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

19. TRADE RECEIVABLES

At 31st December 2006, the ageing analysis of trade receivables is as follows:

Current – 3 months	即期–三個月
4 – 6 months	四個月–六個月
Over 6 months	超過六個月
Provision for bad and doubtful debts	呆壞賬撥備

Payment terms with customers are mainly on credit with the exception of new customers, which are on cash on delivery basis. Invoices are normally payable within 60 to 90 days of issuance. Longer payment terms might be granted to customers which have good payment history and have long-term business relationship with the Group.

Included in the balance of the Group is HK\$127,000 (2005: HK\$Nil) receivable from a related party (note 26). The balance was aged less than 90 days and the credit term granted to the related company was no more favourable than those granted to other third party customers.

20. BANK BALANCES AND CASH

Included in the balance of the Group are Renminbi bank balances and cash in the Mainland China of approximately HK\$2,894,000 (2005: HK\$1,527,000). Bank balances and cash denominated in Renminbi are subject to the exchange control restrictions imposed by the PRC government.

19. 應收貿易賬款

於二零零六年十二月三十一日，應收貿易賬款之賬齡分析如下：

		Group 本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
		99,586	73,387
		10,834	7,046
		1,161	701
		111,581	81,134
		(2,206)	(1,472)
		109,375	79,662

客戶主要以信貸方式付款，惟新客戶須於貨品付運時以現金付款。一般而言，客戶須於發票發出後六十至九十日內付款。付款記錄良好及與本集團有長期業務關係之客戶，可享受有較長之付款期。

餘額包括本集團與關聯人士之應收賬款為127,000港元(二零零五年：零港元)(附註26)。給予關聯公司之信貸條款與給予第三者之信貸條款並無特別優惠及其賬齡餘額少於90天。

20. 銀行結餘及現金

餘額包括本集團在中國大陸之人民幣現金及銀行存款約為2,894,000港元(二零零五年：1,527,000港元)。以人民幣貨幣單位之銀行存款及現金乃受限於中國政府實施之外匯管制規條。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

21. SHARE CAPITAL

At 1st January 2006 and at 31st December 2006	於二零零六年一月一日及 於二零零六年十二月三十一日
At 1st January 2005 and at 31st December 2005	於二零零五年一月一日及 於二零零五年十二月三十一日

At 1st January 2006 and at 31st December 2006	於二零零六年一月一日及 於二零零六年十二月三十一日
At 1st January 2005 and at 31st December 2005	於二零零五年一月一日及 於二零零五年十二月三十一日

21. 股本

Authorised ordinary shares of HK\$0.10 each
法定股本每股面值0.10港元之普通股

No. of shares 股本數目	HK\$'000 千港元
-----------------------	-----------------

500,000,000	50,000
--------------------	---------------

500,000,000	50,000
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Issued and fully paid ordinary shares
of HK\$0.10 each
已發行及繳足股本每股面值0.10港元之普通股

No. of shares 股本數目	HK\$'000 千港元
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198,958,000	19,896
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198,958,000	19,896
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Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

22. RESERVES

22. 儲備

Group

本集團

		Share premium 股份溢價 HK\$'000 千港元	Exchange fluctuation reserve 匯率變動 儲備 HK\$'000 千港元	Buildings revaluation reserve 樓宇 重估儲備 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Total other reserves 總其他儲備 HK\$'000 千港元
Balance reported as at 1st January 2006	於二零零六年一月一日 以往呈列	15,885	1,648	706	104	18,343
Deficit on revaluation of buildings	樓宇重估虧損	-	-	(612)	-	(612)
Exchange difference arising from translation of accounts of subsidiaries	附屬公司之兌換之 匯率差異	-	1,243	-	-	1,243
At 31st December 2006	於二零零六年十二月 三十一日	15,885	2,891	94	104	18,974
Balance as at 1st January 2005	於二零零五年一月一日	15,885	454	375	104	16,818
Surplus on revaluation of buildings net of deferred taxation	樓宇減去遞延稅項後 之重估盈餘	-	-	331	-	331
Exchange difference arising from translation of accounts of subsidiaries	附屬公司之兌換之 匯率差異	-	1,194	-	-	1,194
At 31st December 2005	於二零零五年十二月 三十一日	15,885	1,648	706	104	18,343

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

22. RESERVES (CONTINUED)

Company

本公司

		Contributed surplus Share premium 股份溢價 HK\$'000 千港元	(note) 繳入盈餘 (附註) HK\$'000 千港元	Capital redemption reserve 資本贖回 儲備 HK\$'000 千港元	Total other reserves 總其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st January 2006	於二零零六年一月一日	15,885	62,548	104	78,537	34,367	112,904
Profit for the year	本年度溢利	-	-	-	-	18,573	18,573
Dividends paid (note 10)	股息(附註10)	-	-	-	-	(7,960)	(7,960)
At 31st December 2006	於二零零六年十二月三十一日	15,885	62,548	104	78,537	44,980	123,517
Representing:-	相當於:-						
2006 final dividend proposed	二零零六年擬派發之末期股息					5,970	
Others	其他					39,010	
Retained earnings as at 31st December 2006	截至二零零六年十二月三十一日止之保留盈利					44,980	
At 1st January 2005	於二零零五年一月一日	15,885	62,548	104	78,537	20,890	99,427
Profit for the year	本年度溢利	-	-	-	-	19,447	19,447
Dividend paid (note 10)	股息(附註10)	-	-	-	-	(5,970)	(5,970)
At 31st December 2005	於二零零五年十二月三十一日	15,885	62,548	104	78,537	34,367	112,904
Representing:-	相當於:-						
2005 final dividend proposed	二零零五年擬派發之末期股息					5,970	
Others	其他					28,397	
Retained earnings as at 31st December 2005	截至二零零五年十二月三十一日止之保留盈利					34,367	

Note:

The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of subsidiaries being acquired in connection with the reorganisation of the Group prior to its listing on the Hong Kong Exchange and Clearing Limited, and represents the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired. Under the Companies Act of 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders. At Group level, the contributed surplus is reclassified into its component reserves of the underlying subsidiaries.

附註:

本公司之繳入盈餘因本公司發行股份以交換為於本公司股份在香港交易及結算有限公司上市前重組本集團而收購之附屬公司之股份而產生，相當於本公司發行股份之面值與所收購附屬公司之資產淨值之差額。根據百慕達一九八一年公司法(經修訂)，繳入盈餘可供分派予股東。在本集團之層面，繳入盈餘乃重新分類為有關附屬公司之儲備組成部分。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

23. BORROWINGS

23. 貸款

		Group 本集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Non-current	非流動		
Long-term bank loans	長期銀行貸款	3,158	5,372
Obligations under hire purchase contracts	租購合約承擔	9,015	936
		12,173	6,308
Current	流動		
Current portion of long-term bank loans	長期銀行貸款一年內應償還	2,224	3,299
Current portion of obligations under hire purchase contracts	租購合約承擔一年內應償還	2,879	1,459
Short-term bank loans	短期銀行貸款	6,000	5,000
Trust receipt loans	信託收據貸款	62,523	48,608
		73,626	58,366
Total borrowings	總貸款	85,799	64,674

Total borrowings included secured liabilities of HK\$59,856,000 (2005:HK\$54,322,000), which are secured by leasehold land, land use rights and buildings of the Group.

總貸款包括有抵押負債59,856,000港元(二零零五年:54,322,000港元)以本集團的土地租賃、土地使用權及樓宇作抵押。

(a) The maturity of borrowings is as follows:

(a) 貸款的到期日如下:

		Group 本集團							
		Long-term bank loans 長期銀行貸款		Short-term bank loans 短期銀行貸款		Trust receipt loans 信託收據貸款		Obligations under hire purchase contracts 租購合約承擔	
		2006	2005	2006	2005	2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Within 1 year	1年內	2,224	3,299	6,000	5,000	62,523	48,608	2,879	1,459
Between 1 and 2 years	1至2年內	1,405	2,223	-	-	-	-	2,377	799
Between 2 and 5 years	2至5年內	1,753	3,149	-	-	-	-	6,638	137
Wholly repayable within 5 years	5年內全數償還	5,382	8,671	6,000	5,000	62,523	48,608	11,894	2,395
Over 5 years	超過5年	-	-	-	-	-	-	-	-
Total borrowings	總貸款	5,382	8,671	6,000	5,000	62,523	48,608	11,894	2,395

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

23. BORROWINGS (CONTINUED)

(b) The average effective interest rates at the balance sheet date are as follows:

Long-term bank loans	長期銀行貸款	6.54%	6.51%
Short-term bank loans	短期銀行貸款	6.14%	5.08%
Obligations under hire purchase contracts	租購合約承擔	8.02%	7.61%
Trust receipt loans	信託收據貸款	6.38%	6.56%

(c) The present value of obligations under hire purchase contracts is as follows:

Gross obligations under hire purchase contracts	融資租賃負債毛額		
– minimum lease payments:	– 最低租賃付款額：		
No later than 1 year	不超過1年	3,677	1,579
Later than 1 year and no later than 5 years	超過1年但不超過5年	2,979	835
Later than 5 years	超過5年	7,405	139
		14,061	2,553
Future finance charges on finance leases	融資租賃的未來財務費用	(2,167)	(158)
Present value of obligations under hire purchase contracts	融資租賃的現值	11,894	2,395

(d) Borrowing are denominated in the following currencies:

HK dollars	港幣	79,799	64,674
Renminbi	人民幣	6,000	–
		85,799	64,674

(e) The carrying amounts of borrowings approximate to their fair value.

23. 貸款(續)

(b) 於結算日的平均實際利率如下：

2006 2005

		6.54%	6.51%
		6.14%	5.08%
		8.02%	7.61%
		6.38%	6.56%

(c) 融資租賃負債的現值如下：

Group
本集團
2006 2005
HK\$'000 HK\$'000
千港元 千港元

		3,677	1,579
		2,979	835
		7,405	139
		14,061	2,553
		(2,167)	(158)
		11,894	2,395

(d) 貸款以下列貨幣為單位：

Group
本集團
2006 2005
HK\$'000 HK\$'000
千港元 千港元

		79,799	64,674
		6,000	–
		85,799	64,674

(e) 貸款的賬面值與其公允值相近。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

24. TRADE PAYABLES

At 31st December 2006, the ageing analysis of trade payables is as follows:

Current – 3 months
4 – 6 months
Over 6 months

即期 – 三個月
四個月 – 六個月
超過六個月

24. 應付貿易款項

於二零零六年十二月三十一日，應付貿易款項之賬齡分析如下：

Group 本集團		2006 HK\$'000 千港元	2005 HK\$'000 千港元
		39,753	27,587
		3,241	2,291
		556	562
		43,550	30,440

25. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of profit before taxation to cash generated from operations

Profit before taxation
Interest income
Bank loan interest
Interest element of hire purchase contracts
Net loss/(gain) on disposal of property, plant and equipment
Revaluation surplus on investment property
Revaluation deficit on buildings
Amortisation of leasehold land and land use rights
Depreciation of owned property, plant and equipment
Depreciation of property, plant and equipment held under hire purchase contracts
Operating profit before working capital changes
Increase in inventories
Increase in trade receivables, other receivables, deposits and prepayments
Increase/(decrease) in trade payables, other payables and accruals
Cash generated from operations

除稅前溢利
利息收入
銀行貸款利息
租購合約之利息部份
出售物業、廠房及設備淨虧損/(溢利)
投資物業重估盈餘
樓宇重估虧損
攤銷租賃土地及土地使用權
自置物業、廠房及設備之折舊
根據租購合約持有之物業、廠房及設備之折舊
營運資金轉變前之經營溢利
存貨增加
應收貿易賬款、其他應收賬款、訂金及預付款項增加
應付貿易款項、其他應付款項及應計開支增加/(減少)
營運產生的現金

25. 現金流量表

(a) 營運產生的現金之對賬

2006 HK\$'000 千港元		2005 HK\$'000 千港元
	31,003	26,849
	(50)	(100)
	5,066	3,059
	202	405
	421	(2,176)
	(1,600)	(400)
	1,522	-
	787	787
	5,542	6,377
	939	1,143
	43,832	35,944
	(10,784)	(16,126)
	(29,463)	(15,489)
	12,930	(4,182)
	16,515	147

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

25. NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

(b) Analysis of changes in financing during the year

		Long-term bank loans		Short-term bank loans		Trust receipt loans		Obligations under hire purchase contracts	
		2006	2005	2006	2005	2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st January	於一月一日	8,671	12,871	5,000	-	48,608	28,837	2,395	9,134
Net (repayment)/ addition of loans	淨(償還)/ 新增貸款	(3,289)	(4,200)	1,000	5,000	13,915	19,771	-	-
Net addition/(repayment) of capital element of hire purchase contracts	淨新增/(償還) 租購合約之資本部份	-	-	-	-	-	-	9,499	(6,739)
At 31st December	於十二月三十一日	5,382	8,671	6,000	5,000	62,523	48,608	11,894	2,395

25. 現金流量表(續)

(b) 年內融資變動分析

26. RELATED PARTY TRANSACTIONS

(a) Name and relationship with the related party

常州市恒軒進出口有限公司("PIEL") is wholly-owned by Mr. Zhou Jing Zhuan, a member of the senior management of the Group. PIEL is thus a related party of the Group.

(b) Transactions with the related party

The Group entered into the following significant transactions in the ordinary course of business with PIEL during the year:

Sales of goods 銷貨

These transactions were entered into on normal commercial terms or, if there are no sufficient comparable transactions, on terms no less favourable to the Group than terms available to or from independent third parties.

26. 關聯人士交易

(a) 關聯人士的名稱及關係

常州市恒軒進出口有限公司(PIEL)為周經傳先生全資擁有，彼為本集團之高層管理人員。故PIEL為本集團之關聯人士。

(b) 關聯人士的交易

本集團於年度內與常州市恒軒進出口有限公司在日常業務中進行下列重大交易：

2006	2005
HK\$'000	HK\$'000
千港元	千港元
1,287,000	-

上述關聯交易乃按一般商業條款或(倘沒有足夠類似交易以資比較)對本集團而言不遜於提供予獨立第三者或獨立第三者所提供的條款訂立。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

27. COMMITMENTS

- (a) Capital commitment
At 31st December 2006, the Group had the following capital commitment for construction project and machinery:

Contracted but not provided for	已訂約但未撥備
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- (b) Commitments under operating leases
At 31st December 2006, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

Not later than one year	一年內
Later than one year and not later than five years	一年後但不多於五年

- (c) The Company did not have any other significant commitments at 31st December 2006 and 2005.

27. 承擔

- (a) 資本承擔
於二零零六年十二月三十一日，本集團有以下建築項目之資本承擔：

2006	2005
HK\$'000	HK\$'000
千港元	千港元

5,213	574
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- (b) 經營租賃承擔
於二零零六年十二月三十一日，本集團根據於下列期間內屆滿之不可撤銷經營租賃於日後之最低租金如下：

Land and buildings 土地及樓宇

2006	2005
HK\$'000	HK\$'000
千港元	千港元

17	75
----	----

-	17
---	----

17	92
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- (c) 於二零零六年及二零零五年十二月三十一日，本公司並無任何其他重大承擔。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

28. BANKING FACILITIES

At 31st December 2006, the Group's banking facilities amounting to approximately HK\$120,384,000 (2005: HK\$85,714,000) were secured by the following:-

- (a) legal charges over certain leasehold land, land use rights, buildings and investment property of the Group with a total net book value of HK\$35,870,000 (2005: HK\$31,864,000);
- (b) a deed of guarantee executed by the Company amounting to HK\$81,000,000 (2005: HK\$71,000,000).

29. ULTIMATE HOLDING COMPANY

The Directors of the Company regard Spector Holdings Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

30. APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 23rd March 2007.

28. 銀行融資

於二零零六年十二月三十一日，本集團約120,384,000港元(二零零五年：85,714,000港元)之銀行融資以下列項目作抵押：

- (a) 本集團以賬面淨值合共35,870,000港元(二零零五年：31,864,000港元)之若干租賃土地、土地使用權、樓宇及投資物業所作之法定抵押；
- (b) 本公司簽署之一份擔保契據合共81,000,000港元(二零零五年：71,000,000港元)。

29. 最終控股公司

本公司董事認為在英屬處女群島註冊成立之Spector Holdings Limited乃最終控股公司。

30. 賬目之批准

本賬目已於二零零七年三月二十三日獲董事會批准。

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

31. SUBSIDIARIES

At 31st December 2006, the Company held shares in the following subsidiaries:

31. 附屬公司

於二零零六年十二月三十一日，本公司於下列主要附屬公司持有股份：

Name 名稱	Place of incorporation/ establishment 註冊/成立地點	Paid up share capital/ registered capital 繳足股本/註冊資本	Principal activities 主要業務	Interest 權益	
				2006	2005
Held directly 直接持有股份					
Perennial Limited	British Virgin Islands 英屬處女群島	Ordinary US\$1,200 普通股1,200美元	Inactive 無活動	100%	100%
Perennial Holdings Global Limited	British Virgin Islands 英屬處女群島	Ordinary US\$1 普通股1美元	Investment holding 投資控股	100%	100%
Held indirectly 間接持有股份					
Ever Peak Development Limited 永柏發展有限公司	Hong Kong 香港	Ordinary HK\$3 普通股3港元	Property holding 持有物業	100%	100%
Glitter Wire & Cable Company Limited 東輝電線電纜有限公司	Hong Kong 香港	Ordinary HK\$500 普通股500港元 Non-voting deferred HK\$2,000,000 無投票權遞延股份 2,000,000港元	Property holding 持有物業	100%	100%
New Technology Cable Limited 新科電線有限公司	Hong Kong 香港	Ordinary HK\$1,000 普通股1,000港元 Non-voting deferred HK\$10,000,000 無投票權遞延股份 10,000,000港元	License holding 持有牌照	100%	100%
a Perennial Cable Harness Limited 恒亞精工有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	Manufacturing and sale of wire harnesses 製造及銷售電線組合線束	100%	100%
a Perennial Cable (H.K.) Limited 恒都電線(香港)有限公司	Hong Kong 香港	Ordinary HK\$2,000,000 普通股2,000,000港元	Manufacturing and sale of electric cables, wires and accessories 製造及銷售電線、導線及 配件	100%	100%
Perennial Cable Limited	British Virgin Islands 英屬處女群島	Ordinary US\$1 普通股1美元	Investment and property holding, trading of electric cable, wires, wire harness and accessories 投資及持有物業、買賣電線、 導線、組合線束及配件	100%	100%
b Perennial Cable (Shenzhen) Co., Limited (wholly owned foreign enterprise) 恒亞電線(深圳)有限公司 (全資擁有海外機構)	Mainland China 中國大陸	Paid up: HK\$37,800,000 繳足: 37,800,000港元 Registered: HK\$65,000,000 註冊: 65,000,000港元	Manufacturing of electric cables, wires and wire harness 製造電線、導線及組合線束	100%	100%
a Perennial Plastics (H.K.) Limited 恒都塑膠(香港)有限公司	Hong Kong 香港	Ordinary HK\$2 普通股2港元	Manufacturing and sale of plastic resins and compounds 製造及銷售塑膠合成樹脂及化 合物	100%	100%

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

31. SUBSIDIARIES (CONTINUED)

31. 附屬公司(續)

Name 名稱	Place of incorporation/ establishment 註冊/成立地點	Paid up share capital/ registered capital 繳足股本/註冊資本	Principal activities 主要業務	Interest 權益	
				2006	2005
Held indirectly (continued) 間接持有股份(續)					
Perennial Cable (BVI) Limited (formerly known as Perennial Plastics Limited) (前名為 Perennial Plastics Limited)	British Virgin Islands 英屬處女群島	Ordinary US\$50,000 英屬處女群島	Investment holding 普通股50,000美元	100%	100%
Perennial Investments (H.K.) Limited 恒都投資(香港) 有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	Inactive 無活動	100%	100%
c Perennial Cable (Macao) Limited	British Virgin Islands 英屬處女群島	Ordinary US\$2 普通股2美元	Trading of electric cables, wires, wire harness and accessories 買賣電線、導線、組合線束及 配件	100%	100%
New Technology Cable (UK) Limited	United Kingdom 英國	Ordinary GBP1 普通股1英鎊	License holding 持有牌照	100%	100%
New Technology Cable Pte. Limited	Singapore 新加坡	Ordinary SG\$2 普通股2新加坡元	License holding 持有牌照	100%	100%
Shinka K.K.	Japan 日本	Ordinary JPY10,000,000 普通股10,000,000日元	License holding 持有牌照	100%	100%
Perennial USA Inc.	USA 美國	Ordinary US\$0.5 普通股0.5美元	Trading of electric cables, wires, wire harness and accessories 買賣電線、導線、組合線束及 配件	100%	100%
d Zhangjiagang Bonded Logistics Park Perennial Cable Trading Co., Ltd. (Wholly owned foreign enterprise) 張家港保稅區物流園區恒都 電工貿易有限公司 (全資擁有海外機構)	Mainland China 中國大陸	US\$500,000 500,000美元	Trading of electric cables, wires, wire harness and accessories 買賣電線、導線、組合線束及 配件	100%	-

Notes to the Accounts (Continued)

賬目附註(續)

For the year ended 31st December 2006 截止二零零六年十二月三十一日止年度

31. SUBSIDIARIES (CONTINUED)

The legal form of all the above companies is limited liability company.

Save as noted below, the above companies operate principally in Hong Kong instead of their respective places of incorporation/establishment, except for:

- ^a Perennial Plastic (H.K.) Limited, Perennial Cable Harness Limited and Perennial Cable (H.K.) Limited of which manufacturing activities are conducted by their appointed sub-contractors in Shenzhen, People's Republic of China;
- ^b Perennial Cable (Shenzhen) Co., Limited in Shenzhen, People's Republic of China;
- ^c Perennial Cable (Macao) Limited in Macau, People's Republic of China; and
- ^d Zhangjiagang Bonded Logistics Park Perennial Cable Trading Co., Ltd. in Zhangjiagang Bonded Logistics Park, People's Republic of China.

31. 附屬公司(續)

上述所有公司均為有限公司法體。

除以下註明外，上述公司之營運地點主要為香港而非其個別成立地點：

- ^a 恒都塑膠(香港)有限公司、恒亞精工有限公司及恒都電線(香港)有限公司之製造業務乃透過中華人民共和國深圳特區境內之承包商進行；
- ^b 恒亞電線(深圳)有限公司於中華人民共和國深圳特區；
- ^c Perennial Cable (Macao) Limited 於中華人民共和國澳門特別行政區；及
- ^d 張家港保稅物流園區恒都電工貿易有限公司於中華人民共和國張家港保稅區物流園區。