

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006 截至2006年12月31止年度

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands under the Companies Law (Revised) Chapter 22 of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Fortune Star Tradings Ltd. ("Fortune Star"), a company which is incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporation Information to the annual report.

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

The Company acts as an investment holding company and the principal activities of its principal subsidiaries are set out in note 30.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the current year cover a period of twelve months ended 31 December 2006. The corresponding comparative amounts shown for the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and related notes cover a period of nine months from 1 April 2005 to 31 December 2005 and therefore may not be comparable with amounts shown for the current year. Last year's reporting period was less than twelve months because the directors determined to bring the balance sheet date from 31 March to 31 December which is in line with that of the subsidiaries established in the People's Republic of China, other than Hong Kong (the "PRC"). No further change to reporting date is anticipated.

1. 一般資料

本公司根據開曼群島公司法(經修訂)第22章於開曼群島註冊成立為一家獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。其最終控股公司為Fortune Star Tradings Ltd. (「Fortune Star」)，一間於英屬維爾京群島註冊成立之公司。本公司註冊辦事處及主要營業地點於本年報「公司資料」中披露。

本綜合財務報表以港元列示，港元亦為本公司之功能貨幣。

本公司為一間投資控股公司。其主要附屬公司之主要業務載於附註30。

2. 編制綜合財務報表基準

本年度之綜合財務報表涵蓋截至2006年12月31日止12個月。而綜合收益表、綜合權益變動表、綜合現金流量表及有關附註所示之相對金額涵蓋由2005年4月1日至2005年12月31日期間之9個月，因此未能與本年度所示之金額作比較。去年之報告期間少於12個月乃由於董事決定將結算日由3月31日更改至12月31日，與在中國(香港除外)設立之附屬公司之結算日一致。預期報告日期將不再有變動。

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of the new HKFRSs has no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

3. 採納新及經修訂之香港財務報告準則 (「香港財務報告準則」)

於本年度，本集團首次採納多項由香港會計師公會(「會計師公會」)頒布之新準則、修訂及詮釋(「新香港財務報告準則」)，該等準則於2005年12月1日或2006年1月1日或以後開始之會計期間生效。採用新香港財務報告準則，並無對現行或過往會計期間之業績及財務狀況產生重大影響。因此，毋須對過往期間作出任何調整。

本集團並無提早採用以下已頒布但尚未生效之新準則、修訂及詮釋。本公司董事預期，採用該等新準則、修訂及詮釋將不會對本集團之業績及財務狀況產生重大影響。

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

| | |
|--------------------|---|
| HKAS 1 (Amendment) | Capital Disclosures ¹ |
| HKFRS 7 | Financial Instruments: Disclosures ¹ |
| HKFRS 8 | Operating Segments ² |
| HK(IFRIC)-Int 7 | Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ³ |
| HK(IFRIC)-Int 8 | Scope of HKFRS 2 ⁴ |
| HK(IFRIC)-Int 9 | Reassessment of Embedded Derivatives ⁵ |
| HK(IFRIC)-Int 10 | Interim Financial Reporting and Impairment ⁶ |
| HK(IFRIC)-Int 11 | HKFRS 2-Group and Treasury Share Transactions ⁷ |
| HK(IFRIC)-Int 12 | Service Concession Arrangements ⁸ |

¹ Effective for annual periods beginning on or after 1 January 2007

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 March 2006

⁴ Effective for annual periods beginning on or after 1 May 2006

⁵ Effective for annual periods beginning on or after 1 June 2006

⁶ Effective for annual periods beginning on or after 1 November 2006

⁷ Effective for annual periods beginning on or after 1 March 2007

⁸ Effective for annual periods beginning on or after 1 January 2008

3. 採納新及經修訂之香港財務報告準則 (「香港財務報告準則」)(續)

| | |
|---------------------------|--|
| 香港會計準則 第1號(修訂) | 資本披露 ¹ |
| 香港財務報告 準則第7號 | 金融工具：披露 ¹ |
| 香港財務報告 準則第8號 | 營運分類 ² |
| 香港(國際財務報告詮釋 委員會)詮釋第7號 | 根據香港會計準則第29號惡性通貨膨脹經濟下之財務報告採用重列法 ³ |
| 香港(國際財務報告詮釋 委員會)詮釋第8號 | 香港財務報告準則第2號之範圍 ⁴ |
| 香港(國際財務報告詮釋 委員會)詮釋第9號 | 重估嵌入式衍生工具 ⁵ |
| 香港(國際財務報告詮釋 委員會)詮釋第10號 | 中期財務報告及減值 ⁶ |
| 香港(國際財務報告詮釋 委員會)詮釋第11號 | 香港財務報告準則第2號-集團及庫存股份交易 ⁷ |
| 香港(國際財務報告詮釋 委員會)詮釋第12號 | 服務經營權安排 ⁸ |

¹ 於2007年1月1日或之後開始之年度期間生效

² 於2009年1月1日或之後開始之年度期間生效

³ 於2006年3月1日或之後開始之年度期間生效

⁴ 於2006年5月1日或之後開始之年度期間生效

⁵ 於2006年6月1日或之後開始之年度期間生效

⁶ 於2006年11月1日或之後開始之年度期間生效

⁷ 於2007年3月1日或之後開始之年度期間生效

⁸ 於2008年1月1日或之後開始之年度期間生效

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain property, plant and equipment and financial instruments, which are measured at revalued amounts or fair values as explained in the accounting policies set out below.

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

All inter-group transactions, balances, income and expenses are eliminated on consolidation.

4. 主要會計政策

綜合財務報表乃按歷史成本基準編制，惟若干按重估金額或公平值計算之物業、廠房及設備以及財務工具則除外，其會計政策於下文解釋。

綜合財務報表乃根據會計師公會頒布之香港財務報告準則編制。此外，綜合財務報表載有聯交所證券上市規則及香港公司條例規定之適用披露事項。

綜合基準

綜合財務報表包括本公司及由本公司控制之實體（其附屬公司）。倘本公司有權控制該實體之財務及經營政策，以從其活動中獲取利益則視為擁有控制權。

年內收購或出售附屬公司之業績乃由收購生效日期起計或計至出售生效日期止（倘適用）計入綜合收益表。

倘需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者保持一致。

所有集團內交易、結餘、收入及支出均於綜合賬目時對銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Service income is recognised when services are rendered.

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

4. 主要會計政策(續)

收入確認

收入按已收或應收代價之公平值計量，即日常業務過程中已提供貨物或服務扣除折扣及銷售有關稅項後之應收款項。

貨物銷售於貨物付運及擁有權轉移後確認。

服務收入於提供服務後確認。

財務資產之利息收入乃以時間為基準按未償還本金及適用實際利率累計，而實際利率為透過財務資產之預期可用年期將估計日後所收現金實際折讓至該資產之賬面淨值之比率。

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For the year ended 31 December 2006 截至2006年12月31止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment, other than buildings under construction, are stated in the balance sheet at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation less any subsequent accumulated depreciation and amortisation and any subsequent impairment loss. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Buildings under construction are stated at cost which includes all construction costs and other direct costs, attributable to the buildings under construction. They are not depreciated or amortised until completion of construction. Costs of completed buildings under construction are transferred to the category of land and buildings.

Any surplus arising on revaluation of property, plant and equipment is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation deficit of the same asset previously recognised as an expense, in which case the increase is credited to the consolidated income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is charged to the consolidated income statement to the extent that it exceeds the balance, if any, on the asset revaluation reserve relating to a previous revaluation of that asset. On the subsequent disposal, retirement and depreciation of a revalued asset, the attributable revaluation surplus is transferred to accumulated profits.

4. 主要會計政策(續)

物業、廠房及設備

除在建中樓宇外，物業、廠房及設備乃按重估值（指有關資產於重估當日按其當時用途之基準評估之公平價值減去其後之累計折舊及攤銷及任何減值虧損）於資產負債表中列示。重估乃按照足夠之守則進行，以確保其賬面值與於結算日之公平價值並無重大差額。

在建中樓宇乃按成本值入賬，成本值包括在建中樓宇應佔之所有建築成本及其他直接成本。在建中樓宇在落成前不作折舊或攤銷。在建中樓宇落成後其成本將轉入土地及樓宇類別內。

因重估物業、廠房及設備而產生之盈餘撥作資產重估儲備。除非有關資產於過往曾因重估虧絀而在綜合收益表中確認為費用，則現時之重估盈餘將撥作收入，惟不能超過以往之累計虧絀。因重估一項資產令其賬面淨值減少至超過於過往重估該資產之資產重估儲備結餘（如有）時，差額計入綜合收益表中。經重估資產日後之出售、棄用及折舊，其應佔重估盈餘乃轉入保留溢利中。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Freehold land is not amortised.

Depreciation and amortisation is provided to write off the valuation of buildings and leasehold improvements over their estimated useful lives, using the straight line method.

Depreciation is provided to write off the valuation of other property, plant and equipment over their estimated useful lives, using the reducing balance method.

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

Prepaid lease payments

Prepaid lease payments which represents up-front payments to acquire leasehold land interests are stated at cost and amortised over the period of the lease on a straight-line basis.

Leasing

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

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

4. 主要會計政策(續)

物業、廠房及設備(續)

永久業權土地並無攤銷。

樓宇及租賃物業裝修之折舊及攤銷，乃按其估計可使用年期，以直線法撇銷其估值。

其他物業、廠房及設備之折舊乃按其估計可使用年期以遞延減值法撇銷其估值。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟效益時取消確認。資產取消確認產生之任何收益或虧損(按該項目之出售所得款項淨額與賬面值間之差額計算)於該項目取消確認之年度計入綜合收益表。

預付租賃款項

預付租賃款項指用作購入租賃土地權益之已付款項，乃按成本列示並按租賃年期以直線法攤銷。

租賃

凡租賃之條款規定擁有權所附帶之一切風險及回報實質上轉移至承租人者，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

根據經營租賃之應付租金乃按相關租賃年期以直線法於損益表扣除。因訂立一項經營租賃作為獎勵之已收及應收福利乃以直線法按租賃年期確認作租金支出減少。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of impairment loss is treated as revaluation increase under that other standard.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

4. 主要會計政策(續)

減值

本集團於每個結算日審閱其資產之賬面值，判斷是否有任何跡象顯示該等資產蒙受任何減值虧損。倘估計資產之可收回價值低於其賬面值，則該資產之賬面值須減低至其可收回價值。減值虧損會即時確認為支出，除非相關資產乃按重估價值列賬，則減值虧損根據該準則視為重估減值。

倘減值虧損其後撥回，則該資產之賬面值須增加至其經修訂之估計可收回價值，惟所增加之賬面值不得超過於過往年度並無就該資產確認任何減值虧損下而釐定之賬面值。減值虧損撥回會即時確認為收入，除非相關資產乃按重估價值列賬，則減值虧損撥回根據該準則視為重估升值。

存貨

存貨乃按成本或可變現淨值兩者之較低者入賬。成本乃按加權平均法計算。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme") are charged as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses which exceed 10% of the greater of the present value of the defined benefit obligations and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight line basis over the average period until the amended benefits become vested.

The amount recognised in the consolidated balance sheet represents the fair value of plan assets as adjusted for unrecognised actuarial gains and losses, and as reduced by the present value of the defined benefit obligation. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

4. 主要會計政策(續)

退休福利成本

根據香港強制性公積金計劃條例規定之強制性公積金計劃(「強積金計劃」)之付款於僱員提供服務使其可享有供款時計入為開支。

就界定利益退休福利計劃而言，提供福利之成本乃按照預估單位利益法釐定，並於每個結算日進行精算估值。精算估值產生之盈虧倘超出界定利益責任之現值與計劃資產之公平值兩者之較高者10%，則有關盈虧須在參與計劃之僱員之預期剩餘平均工作年期內攤銷。倘有關福利已獲授予，過往之服務成本會即時確認入賬，否則則按直線法在平均年期內攤銷，直至經修訂之利益獲授予為止。

在綜合資產負債表內確認之金額呈示計劃資產之公平值，並已為未確認之精算估值盈虧作出調整及已扣減界定利益責任之現值。據此計算之任何資產乃受限於未確認之精算虧損及過往服務成本，加上計劃之可退回現值及未來供款之削減。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the period.

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

4. 主要會計政策(續)

外幣

於編制各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易當日之適用匯率換算為功能貨幣(即該實體經營所在主要經濟地區之貨幣)記賬。於各結算日，以外幣定值之貨幣項目均按結算日之適用匯率重新換算。按公平值列賬之非貨幣項目倘以外幣定值，於釐定公平值當日之適用匯率重新換算。非貨幣項目倘以外幣之歷史成本計量則不會重新換算。

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益表確認。按公平值列賬之非貨幣項目於重新換算時產生之匯兌差額於該期間之損益表確認。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於結算日之適用匯率換算為本公司之列賬貨幣(即港元)，而其他收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論。於此情況下，則採用於換算當日之適用匯率。所產生之匯兌差額(如有)乃確認作權益之獨立部份(匯兌儲備)。該等匯兌差額乃於海外業務被出售之期間內於損益表確認。

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綜合財務報表附註

For the year ended 31 December 2006 截至2006年12月31止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

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

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

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

4. 主要會計政策(續)

所得稅項

所得稅支出指現時應付稅項及遞延稅項之總和。

現時應付稅項乃根據年內應課稅溢利計算。應課稅溢利有別於綜合收益表所報溢利，因應課稅溢利不包括於其他年度應課稅或可扣稅之收入或開支項目，亦不包括綜合收益表內永遠毋須課稅或不可扣稅之項目。本集團之即期稅項負債乃按結算日已實行或大致上已實行之稅率計算。

遞延稅項乃根據綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之間的差額而確認，並採用資產負債表負債法計入。遞延稅項負債一般就所有應課稅暫時差異確認，遞延稅項資產則於可扣減暫時差異有可能用以抵銷應課稅溢利時予以確認。倘暫時差異由初次確認一項不影響應課稅溢利或會計溢利之交易之其他資產及負債所產生，有關資產及負債不予以確認。

遞延稅項負債須就投資於附屬公司所產生應課稅暫時差異予以確認，除非本集團可控制暫時差異回撥及暫時差異在可預見之將來可能不會撥回。

遞延稅項資產之賬面值乃於各個結算日進行檢討，並在不可能有足夠應課稅溢利以收回全部或部份資產之金額時作調減。

遞延稅項按預期適用於清償負債或變現資產期間之稅率計算。遞延稅項在收益表內扣除或計入收益表，除非遞延稅項與關乎直接從權益扣除或直接計入權益之項目，在該情況下遞延稅項亦於權益中處理。

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綜合財務報表附註

For the year ended 31 December 2006 截至2006年12月31止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

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

Financial assets

The Group's financial assets are mainly loans and receivables and financial assets at fair value through profit or loss. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

4. 主要會計政策(續)

金融工具

財務資產及財務負債乃當某集團實體成為工具合同條文之訂約方時在綜合資產負債表確認。財務資產及財務負債按公平值初步計量。收購或發行財務資產及財務負債直接應佔之交易成本於損益表(按公平值計算之財務資產及財務負債除外)乃於初步確認時加入財務資產或財務負債之公平值或自財務資產或財務負債之公平值內扣除(倘適用)。收購於損益表按公平值計算之財務資產或財務負債直接應佔之交易成本即時於損益表內確認。

財務資產

本集團之財務資產主要為貸款及應收款項，財務資產於損益表按公平值處理。所有定期購入或出售之財務資產於交易日確認或取消確認。定期購入或出售乃指按市場規則或協調所設定之既定時間內規定交收資產而購入或出售財務資產。各類財務資產所採納之會計政策概述如下。

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綜合財務報表附註

For the year ended 31 December 2006 截至2006年12月31止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Loans and receivables

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

Derivative financial instruments

Derivative financial instruments of the Group do not qualify for hedge accounting thus they are deemed as held for trading. Changes in fair values of such derivatives are recognised directly in profit or loss.

4. 主要會計政策(續)

財務資產(續)

貸款及應收款項

貸款及應收款項乃於現行市場所報之固定或可釐定付款之非衍生財務資產。於初步確認後之各結算日，貸款及應收款項(包括應收貿易及其他款項及銀行結餘)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬。減值虧損於可客觀證明資產減值時於損益表確認，並按該資產之賬面值與按原先實際利率折讓之估計未來現金流量之現值間的差額計量。當資產之可收回數額增加確實與於確認減值後所引致之事件有關時，則減值虧損會於隨後會計期間予以回撥，惟該資產於減值被回撥之日之賬面值不得超過未確認減值時之已攤銷成本。

衍生金融工具

本集團之衍生金融工具並不符合對沖會計法，因此被視為持作貿易用途。此衍生之公平值之變動直接於損益表確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The Group's financial liabilities mainly include bank borrowings, bank overdrafts, trade and other payables and amount due to a related company. They are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

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

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. 主要會計政策(續)

財務負債及權益

集團實體發行之財務負債及股本工具乃根據合同安排之性質與財務負債及股本工具之定義分類。

股本工具乃證明本集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。本公司發行之股本工具乃按已收所得款項扣除直接發行成本記賬。

本集團之財務負債主要包括銀行借款、銀行透支、應付貿易及其他款項及應付關連公司款項，乃隨後採用實際利率法按已攤銷成本計量。

取消確認

倘從資產收取現金流之權利已到期，或本集團已將其於財務資產擁有權之絕大部份風險及回報轉移，則財務資產將被取消確認。於取消確認財務資產時，資產賬面值與已收代價及已直接於股本權益確認之累計損益之總和之差額，將於損益表確認。

就財務負債而言，其於有關合約之特定責任獲解除、取消或到期時，財務負債將被取消確認。取消確認之財務負債賬面值與已付及應付代價之差額於損益表確認。

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綜合財務報表附註

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in Note 4, management makes various estimates based on past experience, expectations of the future and other information. The key sources of estimation uncertainty that can significantly affect the amounts recognised in the consolidated financial statements are disclosed below.

Impairment loss on trade receivables

The assessment of the impairment loss on trade receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Impairment is made based on the estimation of the future cash flow discounted at the original effective rate to calculate the present value. As at 31 December 2006, the carrying value of trade receivables (net of impairment loss) is HK\$122,272,000.

5. 估計不確定性之主要來源

於應用本集團之會計政策(如附註4所述)時,管理層根據過往經驗、預期未來狀況及其他資料作出各方面之估計。主要可影響於綜合財務報表確認數額之估計不確定性之主要來源概述如下。

應收貿易款項之減值虧損

本集團應收貿易款項之減值虧損之評估以可收回性、賬齡分析及管理層判斷為基礎。評估該等應收款項之最終變現能力需要進行大量判斷,包括各客戶之現時信譽。倘本集團客戶財務狀況日趨惡化,削弱其付款能力,則須提撥額外準備。減值乃按估計日後現金流量以原來實際利率貼現以計算現值。於2006年12月31日,應收貿易款項之賬面值(扣除減值虧損後)為122,272,000港元。

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綜合財務報表附註

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Allowances for inventories

Management reviews the inventories listing at each balance sheet date, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in operation. Allowance was made by reference to the latest market value for those inventories identified. As at 31 December 2006, the carrying amount of inventories (net of allowances) is HK\$89,611,000.

Income taxes

As at 31 December 2006, a deferred tax asset of approximately HK\$3,919,000 in relation to unused tax losses has not been recognised in the Group's balance sheet due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are more than expected, a recognition of deferred tax assets may arise, which would be recognised in the consolidated income statement for the period in which such a recognition takes place.

5. 估計不確定性之主要來源(續)

存貨準備

本集團管理層於各個結算日審閱存貨清單，並對確認為不再適合用於生產之過時及滯銷庫存品進行撥備。撥備乃參照最近期之市場價值就該等已識別存貨計提準備。於2006年12月31日，存貨之賬面值(扣除準備後)為89,611,000港元。

所得稅

由於未來溢利之流入不可預測，於2006年12月31日，有關未動用稅項虧損之遞延稅項資產約3,919,000港元並無於本集團之資產負債表中確認。遞延稅項資產之變現主要有賴於是否有足夠未來溢利或將來可供利用之應課稅暫時差額而定。倘產生之未來實際溢利乃多於預期溢利，遞延稅項資產可能會予以實質撥回，而該未來溢利會於有關撥回發生期間之綜合收益表內確認。

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綜合財務報表附註

For the year ended 31 December 2006 截至2006年12月31止年度

6. FINANCIAL INSTRUMENTS

6a. Financial risk management objectives and policies

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

Currency risk

The sales transactions of the Group are mainly denominated in United States Dollars and Euro. At the balance sheet date, certain trade receivable and bank balances are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group is also exposed to concentration of credit risk as a substantial portion of its sales is generated from a limited number of customers. At the balance sheet date, the top five customers of the Group accounted for about 54% (2005: 53%) of the Group's trade receivables. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

6. 金融工具

6a. 財務風險管理目標及政策

本集團之主要金融工具包括應收貿易及其他款項、銀行結餘、應付貿易及其他款項、應付關連公司款項、銀行借款及銀行透支。該等金融工具詳情於相關附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時有效地採取適當之措施。

貨幣風險

本集團之銷售交易主要以美元及歐元定值。於結算日，若干應收貿易款項及銀行結餘乃以外幣定值。本集團現時尚無外幣對沖政策，然而，管理層監控外匯風險，並會考慮於必要時對沖重大外幣風險。

信貸風險

倘對方未能履行彼等於2006年12月31日之承擔，則本集團就每類已確認財務資產須承擔之最大信貸風險為已於綜合資產負債表列賬之該等資產之賬面值。由於大部份銷售乃源於較少數量之客戶，本集團同時承受集中信貸風險。於結算日，本集團五大客戶佔集團應收貿易款項約54% (2005: 53%)。為把信貸風險減至最低，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保爭取跟進措施收回逾期未付之債項。此外，管理層於各個結算日檢討各項個別應收貿易款項之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

6a. Financial risk management objectives and policies (continued)

Credit risk (continued)

The credit risk on bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Interest rate risk

The Group's fair value and cash flow interest rate risks mainly relate to fixed and variable rates borrowings respectively. The Group's bank balances also have exposure to cash flow interest rate due to the fluctuation of the prevailing market interest rate on bank balances. The directors consider the Group's exposure of the short term bank deposits and fixed bank borrowings to fair value interest rate risk is not significant as interest bearing bank balances and borrowings are within short maturity periods.

The Group currently does not have any interest rate hedging policy in relation to fair value and cash flow interest rate risks. The directors monitor the Group's exposure on ongoing basis and will consider hedging interest rate risk should the need arise.

6b. Fair value

The fair value of financial assets and financial liabilities is determined as follows:

- the fair value of financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, the fair value of a non-option derivative is estimated using discounted cash flow analysis and the applicable yield curve.

6. 金融工具(續)

6a. 財務風險管理目標及政策(續)

信貸風險(續)

本集團銀行存款之信貸風險有限，由於對方均為獲國際信貸評級機構授予較高信貸評級之銀行。

利率風險

本集團之公平值及現金流量利率風險主要涉及分別以固定及浮動利率計息之借款。由於市場銀行存款利率波動，本集團之銀行結餘承受現金流量利率風險。董事認為本集團於短期銀行存款及銀行借款所承受之公平值利率風險不大，因需計息之銀行結餘及借款乃於短期期滿。

本集團現時尚無涉及公平值及現金流量利率風險有關之利率對沖政策，董事將持續監控本集團之狀況並會考慮於必要時對沖利率風險。

6b. 公平值

財務資產及財務負債之公平值乃釐定如下：

- 財務資產及財務負債之公平值(衍生工具除外)，乃根據基於貼現現金流量分析之公認定價模式，使用可觀察當前市場交易之價格釐定。
- 衍生工具之公平值乃按市場報價計算。倘無可用報價，無選擇權衍生之公平值乃按貼現現金流量分析及適用回報率估算。

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS

No business segment analysis is provided as all of the Group's turnover and contribution to results were derived from the manufacture and sales of handbags and luggage for both year/period.

An analysis of the Group's revenue and contribution to operating results and segmental assets and liabilities by geographical segments based on customers location, irrespective of the origin of the goods, is presented below:

Geographical segments

| | | Sales revenue by geographical market | | Contribution to profit before taxation | |
|---|---------------------|--------------------------------------|----------------|--|----------------|
| | | 按地區市場之銷售收入 | | 除稅前溢利貢獻 | |
| | | Year ended | 9 months ended | Year ended | 9 months ended |
| | | 31.12.2006 | 31.12.2005 | 31.12.2006 | 31.12.2005 |
| | | 31.12.2006 止 | 31.12.2005 止 | 31.12.2006 止 | 31.12.2005 止 |
| | | 年度 | 9個月 | 年度 | 9個月 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| United States of America ("USA") | 美國 | 440,395 | 369,496 | 69,173 | 64,777 |
| Europe | 歐洲 | 224,312 | 130,675 | 42,266 | 23,731 |
| South America | 南美洲 | 10,922 | 6,684 | 1,723 | 1,260 |
| Others | 其他地區 | 13,618 | 25,110 | 1,509 | 3,838 |
| | | 689,247 | 531,965 | 114,671 | 93,606 |
| (Deficit) surplus arising on revaluation of property, plant and equipment | 重估物業、廠房及設備產生之(虧絀)盈餘 | | | (6) | 5 |
| Unallocated corporate expenses | 未分配公司開支 | | | (8,273) | (2,543) |
| Interest income | 利息收入 | | | 5,982 | 4,900 |
| Interest on bank borrowing wholly repayable within five years | 須於五年內全數償還之銀行借款利息 | | | (67) | (23) |
| Profit before taxation | 除稅前溢利 | | | 112,307 | 95,945 |
| Income tax expenses | 所得稅支出 | | | (10,442) | (8,648) |
| Profit for the year/period | 年/期內溢利 | | | 101,865 | 87,297 |

Since the goods sold to various geographical markets were produced from the same production facilities, an analysis of assets and liabilities by geographical market is not presented.

7. 業務及地區分類

由於本集團所有之營業額及業績貢獻均源自年/期內手袋及行李箱之製造及銷售，按業務分類之分析並無提供。

本集團按客戶所在地區(不論貨品之來源地)劃分之收入及經營業績貢獻及分類資產及負債分析，呈列如下：

地區分類

| | | Sales revenue by geographical market | | Contribution to profit before taxation | |
|---|---------------------|--------------------------------------|----------------|--|----------------|
| | | 按地區市場之銷售收入 | | 除稅前溢利貢獻 | |
| | | Year ended | 9 months ended | Year ended | 9 months ended |
| | | 31.12.2006 | 31.12.2005 | 31.12.2006 | 31.12.2005 |
| | | 31.12.2006 止 | 31.12.2005 止 | 31.12.2006 止 | 31.12.2005 止 |
| | | 年度 | 9個月 | 年度 | 9個月 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| United States of America ("USA") | 美國 | 440,395 | 369,496 | 69,173 | 64,777 |
| Europe | 歐洲 | 224,312 | 130,675 | 42,266 | 23,731 |
| South America | 南美洲 | 10,922 | 6,684 | 1,723 | 1,260 |
| Others | 其他地區 | 13,618 | 25,110 | 1,509 | 3,838 |
| | | 689,247 | 531,965 | 114,671 | 93,606 |
| (Deficit) surplus arising on revaluation of property, plant and equipment | 重估物業、廠房及設備產生之(虧絀)盈餘 | | | (6) | 5 |
| Unallocated corporate expenses | 未分配公司開支 | | | (8,273) | (2,543) |
| Interest income | 利息收入 | | | 5,982 | 4,900 |
| Interest on bank borrowing wholly repayable within five years | 須於五年內全數償還之銀行借款利息 | | | (67) | (23) |
| Profit before taxation | 除稅前溢利 | | | 112,307 | 95,945 |
| Income tax expenses | 所得稅支出 | | | (10,442) | (8,648) |
| Profit for the year/period | 年/期內溢利 | | | 101,865 | 87,297 |

由於銷售往不同地區市場之產品乃產自相同之生產設施，故按地區市場劃分之資產及負債分析並無呈列。

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

Geographical segments (continued)

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

| | | Carrying amount of segment assets 分類資產之賬面值 | | Additions to property, plant and equipment 物業、廠房及設備之添置 | |
|-----------|----|--|---------------------------------|--|---|
| | | At 31.12.2006 於31.12.2006 | At 31.12.2005 於31.12.2005 | Year ended 31.12.2006 年度 31.12.2006止 | 9 months ended 31.12.2005 9個月 31.12.2005止 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Hong Kong | 香港 | 284,055 | 313,015 | 901 | 305 |
| The PRC | 中國 | 338,198 | 218,268 | 11,936 | 6,598 |
| Thailand | 泰國 | 6,658 | 21,447 | - | - |
| USA | 美國 | 22,011 | 8,541 | - | - |
| | | 650,922 | 561,271 | 12,837 | 6,903 |

8. INCOME TAX EXPENSES

The charge comprises:

Hong Kong Profits Tax
Overprovision of Hong Kong
Profits Tax in prior year

支出包括:

香港利得稅
往年度超額撥備
之香港利得稅

| Year ended 31.12.2006 31.12.2006止 年度 31.12.2006止 | 9 months ended 31.12.2005 31.12.2005止 9個月 31.12.2005止 |
|--|---|
| HK\$'000 千港元 | HK\$'000 千港元 |
| 10,459 | 8,648 |
| (17) | - |
| 10,442 | 8,648 |

A substantial portion of the Group's profits neither arises in, nor is derived from, Hong Kong and therefore is not subject to Hong Kong Profits Tax.

7. 業務及地區分類 (續)

地區分類 (續)

按資產所在地區劃分之分類資產之賬面值及物業、廠房及設備之添置之分析如下:

| | | Carrying amount of segment assets 分類資產之賬面值 | | Additions to property, plant and equipment 物業、廠房及設備之添置 | |
|-----------|----|--|---------------------------------|--|---|
| | | At 31.12.2006 於31.12.2006 | At 31.12.2005 於31.12.2005 | Year ended 31.12.2006 年度 31.12.2006止 | 9 months ended 31.12.2005 9個月 31.12.2005止 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Hong Kong | 香港 | 284,055 | 313,015 | 901 | 305 |
| The PRC | 中國 | 338,198 | 218,268 | 11,936 | 6,598 |
| Thailand | 泰國 | 6,658 | 21,447 | - | - |
| USA | 美國 | 22,011 | 8,541 | - | - |
| | | 650,922 | 561,271 | 12,837 | 6,903 |

8. 所得稅支出

| Year ended 31.12.2006 31.12.2006止 年度 31.12.2006止 | 9 months ended 31.12.2005 31.12.2005止 9個月 31.12.2005止 |
|--|---|
| HK\$'000 千港元 | HK\$'000 千港元 |
| 10,459 | 8,648 |
| (17) | - |
| 10,442 | 8,648 |

本集團大部份溢利並非產自或源自香港，故毋須繳納香港利得稅。

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8. INCOME TAX EXPENSES (CONTINUED)

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the year/period.

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

The charge for the year/period can be reconciled to the profit before taxation per the consolidated income statement as follows:

| | | |
|--|-------------------------|--|
| Profit before taxation | 除稅前溢利 | |
| Tax at the domestic income tax rate of 17.5% | 按本地所得稅率 17.5%之稅項 | |
| Tax effect of expenses that are not deductible in determining taxable profit | 釐定應課稅溢利時不可 扣稅支出之稅務影響 | |
| Tax effect of income that is not taxable in determining taxable profit | 釐定應課稅溢利時毋須 課稅收入之稅務影響 | |
| Tax effect of tax losses not recognised | 未確認稅項虧損 之稅務影響 | |
| Tax effect of profit subjects to 50:50 appointment basis | 按50:50溢利比例 基準之稅務影響 | |
| Overprovision in prior year | 往年度超額撥備 | |
| Utilisation of tax losses not previously recognised | 動用過往未確 認之稅項虧損 | |
| Income tax expense for the year/period | 年/期內之所得稅支出 | |

Details of deferred taxation at the balance sheet date and during the year/period are set out in note 22.

8. 所得稅支出(續)

香港利得稅乃按年/期內估計應課稅溢利按 17.5% 計算。

其他司法權區之稅項乃按有關司法權區之課稅率而計算。

年/期內稅項開支與綜合收益表所列除稅前溢利對賬如下：

| Year ended 31.12.2006 31.12.2006 止 年度 HK\$'000 千港元 | 9 months ended 31.12.2005 31.12.2005 止 9個月 HK\$'000 千港元 |
|---|--|
| 112,307 | 95,945 |
| 19,654 | 16,790 |
| 2,023 | 877 |
| (1,175) | (884) |
| 418 | 541 |
| (10,419) | (8,644) |
| (17) | - |
| (42) | (32) |
| 10,442 | 8,648 |

遞延稅項於結算日及於年/期內之詳情載於附註 22。

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9. PROFIT FOR THE YEAR/PERIOD

9. 年/期內溢利

| | | Year ended 31.12.2006 31.12.2006 止 年度 HK\$'000 千港元 | 9 months ended 31.12.2005 31.12.2005 止 9 個月 HK\$'000 千港元 |
|---|------------------|---|---|
| Profit for the year/period has been arrived at after charging: | 年/期內溢利已扣除： | | |
| Directors' emoluments (note 12) | 董事酬金(附註12) | 3,104 | 2,384 |
| Other staff costs | 其他職員成本 | 125,425 | 87,096 |
| Other retirement benefits scheme contributions | 其他退休福利計劃供款 | 874 | 618 |
| Total staff costs | 職員成本合計 | 129,403 | 90,098 |
| Amortisation of prepaid lease payments | 預付租賃款項攤銷 | 490 | 368 |
| Auditors' remuneration | 核數師酬金 | 773 | 700 |
| Bad debts written off | 壞賬撇除 | 13 | 92 |
| Cost of inventories recognised as expenses | 存貨成本確認為費用 | 323,494 | 242,448 |
| Deficit arising on revaluation of property, plant and equipment | 重估物業、廠房及設備所產生之虧絀 | 6 | - |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 12,361 | 9,105 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備虧損 | 2,532 | 9 |
| Net exchange loss | 匯兌淨虧損 | 4,954 | 7,389 |
| and after crediting: | 並已計入： | | |
| Interest income | 利息收入 | 5,982 | 4,900 |
| Surplus arising on revaluation of property, plant and equipment | 重估物業、廠房及設備所產生之盈餘 | - | 5 |
| Gain on derivative financial instruments | 衍生金融工具之收益 | 163 | - |

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10. DIVIDENDS

| Dividends recognised as distributions during the year/period: | 年/期內已確認 為分派之股息： |
|---|--------------------------------------|
| Final dividend of HK\$0.05 per share for the year ended 31 March 2005 | 截至2005年3月31日 止年度末期股 息每股5.0港仙 |
| Interim dividend of HK\$0.03 per share for the nine months ended 31 December 2005 | 截至2005年12月31日 止9個月中期股 息每股3.0港仙 |
| Final dividend of HK\$0.023 per share for the nine months ended 31 December 2005 | 截至2005年12月31日 止9個月末期股 息每股2.3港仙 |
| Interim dividend of HK\$0.025 per share for the year ended 31 December 2006 | 截至2006年12月31日 止年度中期股 息每股2.5港仙 |

10. 股息

| Year ended 31.12.2006 31.12.2006 止 年度 HK\$'000 千港元 | 9 months ended 31.12.2005 31.12.2005 止 9個月 HK\$'000 千港元 |
|--|--|
| - | 41,250 |
| - | 24,750 |
| 18,975 | - |
| 20,625 | - |
| 39,600 | 66,000 |

A final dividend of HK\$0.035 (2005: HK\$0.023) per share has been proposed by the directors and is subject to approval by the shareholders in annual general meeting.

董事會已建議派發末期股息每股3.5港仙(2005: 2.3港仙)，惟須待股東於週年大會上批准。

11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year of HK\$101,865,000 (2005: HK\$87,297,000) and 825,000,000 (2005: 825,000,000) shares in issue during the year/period.

11. 每股盈利

每股基本盈利乃按年內溢利101,865,000港元(2005: 87,297,000港元)除以年/期內已發行股份825,000,000股(2005: 825,000,000股)而計算。

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12. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the seven (2005: seven) directors were as follows:

12. 董事酬金

已付或應付予7位(2005: 7位)董事之酬金如下:

| | | Other emoluments | | | | Total |
|--|--------------------------|------------------|-----------------------------|--|--|-----------------|
| | | Fees | Salaries and other benefits | Contributions to retirement benefits schemes | Performance related incentive payments | |
| | | 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 |
| Year ended 31.12.2006 | 截至2006年12月31日止年度 | | | | | |
| <i>Executive directors</i> | <i>執行董事</i> | | | | | |
| Wai Siu Kee | 衛少琦 | – | 1,170 | 12 | – | 1,182 |
| Poon Lai Ming | 潘麗明 | – | 606 | 12 | 101 | 719 |
| Lee Marina Man Wai | 李文慧 | – | 507 | 12 | 42 | 561 |
| Lee Man Yan | 李文恩 | – | 390 | 12 | – | 402 |
| <i>Independent non-executive directors</i> | <i>獨立非執行董事</i> | | | | | |
| Wan Chi Keung, Aaron | 尹志強 | 80 | – | – | – | 80 |
| Heng Kwo Seng | 邢詒春 | 80 | – | – | – | 80 |
| Wong Kai Tung, Tony | 王啟東 | 80 | – | – | – | 80 |
| | | 240 | 2,673 | 48 | 143 | 3,104 |
| 9 months ended 31.12.2005 | 截至2005年12月31日止9個月 | | | | | |
| <i>Executive directors</i> | <i>執行董事</i> | | | | | |
| Wai Siu Kee | 衛少琦 | – | 855 | 9 | 45 | 909 |
| Poon Lai Ming | 潘麗明 | – | 443 | 9 | 124 | 576 |
| Lee Marina Man Wai | 李文慧 | – | 344 | 9 | 57 | 410 |
| Lee Man Yan | 李文恩 | – | 285 | 9 | 15 | 309 |
| <i>Independent non-executive directors</i> | <i>獨立非執行董事</i> | | | | | |
| Wan Chi Keung, Aaron | 尹志強 | 60 | – | – | – | 60 |
| Heng Kwo Seng | 邢詒春 | 60 | – | – | – | 60 |
| Wong Kai Tung, Tony | 王啟東 | 60 | – | – | – | 60 |
| | | 180 | 1,927 | 36 | 241 | 2,384 |

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12. DIRECTORS' EMOLUMENTS (CONTINUED)

Note: The performance related incentive payment is determined with regards to the Company's operating results, individual performance and comparable market statistics.

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2005: two) were directors of the Company whose emoluments are disclosed in note 12 above. The emoluments of the remaining three (2005: three) individuals were as follows:

| | |
|--|----------|
| Salaries and other benefits | 薪金及其他福利 |
| Contributions to retirement benefits schemes | 退休福利計劃供款 |
| Performance related incentive payments | 表現相關獎金 |

12. 董事酬金(續)

附註：表現相關獎金乃按本公司經營業績、個人表現及相對市場統計而釐定。

13. 僱員酬金

在本集團5位最高薪酬之人士中，包括2位(2005：2位)本公司董事，其薪酬已載於上文附註12。而其餘3位(2005：3位)最高薪酬人士之酬金如下：

| | Year ended 31.12.2006 31.12.2006 止 年度 HK\$'000 千港元 | 9 months ended 31.12.2005 31.12.2005 止 9個月 HK\$'000 千港元 |
|--|---|--|
| Salaries and other benefits | 2,210 | 1,958 |
| Contributions to retirement benefits schemes | 24 | — |
| Performance related incentive payments | 183 | — |
| | 2,417 | 1,958 |

The emoluments were within the following bands:

| | |
|--------------------------------|-------------------------|
| HK\$nil to HK\$1,000,000 | 截至1,000,000港元 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001港元至2,000,000港元 |

酬金介乎下列幅度：

| | Year ended 31.12.2006 31.12.2006 止 年度 Number of employees 僱員人數 | 9 months ended 31.12.2005 31.12.2005 止 9個月 Number of employees 僱員人數 |
|--------------------------------|--|---|
| HK\$nil to HK\$1,000,000 | 2 | 3 |
| HK\$1,000,001 to HK\$1,500,000 | 1 | — |
| HK\$1,500,001 to HK\$2,000,000 | — | — |

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14. PROPERTY, PLANT AND EQUIPMENT**14. 物業、廠房及設備**

| | | Land and buildings 土地 及樓宇 HK\$'000 千港元 | Buildings under construction 在建中 樓宇 HK\$'000 千港元 | Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元 | Leasehold improve- ments 租賃物業 裝修 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Moulds 模具 HK\$'000 千港元 | Plant and machinery 廠房及 機器 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|--------------------------------------|--------------|---|--|--|---|--|---------------------------------|--|--------------------------------|
| COST OR VALUATION | 成本或估值 | | | | | | | | |
| At 1 April 2005 | 於2005年4月1日 | 94,074 | 6,228 | 7,336 | 9,449 | 2,527 | 123 | 14,155 | 133,892 |
| Currency realignment | 貨幣調整 | (782) | - | - | - | - | - | (63) | (845) |
| Additions | 添置 | - | 3,635 | 1,516 | - | 1,246 | - | 506 | 6,903 |
| Disposals | 出售 | - | - | (13) | - | (94) | - | (76) | (183) |
| Adjustment arising on revaluation | 因重估產生 之調整 | (2,919) | - | (1,249) | (1,034) | (304) | (12) | (1,232) | (6,750) |
| Reclassification | 分類轉賬 | 9,863 | (9,863) | - | - | - | - | - | - |
| At 31 December 2005 | 於2005年12月31日 | 100,236 | - | 7,590 | 8,415 | 3,375 | 111 | 13,290 | 133,017 |
| Currency realignment | 貨幣調整 | 2,010 | - | 10 | - | 14 | - | 167 | 2,201 |
| Additions | 添置 | - | 7,342 | 993 | - | 1,151 | - | 3,351 | 12,837 |
| Disposals | 出售 | (2,034) | - | (22) | - | (530) | - | (211) | (2,797) |
| Adjustment arising on revaluation | 因重估產生 之調整 | 2,029 | - | (1,015) | 87 | (832) | (12) | (2,243) | (1,986) |
| At 31 December 2006 | 於2006年12月31日 | 102,241 | 7,342 | 7,556 | 8,502 | 3,178 | 99 | 14,354 | 143,272 |
| DEPRECIATION | 折舊 | | | | | | | | |
| At 1 April 2005 | 於2005年4月1日 | - | - | - | - | - | - | - | - |
| Provided for the period | 本期撥備 | 4,649 | - | 1,245 | 608 | 581 | 31 | 1,991 | 9,105 |
| Eliminated on revaluation | 重估時對銷 | (4,649) | - | (1,245) | (608) | (581) | (31) | (1,991) | (9,105) |
| At 31 December 2005 | 於2005年12月31日 | - | - | - | - | - | - | - | - |
| Provided for the year | 本年度撥備 | 6,243 | - | 1,645 | 797 | 801 | 37 | 2,838 | 12,361 |
| Eliminated on revaluation | 重估時對銷 | (6,243) | - | (1,645) | (797) | (801) | (37) | (2,838) | (12,361) |
| At 31 December 2006 | 於2006年12月31日 | - | - | - | - | - | - | - | - |
| CARRYING VALUE | 賬面值 | | | | | | | | |
| At 31 December 2006 | 於2006年12月31日 | 102,241 | 7,342 | 7,556 | 8,502 | 3,178 | 99 | 14,354 | 143,272 |
| At 31 December 2005 | 於2005年12月31日 | 100,236 | - | 7,590 | 8,415 | 3,375 | 111 | 13,290 | 133,017 |

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For the year ended 31 December 2006 截至2006年12月31止年度

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment are depreciated on a reducing balance method at the following rates per annum except for the buildings and leasehold improvements are depreciated on a straight line at the rate of 5% per annum:

| | |
|-----------------------------------|--------------------|
| Furniture, fixtures and equipment | 20% |
| Motor vehicles | 25% |
| Moulds | 33 $\frac{1}{3}$ % |
| Plant and machinery | 20% |

The Group's property, plant and equipment excluding buildings under construction, other than property interests situated in Thailand, were revalued at 31 December 2006 by Sallmanns (Far East) Limited, an independent firm of professional property, plant and machinery valuers, on the basis of fair market value in continued use as part of an on-going business.

The Group's property interests situated in Thailand were revalued at 31 December 2006 by Thai Property Appraisal Lynn Philips Co., Ltd., an independent firm of professional property valuers, on the basis of open market value in existing use.

The net surplus of HK\$10,375,000 (2005: HK\$2,355,000) arising on the above revaluation has been dealt with as follows:

- (i) a surplus of HK\$10,381,000 (2005: HK\$2,350,000) has been credited to the asset revaluation reserve; and
- (ii) a deficit of HK\$6,000 (2005: surplus of HK\$5,000) has been charged to the consolidated income statement.

14. 物業、廠房及設備(續)

除樓宇及租賃物業裝修之折舊乃以直線法按年率5%折舊外，上述物業、廠房及設備項目乃以其遞減結餘按下列年率折舊：

| | |
|----------|--------------------|
| 傢俬、裝置及設備 | 20% |
| 汽車 | 25% |
| 模具 | 33 $\frac{1}{3}$ % |
| 廠房及機器 | 20% |

本集團之物業、廠房及設備，除設於泰國之物業權益外，均由獨立專業物業、廠房及機器估值師，西門(遠東)有限公司，於2006年12月31日以公平市值，並按有關資產將繼續使用作原來業務運作之基準重估。

本集團設於泰國之物業權益於2006年12月31日由獨立專業物業估值師，Thai Property Appraisal Lynn Philips Co., Ltd.，按其現有用途之公開市場價值基準重估。

因上述重估而產生的淨盈餘10,375,000港元(2005: 2,355,000港元)已處理入賬如下：

- (i) 10,381,000港元(2005: 2,350,000港元)盈餘已撥入資產重估儲備；及
- (ii) 6,000港元虧損(2005: 5,000港元盈餘)已計入綜合收益表內。

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綜合財務報表附註

For the year ended 31 December 2006 截至2006年12月31止年度

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

If the above property, plant and equipment had not been revalued, they would have been included in these consolidated financial statements at historical cost less accumulated depreciation at the following amounts:

| | | Land and buildings | Buildings under construction | Furniture, fixtures and equipment | Leasehold improvements | Motor vehicles | Moulds | Plant and machinery | Total |
|---|--------------|--------------------|------------------------------|-----------------------------------|------------------------|----------------|----------|---------------------|-----------|
| | | 土地及樓宇 | 在建中樓宇 | 傢俬、裝置及設備 | 租賃物業裝修 | 汽車 | 模具 | 廠房及機器 | 合計 |
| | | 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 |
| Cost | 成本 | 118,741 | 7,342 | 18,752 | 17,195 | 6,689 | 887 | 41,319 | 210,925 |
| Accumulated depreciation and amortisation | 累計折舊及攤銷 | (45,252) | - | (14,257) | (9,887) | (4,473) | (887) | (33,516) | (108,272) |
| Net book value | 賬面淨值 | | | | | | | | |
| At 31 December 2006 | 於2006年12月31日 | 73,489 | 7,342 | 4,495 | 7,308 | 2,216 | - | 7,803 | 102,653 |
| At 31 December 2005 | 於2005年12月31日 | 79,160 | - | 4,932 | 8,106 | 2,319 | - | 6,371 | 100,888 |

14. 物業、廠房及設備(續)

倘上述之物業、廠房及設備並無進行重估，其將會按歷史成本減去累計折舊以下列數額於綜合財務報表呈列：

| | | 2006 HK\$'000 千港元 | 2005 HK\$'000 千港元 |
|--|----------------------|-------------------------|-------------------------|
| The carrying values of the Group's property interests comprises: | 本集團物業權益之賬面值包括： | | |
| - freehold land in Thailand | - 在泰國以永久業權持有土地 | 8,740 | 7,680 |
| - buildings on freehold land in Thailand | - 在泰國以永久業權持有土地上之樓宇 | 13,180 | 12,100 |
| - buildings on land under medium-term land use rights in the PRC | - 在中國享有中期土地使用權土地上之樓宇 | 80,321 | 80,456 |
| | | 102,241 | 100,236 |

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綜合財務報表附註

For the year ended 31 December 2006 截至2006年12月31止年度

15. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise leasehold land in the PRC under medium-term lease:

Analysed for reporting purposes as: 為呈報目的作出分析：

Non-current asset 非流動資產
Current asset 流動資產

15. 預付租賃款項

本集團之預付租賃款項包括於中國按中期租賃持有之租賃土地。

| 2006 | 2005 |
|-----------------|----------|
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |
| 27,520 | 27,745 |
| 490 | 490 |
| 28,010 | 28,235 |

16. INVENTORIES

Raw materials and consumables 原材料及耗用品
Work in progress 在製品
Finished goods 製成品

16. 存貨

| 2006 | 2005 |
|-----------------|----------|
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |
| 42,249 | 29,018 |
| 37,759 | 24,893 |
| 9,603 | 18,150 |
| 89,611 | 72,061 |

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For the year ended 31 December 2006 截至2006年12月31止年度

17. OTHER FINANCIAL ASSETS

(a) TRADE AND OTHER RECEIVABLES

The Group generally allows an average credit period ranged from 30 to 60 days to its trade customers.

Included in trade and other receivables are trade and bills receivables of HK\$122,272,000 (2005: HK\$77,418,000). The aged analysis of trade and bills receivables at the balance sheet date is as follows:

| | |
|-------------------|--------|
| Less than 30 days | 少於30天 |
| 31-60 days | 31至60天 |
| 61-90 days | 61至90天 |
| Over 90 days | 90天以上 |
| Other receivables | 其他應收款 |

(b) BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short term bank deposits with an original maturity of three months or less. The deposits carry at prevailing market average interest rate of 4.3% (2005: 4.1%) per annum. An aggregate of HK\$203,290,000 included in bank balances and cash is denominated in foreign currencies, comprising US\$11,621,000, Yen1,353,861,000, RMB20,911,000 and Euro312,000.

17. 其他財務資產

(a) 應收貿易及其他款項

本集團一般給予貿易客戶之除賬期平均30天至60天。

應收貿易及其他款項包括應收貿易款項及票據約122,272,000港元(2005:77,418,000港元)。應收貿易款項及票據於結算日之賬齡分析如下：

| | 2006 HK\$'000 千港元 | 2005 HK\$'000 千港元 |
|--|-------------------------|-------------------------|
| | 59,778 | 37,450 |
| | 35,663 | 19,264 |
| | 13,028 | 10,170 |
| | 13,803 | 10,534 |
| | 122,272 | 77,418 |
| | 6,703 | 8,249 |
| | 128,975 | 85,667 |

(b) 銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及原本為3個月或少於3個月到期之短期銀行存款。該等存款按市場平均年息率4.3% (2005: 4.1%) 計息。銀行結餘及現金中包括合共203,290,000港元乃以外幣定值，內含11,621,000美元、1,353,861,000日圓、人民幣20,911,000元及312,000歐元。

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For the year ended 31 December 2006 截至2006年12月31止年度

18. DERIVATIVE FINANCIAL INSTRUMENTS

The amount represents the fair value of foreign exchange contract held by the Group with the terms stated as follows:

| Notional amount 概念金額 | Maturity 到期日 | Exchange rate 兌換率 |
|----------------------------------|-----------------|--------------------------------------|
| Sell USD349,440 出售 349,440 美元 | 28.02.2007 | 1 EURO: 1.248 USD 1 歐元 : 1.248 美元 |

The contract will be matured within one year and the change in its fair value is recognised in the consolidated income statement.

18. 衍生金融工具

金額呈示本集團持有外幣兌換合約之公平值，其條款列載如下：

合約將於一年內到期及其公平值之變動於綜合收益表中確認。

19. TRADE AND OTHER PAYABLES

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days.

Included in trade and other payables are trade and bills payables of HK\$69,942,000 (2005: HK\$48,801,000). The aged analysis of trade and bills payables at the balance sheet date is as follows:

19. 應付貿易及其他款項

應付貿易及其他款項主要包括貿易購貨及持續開支成本之未付金額。貿易購貨之平均除賬期為30天。

應付貿易及其他款項包括應付貿易款項及票據約69,942,000港元(2005:48,801,000港元)，應付貿易款項及票據於結算日之賬齡分析如下：

| | | 2006 HK\$'000 千港元 | 2005 HK\$'000 千港元 |
|-------------------|--------|-------------------------|-------------------------|
| Less than 30 days | 少於30天 | 40,822 | 26,865 |
| 31-60 days | 31至60天 | 25,316 | 17,679 |
| 61-90 days | 61至90天 | 2,549 | 1,829 |
| Over 90 days | 90天以上 | 1,255 | 2,428 |
| | | 69,942 | 48,801 |
| Other payables | 其他應付款 | 25,159 | 23,969 |
| | | 95,101 | 72,770 |

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20. AMOUNT DUE TO A RELATED COMPANY

At 31 December 2006, the balance represented an amount due to Lee & Man Industrial Manufacturing Limited which is beneficially owned by Mr. Lee Wan Keung, the associate of the Group. The amount is unsecured, non-interest bearing and repayable on demand.

At 31 December 2005, the balances represented amounts due to Lee & Man Industrial Manufacturing Limited and Lee & Man Manufacturing Co. Ltd, in which Ms. Lee Marina Man Wai, a director of the Company, is also a director. The amount due to Lee & Man Manufacturing Co. Ltd. was fully repaid during the year.

21. UNSECURED BANK BORROWINGS AND BANK OVERDRAFTS

The bank loans are denominated in USD and carry fixed interest at 5.95% per annum. The bank overdrafts carry variable interest rates. Both amounts are repayable on demand or within one year.

22. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior reporting year/period.

| | | Accelerated tax depreciation 加速 稅務折舊 HK\$'000 千港元 | Revaluation of property, plant and equipment 物業、廠房 及設備重估 HK\$'000 千港元 | Tax losses 稅項虧損 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|---------------------------------|--------------|---|--|--|--------------------------------|
| At 1 April 2005 | 於2005年及4月1日 | 124 | 1,268 | (124) | 1,268 |
| Credit to equity for the period | 期內計入權益 | – | 26 | – | 26 |
| At 31 December 2005 | 於2005年12月31日 | 124 | 1,294 | (124) | 1,294 |
| Credit to equity for the year | 年內計入權益 | – | 644 | – | 644 |
| At 31 December 2006 | 於2006年12月31日 | 124 | 1,938 | (124) | 1,938 |

20. 應付關連公司款項

於2006年12月31日，結餘乃應付Lee & Man Industrial Manufacturing Limited(由本集團之聯繫人李運強先生實益擁有)之款項。該款項乃無抵押、免息及須於應要求時償還。

於2005年12月31日，結餘乃應付Lee & Man Industrial Manufacturing Limited及理文製造廠有限公司(本公司董事李文慧女士為其董事)之款項。應付理文製造廠有限公司之款項已於年內全數付清。

21. 無抵押銀行借款及銀行透支

銀行貸款乃以美元定值並以固定年利率5.95%計息。銀行透支以浮動利率計息。兩者均須於應要求時或1年內償還。

22. 遞延稅項

本年度及過往報告期間已確認之主要遞延稅項負債及資產及其變動概述如下：

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22. DEFERRED TAXATION (CONTINUED)

At the balance sheet date, the Group had unutilised tax losses of HK\$23,108,000 (2005: HK\$20,964,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$711,000 (2005: HK\$711,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$22,397,000 (2005: HK\$20,253,000) due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

23. SHARE CAPITAL

22. 遞延稅項 (續)

於結算日，本集團尚未動用但可用作抵扣未來課稅溢利之稅項虧損為23,108,000港元(2005：20,964,000港元)。其中就該虧損確認了711,000港元(2005：711,000港元)之遞延稅項資產。由於未來溢利之流入不可預測，餘下之22,397,000港元(2005：20,253,000港元)稅項虧損並無確認為遞延稅項資產。稅項虧損可無限期結轉。

23. 股本

| | | Number of ordinary shares 普通股份數目 | Amount 金額 HK\$'000 千港元 |
|--|------------------------------------|--|---------------------------------|
| Ordinary shares of HK\$0.10 each: | 每股面值0.1港元之普通股： | | |
| Authorised: | 法定： | | |
| At 1 April 2005, 31 December 2005 and 31 December 2006 | 於2005年4月1日、2005年12月31日及2006年12月31日 | 5,000,000,000 | 500,000 |
| Issued and fully paid: | 發行及繳足： | | |
| At 1 April 2005, 31 December 2005 and 31 December 2006 | 於2005年4月1日、2005年12月31日及2006年12月31日 | 825,000,000 | 82,500 |

There was no movement in the Company's share capital for both year/period.

本公司之股本於兩個年度／期間並無變動。

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24. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 14 December 2001 for the purpose of providing incentives to directors and eligible persons. The Scheme will remain in force for a period of 10 years from adoption of such scheme and will expire on 13 December 2010.

Under the Scheme, the Board of Directors of the Company (the "Directors") may at their discretion grant options to (i) any director, employee or consultant of the Group or a company in which the Group holds an equity interest or a subsidiary of such company ("Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Group or an Affiliate; or (iv) any customer, supplier or adviser as may be determined by the Directors from time to time to subscribe for the shares of the Company (the "Shares").

Options granted must be taken up within 21 days of the date of grant. The maximum number of Shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company at any point in time. The maximum number of Shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the Shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules.

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it can be exercised) as may be determined by the Directors (which shall be less than ten years from the date of issue of the relevant option). Options may be granted without initial payment. The exercise price is equal to the highest of (i) nominal value of the Shares; (ii) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options.

No options were granted by the Company under the Scheme since its adoption.

24. 購股權計劃

本公司根據一項於2001年12月14日通過之決議案，已採納購股權計劃（「計劃」），以獎勵董事及合適人士。計劃從採納後10年內有效，並於2010年12月13日屆滿。

根據計劃，本公司董事會（「董事會」）可酌情向(i)本集團、本集團擁有股本權益之公司或該公司之附屬公司（「聯屬公司」）之任何董事、僱員或顧問；或(ii)受益人包括本集團或其聯屬公司之任何董事、僱員或顧問之任何全權信託；或(iii)由本集團或其聯屬公司之任何董事、僱員或顧問實益擁有之公司；或(iv)由董事會於不時決定之任何客戶、供應商或顧問授予購股權以認購本公司股份（「股份」）。

獲授予之購股權必須於獲授日起計21天內接納。有關根據計劃所授出之購股權所涉及之股份數目，在任何時候最高不得超過本公司已發行股本之10%。除非根據上市規則獲得本公司股東批准，否則於任何12個月期間授予任何個別人士之購股權之最高股份數目，不得超過於該12個月期間之最後一日已發行股份之1%。

購股權可於董事會釐定之有關期間（該期間將由發行有關購股權起計10年內，並包括購股權可予行使前必須持有之最短期限（如有）內行使。購股權可在毋須作出初期付款之情況下授出，並可按下述三項中之最高者作為行使價格(i)股份之面值；(ii)股份於授出購股權當日聯交所每日報價表所列之每股收市價；及(iii)股份於緊貼授出日期前5個交易日在聯交所之每日報價表所列之平均每股收市價。

自計劃採納以來，本公司並無根據計劃授出購股權。

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25. OPERATING LEASES

Minimum lease payments paid under operating leases in respect of land and buildings during the year/period

年/期內有關土地及樓宇經營租約之最低租賃付款

25. 經營租約

| Year ended 31.12.2006 31.12.2006 止 年度 HK\$'000 千港元 | 9 Months ended 31.12.2005 31.12.2005 止 9 個月 HK\$'000 千港元 |
|---|---|
| 1,645 | 1,466 |

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

於結算日，本集團就不可註銷經營租約之未來最低租賃付款承擔如下：

Within one year 一年內
In the second to fifth year inclusive 於第二至第五年內

| 2006 HK\$'000 千港元 | 2005 HK\$'000 千港元 |
|-------------------------|-------------------------|
| 145 | 622 |
| 26 | 105 |
| 171 | 727 |

The commitments for operating lease payments represent rentals payable by the Group for office properties. Leases are negotiated for an average term of two years. Rentals are based on the terms specified in the lease agreements.

經營租賃付款承擔指本集團就其辦公室物業應付之租金。租賃之平均租期為兩年，租金乃根據租賃協議內之指定條款釐定。

26. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:

– the acquisition of property, plant and equipment 已訂約但未於綜合財務報表中撥備之資本性支出：

– the acquisition of land use right 已訂約但未於綜合財務報表中撥備之資本性支出：

– 購置物業、廠房及設備

– 購入土地使用權

26. 資本承擔

| 2006 HK\$'000 千港元 | 2005 HK\$'000 千港元 |
|-------------------------|-------------------------|
| 163,487 | 57,786 |
| 44,200 | 42,465 |

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27. RETIREMENT BENEFIT SCHEMES

Defined benefit scheme

The Group is a member of a defined benefit scheme which was open to qualified employees of companies under the control of Fortune Star. In December 2000, all the then existing members of the defined benefit scheme were enrolled into a MPF Scheme and their accrued benefits for the past services under the defined benefit scheme were frozen as at 30 November 2000. The defined benefit scheme was closed to new employees from December 2000 onwards.

Under the defined benefit scheme, employees are entitled to retirement benefits varying between 0 and 100% of their salary as at 30 November 2000 multiplied by the pensionable service up to 30 November 2000 on attainment of a retirement age of 55. No other post-retirement benefits are provided.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at 31 December 2006 by HSBC Life (International) Limited. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

The main actuarial assumptions used were as follows:

| | |
|-----------------------------------|----------|
| Discount rate | 貼現率 |
| Expected return on plan assets | 計劃資產預期回報 |
| Expected rate of salary increases | 薪酬預期增幅 |

The actuarial valuation shows that the market value of plan assets at 31 December 2006 was HK\$9,443,000 (2005: HK\$9,387,000) and that the actuarial value of these assets represented 123% (2005: 116%) of the benefits that were accrued to members.

27. 退休福利計劃

界定利益計劃

本集團為一項界定利益計劃之成員，該計劃專為受 Fortune Star 控制之公司之合資格僱員而設。於 2000 年 12 月，界定利益計劃當時之所有成員已登記加入強積金計劃，其於界定利益計劃下過往服務之累積利益已於 2000 年 11 月 30 日被凍結，界定利益計劃亦由 2000 年 12 月起不再接受新僱員加入。

根據界定利益計劃，僱員於年屆 55 歲退休之齡時，可收取之退休福利乃相等於其於 2000 年 11 月 30 日之薪酬之 0% 至 100% 不等，並乘以截至 2000 年 11 月 30 日止之應計算退休金之服務年資。本集團並未提供其他退休後福利。

計劃資產及界定利益承擔現值之最近期精算評估乃由匯豐人壽保險(國際)有限公司於 2006 年 12 月 31 日作出評估。界定利益承擔現值、相關之現時服務成本及過往服務成本乃採用預估單位利益法計算。

所採用之主要精算假設如下：

| Year ended | 9 Months ended |
|-----------------------------------|----------------|
| 31.12.2006 | 31.12.2005 |
| 31.12.2006 止 | 31.12.2005 止 |
| 年度 | 9 個月 |
| Per annum | Per annum |
| 年率 | 年率 |
| Discount rate | 4.25% |
| Expected return on plan assets | 5.0% |
| Expected rate of salary increases | 0% |

精算評估顯示計劃資產於 2006 年 12 月 31 日之市值為 9,443,000 港元 (2005 : 9,387,000 港元)，而該等資產之精算價值乃相當於計劃成員應得利益之 123% (2005 : 116%)。

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27. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

The charge recognised in the consolidated income statement in respect of the defined benefit scheme is as follows:

| | | |
|--|-------------|--|
| Interest cost | 利息成本 | |
| Expected return on plan assets | 計劃資產預期回報 | |
| Contributions | 供款 | |
| Net actuarial gains | 精算淨收益 | |
| Total, included in administrative expenses | 合計，已包括入行政費用 | |

The amount included in the consolidated balance sheet arising from the Group's obligation in respect of its defined benefit retirement benefit plan is as follows:

| | | |
|---|--------------|--|
| Present value of funded defined benefit obligations | 界定利益承擔款項之現值 | |
| Fair value of plan assets | 計劃資產之公平價值 | |
| Net actuarial losses not recognised | 未確認之精算虧損 | |
| Net asset arising from defined benefit obligation | 界定利益承擔產生之淨資產 | |

27. 退休福利計劃(續)

界定利益計劃(續)

在綜合收益表內就界定利益計劃已確認之開支如下：

| Year ended 31.12.2006 31.12.2006 止 年度 HK\$'000 千港元 | 9 Months ended 31.12.2005 31.12.2005 止 9個月 HK\$'000 千港元 |
|---|--|
| 336 | 297 |
| (461) | (340) |
| (3) | — |
| 133 | 127 |
| 5 | 84 |

已列入綜合資產負債表中本集團於界定利益退休福利計劃之承擔所產生之數額如下：

| 2006 HK\$'000 千港元 | 2005 HK\$'000 千港元 |
|-------------------------|-------------------------|
| 7,657 | 8,085 |
| (9,443) | (9,387) |
| (1,786) | (1,302) |
| (1,491) | (1,980) |
| (3,277) | (3,282) |

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27. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

Movements in the present value of the defined benefit obligations in the current year were as follows:

| | | Year ended 31.12.2006 31.12.2006 止 年度 HK\$'000 千港元 | 9 Months ended 31.12.2005 31.12.2005 止 9 個月 HK\$'000 千港元 |
|---------------------------------|--------|---|---|
| Opening balance | 期初結餘 | 8,085 | 7,923 |
| Interest cost | 利息成本 | 336 | 297 |
| Benefit paid | 已付利益 | (349) | — |
| Transfer out to other employers | 轉往其他僱主 | (57) | — |
| Actuarial gains | 精算收益 | (358) | (135) |
| Closing balance | 期末結餘 | 7,657 | 8,085 |

Movements in the fair value of the plan assets in the current year were as follows:

| | | Year ended 31.12.2006 31.12.2006 止 年度 HK\$'000 千港元 | 9 Months ended 31.12.2005 31.12.2005 止 9 個月 HK\$'000 千港元 |
|----------------------------------|----------|---|---|
| Opening balance | 期初結餘 | 9,387 | 9,046 |
| Expected return on plan assets | 計劃資產預期回報 | 461 | 340 |
| Contributions from the employers | 僱主供款 | 3 | — |
| Benefit paid | 已付利益 | (349) | — |
| Transfer out to other employers | 轉往其他僱主 | (57) | — |
| Actuarial (losses) gains | 精算(虧損)收益 | (2) | 1 |
| Closing balance | 期末結餘 | 9,443 | 9,387 |

27. 退休福利計劃(續)

界定利益計劃(續)

年內界定利益承擔現值變動如下：

| | | Year ended 31.12.2006 31.12.2006 止 年度 HK\$'000 千港元 | 9 Months ended 31.12.2005 31.12.2005 止 9 個月 HK\$'000 千港元 |
|---------------------------------|--------|---|---|
| Opening balance | 期初結餘 | 8,085 | 7,923 |
| Interest cost | 利息成本 | 336 | 297 |
| Benefit paid | 已付利益 | (349) | — |
| Transfer out to other employers | 轉往其他僱主 | (57) | — |
| Actuarial gains | 精算收益 | (358) | (135) |
| Closing balance | 期末結餘 | 7,657 | 8,085 |

年內計劃資產之公平值變動如下：

| | | Year ended 31.12.2006 31.12.2006 止 年度 HK\$'000 千港元 | 9 Months ended 31.12.2005 31.12.2005 止 9 個月 HK\$'000 千港元 |
|----------------------------------|----------|---|---|
| Opening balance | 期初結餘 | 9,387 | 9,046 |
| Expected return on plan assets | 計劃資產預期回報 | 461 | 340 |
| Contributions from the employers | 僱主供款 | 3 | — |
| Benefit paid | 已付利益 | (349) | — |
| Transfer out to other employers | 轉往其他僱主 | (57) | — |
| Actuarial (losses) gains | 精算(虧損)收益 | (2) | 1 |
| Closing balance | 期末結餘 | 9,443 | 9,387 |

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27. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Defined benefit scheme (continued)

The major categories of plan assets, and the expected rate of return at the balance sheet date for each category, is as follows:

| | | Expected return | | Fair value of plan assets | |
|----------------------------------|----------|-----------------|------|---------------------------|----------|
| | | 預期回報 | | 計劃資產之公平值 | |
| | | 2006 | 2005 | 2006 | 2005 |
| | | % | % | HK\$'000 | HK\$'000 |
| | | % | % | 千港元 | 千港元 |
| Debt instruments | 債券 | 4 | 4 | 7,473 | 7,891 |
| Other assets | 其他資產 | 2 | 2 | 184 | 194 |
| Weighted average expected return | 預期回報加權平均 | 6 | 6 | 7,657 | 8,085 |

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The directors' assessment of the expected return is based on historical return trends and analysis predictions of the market for the asset in the next twelve months.

The actual return on plan assets for the year was HK\$459,000 (2005: HK\$341,000).

The fair value of the plan assets does not include any equity shares in the Company or property held by the Group.

The history of experience adjustments is as follows:

| | | 31.12.2006 | 31.12.2005 | 31.3.2005 |
|---|----------|------------|------------|-----------|
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| Present value of defined benefit obligation | 界定利益承擔現值 | 7,657 | 8,085 | 7,923 |
| Fair value of plan assets | 計劃資產之公平值 | (9,443) | (9,387) | (9,046) |
| Surplus | 盈餘 | (1,786) | (1,302) | (1,123) |
| Experience adjustment on plan liabilities | 計劃負債過往調整 | (358) | (135) | 1,838 |
| Experience adjustment on plan assets | 計劃資產過往調整 | (2) | 1 | (20) |

Defined contribution scheme

The Group operates a MPF Scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes monthly the lower of HK\$1,000 or 5% of the relevant monthly payroll costs to the MPF Scheme, which contribution is matched by employees.

27. 退休福利計劃(續)

界定利益計劃(續)

計劃資產之主要分類及預期回報率於結算日分類如下：

整體之預期回報率乃持有之不同類別計劃資產預期回報之加權平均。董事對預期回報之評估乃基於以往回報記錄及市場對資產於未來十二個月之預計分析。

本年度計劃資產之實際回報為459,000港元(2005：341,000港元)。

計劃資產之公平價值並無包含本公司之股本權益或本集團持有之物業。

過往調整實況如下：

界定供款計劃

本集團為所有合資格的僱員設立一項強積金計劃。該計劃之資產與本集團之資產分開持有，並由受託人控制。本集團向強積金計劃供款1,000港元或有關每月薪酬成本之5%(以較低者為準)，而僱員之供率比率相同。

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28. CONNECTED AND RELATED PARTY TRANSACTIONS AND BALANCES

The Group had significant transactions and balances with related parties which are also deemed to be connected persons pursuant to the Listing Rules, during the year/period and at the balance sheet date as follows:

28. 關連交易及結餘

本集團與相關各方，當中包括根據上市規則同時被界定為關連人士於年／期內所進行之重大交易及於年結日之結餘如下：

| Name of party | Relationship | Nature of transactions/balance | Year ended 31.12.2006 31.12.2006止 年度 HK\$'000 千港元 | 9 months ended 31.12.2005 31.12.2005止 9個月 HK\$'000 千港元 |
|---|--|---|--|---|
| Connected parties 關連人士 | | | | |
| Capital Nation Investments Limited | A company beneficially owned by Mr. Lee Wan Keung 由李運強先生實益擁有之公司 | Corrugated cardboard and carton boxes purchased 購買瓦楞紙板及紙箱 | 2,579 | 4,415 |
| | | Management fee income received 管理費收入 | 71 | 348 |
| | | Balance at the balance sheet date – trade payable 於結算日之結餘 – 應付貿易款項 | 1,023 | 899 |
| Lee & Man Paper Manufacturing Limited 理文造紙有限公司 | An associate of Fortune Star Fortune Star之聯繫人 | Management fee income received 管理費收入 | – | 39 |
| Lee and Man Manufacturing Co. Ltd. 理文製造廠有限公司 | A company beneficially owned by Ms. Lee Marina Man Wai, a director of the Company 由本公司董事李文慧女士實益擁有之公司 | Management fee income received 管理費收入 | 130 | 108 |
| | | Licence fee received 已收使用權費 | 723 | 561 |
| | | Plastic accessory purchased 購買塑膠配件 | – | 121 |
| | | Balance at the balance sheet date – trade payable 於結算日之結餘 – 應付貿易款項 | – | 31 |
| Lee & Man Realty Investment Limited 理文置業有限公司 | A company beneficially owned by Mr. Lee Man Yan, a director of the Company and Mr. Lee Wan Keung 由李文恩先生(本公司董事)及李運強先生實益擁有之公司 | Licence fee paid 已付使用權費 | 965 | 808 |

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28. CONNECTED AND RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The remuneration of directors and other members of key management during the year/period was as follows:

| | | Year ended 31.12.2006 | 9 months ended 31.12.2005 |
|--------------------------|------|--|------------------------------|
| | | 31.12.2006 止 年度 | 31.12.2005 止 9個月 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Short-term benefits | 短期福利 | 6,940 | 4,797 |
| Post-employment benefits | 退休福利 | 132 | 90 |
| | | 7,072 | 4,887 |

28. 關連交易及結餘 (續)

董事及其他主要管理層成員於年／期內之酬金如下：

29. SUMMARISED FINANCIAL INFORMATION OF THE COMPANY

The summarised financial information of the Company is as follows:

| | | 2006 | 2005 |
|------------------------------|----------|-----------------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| ASSETS | 資產 | | |
| Investments in subsidiaries | 於附屬公司之投資 | 215,145 | 215,145 |
| Amount due from a subsidiary | 附屬公司欠款 | 97,545 | 97,543 |
| Prepayments | 預付款項 | 174 | 209 |
| Bank balance | 銀行結餘 | 599 | 400 |
| | | 313,463 | 313,297 |
| LIABILITIES | 負債 | | |
| Other payables | 其他應付款項 | 664 | 668 |
| | | 312,799 | 312,629 |
| CAPITAL AND RESERVES | 股本及儲備 | | |
| Share capital | 股本 | 82,500 | 82,500 |
| Reserves | 儲備 | 230,299 | 230,129 |
| | | 312,799 | 312,629 |

29. 本公司財務資料概要

本公司財務資料概要如下：

(a)

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綜合財務報表附註

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29. SUMMARISED FINANCIAL INFORMATION OF THE COMPANY (CONTINUED)

Notes:

(a) Reserves

| | | Share premium | Contributed surplus | Accumulated profits | Total 合計 |
|-----------------------|--------------|--------------------------|--------------------------------|--------------------------------|---------------------|
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 April 2005 | 於2005年4月1日 | 20,307 | 112,338 | 41,414 | 174,059 |
| Profit for the period | 期內溢利 | – | – | 122,070 | 122,070 |
| Dividends | 股息 | – | – | (66,000) | (66,000) |
| At 31 December 2005 | 於2005年12月31日 | 20,307 | 112,338 | 97,484 | 230,129 |
| Profit for the year | 年內溢利 | – | – | 39,770 | 39,770 |
| Dividends (note 10) | 股息(附註 10) | – | – | (39,600) | (39,600) |
| At 31 December 2006 | 於2006年12月31日 | 20,307 | 112,338 | 97,654 | 230,299 |

The contributed surplus of the Company represents the difference between the aggregate net tangible assets of the subsidiaries acquired by the Company pursuant to a group reorganisation in December 2001 and the nominal value of the Company's shares issued for the acquisition.

本公司之實繳盈餘乃本公司透過2001年12月之集團重組所收購之附屬公司之有形資產淨值總和與本公司因該收購而發行之股本面值之差額。

29. 本公司財務資料概要(續)

附註：

(a) 儲備

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30. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2006 are as follows:

| Name of subsidiary | Place of incorporation | Nominal value of issued and fully paid share capital/ paid-in capital 已發行及繳足股本面值/ 實繳股本 | Attributable equity interest | Principal activities # |
|--|--------------------------------------|--|------------------------------|---|
| 附屬公司名稱 | 註冊成立地點 | | 所佔權益 | 主要業務 # |
| Lee & Man Development 理文發展 | British Virgin Islands 英屬維爾京群島 | Shares – US\$90 股份 – 90 美元 | 100% | Investment holding 投資控股 |
| Lee & Man Company Limited 理文洋行有限公司 | Hong Kong 香港 | Ordinary shares – HK\$1,000,000 普通股份 – 1,000,000 港元 Non-voting deferred shares – HK\$1,000,000 無投票權遞延股份 – 1,000,000 港元 | 100% | Manufacture and sales of handbags and luggage 製造及銷售手袋及行李箱 |
| Lee & Man Handbag Manufacturing Company Limited 理文手袋廠有限公司 | Hong Kong 香港 | Ordinary shares – HK\$10,000 普通股份 – 10,000 港元 Non-voting deferred shares – HK\$500,000 無投票權遞延股份 – 500,000 港元 | 100% | Manufacture and sales of handbags and luggage 製造及銷售手袋及行李箱 |
| Lee & Man Management Company Limited 理文管理有限公司 | Hong Kong 香港 | Ordinary shares – HK\$2 普通股份 – 2 港元 | 100% | Provision of management and administration services 提供管理及行政服務 |
| Lee & Man (Jiangsu) Investment Limited 理文(江蘇)投資有限公司 | British Virgin Islands 英屬維爾京群島 | Ordinary shares – US\$1 普通股份 – 1 美元 | 100% | Investment holding 投資控股 |
| Jiangsu Lee & Man Chemical Limited 江蘇理文化工有限公司 | PRC 中國 | Paid-in capital – RMB59,478,763 實繳股本 – 人民幣 59,478,763 元 | 100% | Production and sales of chloromethane products 生產及銷售甲烷氯化物產品 |

30 主要附屬公司

本公司於2006年12月31日之主要附屬公司之詳情如下：

The principal activities are carried out in the PRC and Hong Kong.

主要業務均在中國及香港進行。

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30. PRINCIPAL SUBSIDIARIES (CONTINUED)

Only Lee & Man Development is directly held by the Company.

The deferred shares practically carry no rights to participate in profits or surplus assets or to receive notice of or to attend or vote at any general meeting of the respective companies or to participate in any distribution on winding up.

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

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

31. POST BALANCE SHEET EVENT

On 10 March 2007, the Group entered into an agreement with an independent third party to purchase the plant and equipment at a consideration of JPY1,330 million (approximately HK\$88 million).

30 主要附屬公司(續)

只有理文發展由本公司直接持有。

遞延股份並無權利參與分派溢利或盈餘資產或接收各有關公司任何股東大會之通告或出席大會或於會上投票或參與清盤之任何分派。

董事認為上表載列之本公司附屬公司，乃主要影響本集團之業績或資產之公司。董事認為若提供其他附屬公司之詳情將導致篇幅冗長。

附屬公司於年終或年內任何時間概無任何未贖回之債務證券。

31. 結算日後事項

於2007年3月10日，本集團與一獨立第三方簽訂協議以13.3億日圓(約0.88億港元)之代價購買廠房與設備。