

Notes to the Financial Statements

財務報表附註

1. Group reorganisation, application of merger accounting and general information

Group reorganisation

Lee Kee Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 11th November 2005 as an exempted company with limited liability under the Companies Law (2004 Revision) of the Cayman Islands.

The Company and the subsidiaries now comprising the Group underwent the following reorganisation (“Reorganisation”) in preparation for the initial public offering of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”):

- (i) On 21st August 2006, each of Lee Kee Metal Company (BVI) Limited, Lee Sing Materials Company (BVI) Limited, Lee Fung Metal Company (BVI) Limited, Lee Tai Precious Metal Company (BVI) Limited and Toba Company (BVI) Limited (collectively the “BVI Subsidiaries”) allotted and issued one share of HK\$1.00 to Lee Kee Group Limited (“Lee Kee Group”), credited as fully paid, in consideration of the acquisition of the entire share capital of each of Lee Kee Metal Company Limited, Lee Sing Materials Company Limited, Lee Fung Metal Company Limited, Lee Tai Precious Metal Company Limited and Toba Company Limited (collectively the “Hong Kong Subsidiaries”), respectively from Lee Kee Group. After the reorganisation, the BVI Subsidiaries, which were all wholly and directly held by Lee Kee Group, became intermediate holding companies of the Hong Kong Subsidiaries.

1. 集團重組、應用合併會計法及一般資料

集團重組

利記控股有限公司（「本公司」）於二零零五年十一月十一日根據開曼群島公司法（二零零四年修訂本）在開曼群島註冊成立為獲豁免有限公司。

為籌備本公司股份首次在香港聯合交易所有限公司（「聯交所」）主板公開發售，現時組成本集團的本公司及附屬公司進行了以下重組（「重組」）：

- (i) 於二零零六年八月二十一日，Lee Kee Metal Company (BVI) Limited、Lee Sing Materials Company (BVI) Limited、Lee Fung Metal Company (BVI) Limited、Lee Tai Precious Metal Company (BVI) Limited 及 Toba Company (BVI) Limited（統稱「BVI附屬公司」）各自向利記集團有限公司（「利記集團」）配發及發行一股面值 1.00 港元的入賬列作繳足股份，作為分別從利記集團收購利記五金有限公司、利昇五金有限公司、利豐五金有限公司、利泰（貴金屬）有限公司及 T o b a Company Limited（統稱「香港附屬公司」）各公司全部股本的代價。重組後，BVI附屬公司（全部均由利記集團全資及直接擁有）成為香港附屬公司的中介控股公司。

1. Group reorganisation, application of merger accounting and general information (Continued)

Group reorganisation (Continued)

- (ii) On 11th September 2006, Lee Kee Group (BVI) Limited ("Lee Kee Group (BVI)"), a wholly owned subsidiary of the Company entered into a reorganisation agreement with Mr Chan Pak Chung and Lee Kee Group, whereby Lee Kee Group allotted and issued 1,000 new ordinary shares of HK\$1.00 each to Lee Kee Group (BVI) for cash at par. Mr Chan Pak Chung also consented to convert the 10,000,000 ordinary shares of HK\$1.00 each of Lee Kee Group held by him into 10,000,000 non-voting deferred shares of HK\$1.00 each in consideration of the allotment and issue to the Company of 1 new ordinary share of HK\$1.00 of Lee Kee Group (BVI) at HK\$640,630,602 pursuant to a deed of gift entered into between Mr Chan Pak Chung and the Company. On 12th September 2006, the 10,000,000 non-voting deferred shares converted were repurchased by Lee Kee Group at par from Mr Chan Pak Chung.

Upon the completion of the Reorganisation, the Company became the holding company of the subsidiaries as set out in note 30 to the financial statements on 11th September 2006.

Application of merger accounting

These consolidated financial statements have been prepared using the principles of merger accounting, as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants.

The consolidated financial statements include the financial position, results and cash flows of the companies comprising the Group as if the current group structure had been in existence since 1st January 2005, or since their respective dates of incorporation / establishment. Companies acquired from (or disposed of to) a third party during the period were included in (excluded from) the consolidated financial statements of the Group from the date of that acquisition (disposal).

1. 集團重組、應用合併會計法及一般資料 (續)

集團重組 (續)

- (ii) 於二零零六年九月十一日，本公司全資附屬公司Lee Kee Group (BVI) Limited (「Lee Kee Group (BVI)」)與陳伯中先生及利記集團訂立一項重組協議，據此，利記集團按面值配發及發行1,000股每股面值1.00港元的新普通股予Lee Kee Group (BVI)以換取現金。陳伯中先生亦同意將其持有利記集團10,000,000股每股面值1.00港元的普通股轉換成10,000,000股每股面值1.00港元的無投票權遞延股份，代價為根據陳伯中先生與本公司訂立的餽贈契據以640,630,602港元作價向本公司配發及發行Lee Kee Group (BVI)1股面值1.00港元的新普通股。於二零零六年九月十二日，所轉換的10,000,000股無投票權遞延股份按面值由利記集團向陳伯中先生購回。

重組完成後，本公司於二零零六年九月十一日成為財務報表附註30所述現時組成本集團各附屬公司的控股公司。

應用合併會計法

該等綜合財務報表採用香港會計師公會頒佈的香港會計指引第5號「共同控制合併之合併會計法」所載的合併會計原則編製。

綜合財務報表包括組成本集團的公司的財務狀況、業績及現金流量，猶如目前的集團架構自二零零五年一月一日或彼等各自的註冊成立／成立日期起已經存在。本集團的綜合財務報表已自進行收購(出售)當日起計入(扣除)於期內向第三方收購(或出售)的公司。

1. Group reorganisation, application of merger accounting and general information (Continued)
Application of merger accounting (Continued)

The following is a reconciliation of the effect arising from the common control combination on the consolidated balance sheets.

Consolidated balance sheet as at 31st December 2006:

		The Company and Lee Kee Group (BVI)	Lee Kee Group and its subsidiaries	Adjustment (Note)	Consolidated
		本公司及 Lee Kee Group (BVI)	利記集團及 其附屬公司	調整 (附註)	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Investment in Lee Kee Group	於利記集團的投資	640,632	-	(640,632)	-
Other assets – net	其他資產 – 淨值	683,352	631,012	-	1,314,364
Net assets	資產淨值	1,323,984	631,012	(640,632)	1,314,364
Share capital	股本	83,000	1	(1)	83,000
Share premium	股份溢價	496,574	-	-	496,574
Contributed surplus	實繳盈餘	640,631	-	(640,631)	-
Other reserves	其他儲備	103,779	631,011	-	734,790
		1,323,984	631,012	(640,632)	1,314,364

Note: The above adjustment represents adjustment to eliminate the share capital of Lee Kee Group as at 31st December 2006 against the investment cost of Lee Kee Group in the financial statements of Lee Kee Group (BVI).

1. 集團重組、應用合併會計法及一般資料 (續)

應用合併會計法 (續)

於綜合資產負債表內共同控制合併賬目產生的影響對賬如下。

於二零零六年十二月三十一日的綜合資產負債表：

附註：上述調整指以利記集團於二零零六年十二月三十一日的股本抵銷Lee Kee Group (BVI)財務報表內於利記集團的投資的調整。

1. Group reorganisation, application of merger accounting and general information (Continued)

Application of merger accounting (Continued)

Consolidated balance sheet as at 31st December 2005:

		The Company and Lee Kee Group (BVI) 本公司及 Lee Kee Group (BVI) 千港元 HK\$'000	Lee Kee Group and its subsidiaries 利記集團及 其附屬公司 千港元 HK\$'000	Adjustment 調整 千港元 HK\$'000	Consolidated 綜合 千港元 HK\$'000
Net assets	資產淨值	(22)	351,243	–	351,221
Share capital	股本	–	10,000	(10,000)	–
Other reserves	其他儲備	(22)	341,243	10,000	351,221
		(22)	351,243	–	351,221

No other significant adjustments were made to the net assets and net profit or loss of any entities as a result of the common control combination to achieve consistency of accounting policies.

General information

The Company's shares were listed on the Stock Exchange on 4th October 2006.

The principal activity of the Company is investment holding. The principal activity of the Group is trading of zinc, zinc alloy, nickel, nickel-related products, aluminium, aluminium alloy and other electroplating chemical products in Hong Kong.

1. 集團重組、應用合併會計法及一般資料 (續)

應用合併會計法 (續)

於二零零五年十二月三十一日之綜合資產負債表：

概無因共同控制合併而對任何實體的資產淨值及純利或虧損淨額作出其他重大調整以達到會計政策的一致性。

一般資料

本公司的股份於二零零六年十月四日於聯交所上市。

本公司的主要業務為投資控股。本集團的主要業務為於香港買賣鋅、鋅合金、鎳、鎳相關產品、鋁、鋁合金及其他電鍍化工產品。

1. Group reorganisation, application of merger accounting and general information (Continued)

General information (Continued)

The address of the Company's registered office is P.O. Box 309 G.T, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

These financial statements are presented in units of Hong Kong dollars ("HK dollars") and have been approved for issue by the Board of Directors on 27th March 2007.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements which are in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (which include Hong Kong Accounting Standards ("HKAS")) are set out below. These policies have been consistently applied to the two years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in accordance 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 financial statements, are disclosed in note 4.

1. 集團重組、應用合併會計法及一般資料 (續)

一般資料 (續)

本公司註冊辦事處的地址為P.O. Box 309 G.T, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands。

該等財務報表以港元(「港元」)呈列,並已於二零零七年三月二十七日獲董事會批准刊發。

2. 重大會計政策概要

編製該等財務報表時採用的主要會計政策乃根據香港會計師公會頒佈的香港財務報告準則(「香港財務報告準則」)·(當中包括香港會計準則(「香港會計準則」))·現載列如下。除另有說明外,該等政策於所呈列的兩個年度均已貫徹採用。

(a) 編製基準

該等財務報表乃按歷史成本慣例編製,並已就投資物業的重估及按公平值透過損益列賬的金融資產及金融負債(包括衍生工具)而作出修訂。

根據香港財務報告準則編製的財務報表需要使用若干重要會計估算。管理層於應用本集團會計政策時亦需作出判斷。涉及高度判斷或複雜程度的範疇,或對財務報表屬重大假設及估算的範疇於附註4披露。

2. Summary of significant accounting policies

(Continued)

(a) Basis of preparation (Continued)

Standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1st May 2006 or later periods that the Group has not early adopted:

- HKFRS 7, Financial Instruments: Disclosures, and the complementary Amendment to HKAS 1, Presentation of Financial Statements – Capital Disclosures (effective for annual periods beginning on or after 1st January 2007). HKFRS 7 and the Amendment to HKAS 1 introduce new disclosures relating to financial instruments which include sensitivity analysis to market risk and capital disclosures. These standard and amendment do not have any significant impact on the classification and valuation of the Group's financial instruments.
- HKFRS 8, Operating Segment: (effective for annual periods beginning on or after 1st January 2009). HKFRS 8 supersedes HKAS 14, Segment Reporting, under which segments were identified and reported on risk and return analysis. Items were reported on the accounting policies used for external reporting. Under HKFRS 8, segments are components of an entity regularly reviewed by an entity's chief operating decision-maker. Items are reported based on the internal reporting. This standard does not have any significant impact on the Group's financial statements.
- HK(IFRIC)-Int 8, Scope of HKFRS 2 (effective for annual periods beginning on or after 1st May 2006). HK(IFRIC)-Int 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of HKFRS 2. The Group will apply HK(IFRIC)-Int 8 from 1st January 2007, but it is not expected to have any significant impact on the Group's financial statements.

2. 重大會計政策概要 (續)

(a) 編製基準 (續)

尚未生效及本集團並無提早採納的準則及現有準則詮釋

下列準則及現有準則詮釋已經頒佈，本集團必須於二零零六年五月一日或之後開始的會計期間應用有關準則及現有準則詮釋，惟本集團並無提早採納有關準則及現有準則詮釋：

- 香港財務報告準則第7號，金融工具：披露，以及香港會計準則第1號的補充修訂，財務報表的呈列方式－資本披露（於二零零七年一月一日或之後開始的年度期間生效）。香港財務報告準則第7號及香港會計準則第1號的修訂引入新訂有關金融工具的披露事項包括市場風險敏感分析及資本披露，這些準則及修訂對本集團金融工具的分類及估值並無構成任何重大影響。
- 香港財務報告準則第8號，經營分部（於二零零九年一月一日或之後開始的年度期間生效）。香港財務報告準則第8號取代香港會計準則第14號有關識別分部及申報風險及回報分析的規定。各個項目須按用於對外報告的會計政策申報。根據香港財務報告準則第8號，分部為公司的組成部分，由公司的主要營運決策人定期檢討。各個項目根據對內報告作出申報。此準則對本集團的財務報表並無構成任何重大影響。
- 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號的範圍（於二零零六年五月一日或之後開始的年度期間生效）。香港（國際財務報告詮釋委員會）－詮釋第8號要求就涉及發行股本工具的交易，考慮已收取的可識別代價是否少於已發行股本工具的公平值，以確定該等股本工具是否屬於香港財務報告準則第2號的範圍。本集團自二零零七年一月一日起應用香港（國際財務報告詮釋委員會）－詮釋第8號，惟預期對本集團的財務報表並無構成任何重大影響。

2. Summary of significant accounting policies

(Continued)

(a) Basis of preparation (Continued)

- HK(IFRIC)-Int 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1st November 2006). HK(IFRIC)-Int 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply HK(IFRIC)-Int 10 from 1st January 2007, but it is not expected to have any significant impact on the Group's financial statements.

(b) Merger accounting for common control combination

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

2. 重大會計政策概要 (續)

(a) 編製基準 (續)

- 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(於二零零六年十一月一日或以後開始的年度期間生效)。香港(國際財務報告詮釋委員會)－詮釋第10號禁止於中期期間就按成本列賬的商譽、股本工具投資及金融資產投資所確認的減值虧損於其後的結算日撥回。本集團將自二零零七年一月一日起應用香港(國際財務報告詮釋委員會)－詮釋第10號,惟預期對本集團的財務報表並無構成任何重大影響。

(b) 共同控制合併的合併會計法

綜合財務報表加入出現共同控制合併的合併實體或業務的財務報表,猶如已於合併實體或業務首次在控制方的控制下的當日已合併。

合併實體或業務的資產淨值從控制方的角度以現有賬面值合併。倘控制方的權益繼續存在,則有關商譽的金額或收購方於被收購方的可識別資產、負債及或然負債公平值淨值的權益高於共同控制合併時的成本的金額均不會確認。

綜合收益表包括由最早呈列日期或合併實體或業務首次受共同控制的日期(倘為較短期間,而不論共同控制合併的日期)起,各合併實體或業務的業績。

綜合財務報表內的比較金額的呈列方式,猶如該等實體或業務已於早前的結算日或其首次受共同控制時(以較短者為準)已合併。

2. Summary of significant accounting policies*(Continued)***(b) Merger accounting for common control combination***(Continued)*

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting are recognised as an expense in the period in which they are incurred.

(c) Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries and a jointly controlled entity made up to 31st December.

(i) Subsidiaries

Subsidiaries are those 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.

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

2. 重大會計政策概要 (續)**(b) 共同控制合併賬目的合併會計處理 (續)**

該等實體採納一套統一的會計政策，所有集團內交易、合併實體或業務間交易的結餘及未變現收益均於綜合時對銷。

交易成本包括專業費用、註冊費用、向股東提供資料的成本、合併過往獨立運作的業務時產生的成本或虧損等，就共同控制合併而產生並採用合併會計處理法入賬的交易成本於其產生的期間內確認為開支。

(c) 綜合賬目

綜合財務報表包本公司及其所有附屬公司及共同控制實體括截至十二月三十一日止的財務報表。

(i) 附屬公司

附屬公司指本集團有權管理其財務及營運政策，且一般而言擁有其過半數投票權的實體。

附屬公司由控制權轉讓予本集團當日起全面綜合入賬，並於控制權終止當日停止綜合入賬。

2. Summary of significant accounting policies

(Continued)

(c) Consolidation (Continued)

(i) Subsidiaries (Continued)

Apart from the Reorganisation referred to in note 1 above which has been accounted for under the merger basis of accounting as detailed in note 2(b), the purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence 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 losses. The results of subsidiaries are accounted by the Company on the basis of dividends received and receivable.

2. 重大會計政策概要 (續)

(c) 綜合賬目 (續)

(i) 附屬公司 (續)

除上文附註1所述的集團重組根據附註2(b)所詳述的合併會計基準入賬外，本集團乃採用會計收購法為本集團所收購的附屬公司列賬。收購成本乃按交易當日所獲資產、所發行的股本工具及所產生或承擔的負債的公平值，加上直接歸屬予收購事項的成本計量。在業務合併過程中所收購的可識別資產、所承擔的負債及或然負債，均於收購當日按其公平值作出初步計量，而毋須計及任何少數股東權益。收購成本超出本集團應佔所收購可識別淨資產的公平值的差額乃列作商譽。如收購成本低於所收購附屬公司淨資產的公平值，則有關差額將直接在收益表內確認。

集團內公司間的交易、結餘及未變現收益均予對銷。除非有證據證明交易所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司的會計政策已在需要時作出改動，以確保與本集團所採納的政策貫徹一致。

本公司資產負債表內於附屬公司的投資按成本扣除減值虧損列賬，附屬公司的業績由本公司按已收及應收股息入賬。

2. Summary of significant accounting policies*(Continued)***(c) Consolidation** *(Continued)**(ii) Jointly controlled entity*

A Jointly controlled entity is a joint venture whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. The Group's interests in a jointly controlled entity are accounted for by proportionate consolidation. The Group combines its share of the jointly controlled entity's individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that it is attributable to the other venturer. The Group does not recognise its share of profits or losses from the jointly controlled entity that result from the Group's purchase of assets from the jointly controlled entity until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

(d) Foreign currency translation*(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in HK 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 income statement.

2. 重大會計政策概要 (續)**(c) 綜合賬目 (續)***(ii) 共同控制實體*

共同控制實體指本集團與其他方透過合營企業從事經濟活動，有關企業須受各方共同控制，參與任何一方概不對其經濟活動有單方面控制權。本集團於共同控制實體的權益乃按比例合併入帳。本集團將其應佔共同控制實體的個別收入和費用、資產和負債以及現金流量根據本集團財務報表中相類似的項目按列進行合併。本集團向合營企業出售資產時按其他合營方應佔的盈虧部份確認入帳。本集團不會確認本集團從共同控制實體購入資產而產生的應佔共同控制實體盈虧，除非該資產已轉售予第三方。然而，若有關交易出現虧損而該虧損又足以證明流動資產的可變現淨值減少或出現減值虧損，交易虧損則會即時確認。

(d) 外幣換算*(i) 功能及呈列貨幣*

本集團旗下各實體賬目內所包括的項目，均以該實體經營的主要經濟環境所使用的貨幣（「功能貨幣」）計量。財務資料以港元呈列，港元乃本公司的呈列及功能貨幣。

(ii) 交易及結餘

外幣交易按交易當日的匯率換算為功能貨幣。因此等交易結算及按結算日匯率換算以外幣計值的貨幣資產和負債所產生的滙兌收益及虧損，均於收益表內確認。

2. Summary of significant accounting policies

(Continued)

(d) Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2. 重大會計政策概要 (續)

(d) 外幣換算 (續)

(iii) 集團公司

功能貨幣與列賬貨幣不同的所有集團實體(當中沒有惡性通脹經濟體系的貨幣)的業績及財務狀況按以下方法換算為列賬貨幣:

- 每份呈報的資產負債表內的資產與負債按該結算日的收市匯率換算;
- 每份收益表內的收入及開支按平均匯率換算(除非此平均匯率並不代表交易日期匯率之累計影響之合理約數;在此情況下,收支項目按交易日期之匯率換算);及
- 所有由此產生之滙兌差額確認為權益的獨立組成項目。

在綜合賬目時,換算海外實體的投資淨額,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之滙兌差額列入股東權益。當售出或銷售部份海外業務時,該等滙兌差額在收益表內確認為出售盈虧的一部份。

因收購海外實體而產生的商譽及公平值調整視作海外實體資產及負債處理,並按收市匯率換算。

2. Summary of significant accounting policies*(Continued)***(e) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of the items.

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 income statement during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line basis or reducing balance basis to allocate cost less estimated residual values over their estimated useful lives. The principal annual rates are as follows:

Buildings	2%	straight-line
Leasehold improvements	20%	reducing balance
Motor vehicles	30%	reducing balance
Machinery	30%	reducing balance
Furniture, fixtures and office equipment	20%	reducing balance
Computer system	20%	reducing balance

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gains – net, in the income statement.

2. 重大會計政策概要 (續)**(e) 物業、廠房及設備**

物業、廠房及設備按歷史成本減累計折舊及減值虧損後列賬。歷史成本包括收購該等項目直接應佔的開支。

其後成本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計量時，才包括在資產的賬面值或確認為獨立資產（如適用）。所有其他維修及保養開支在產生的財政期間於收益表支銷。

物業、廠房及設備的折舊以直線法或遞減結餘法，以估計可使用年期將成本攤銷至剩餘價值。主要年率如下：

樓宇	按直線法2%
租賃物業裝修	按遞減結餘法 20%
汽車	按遞減結餘法 30%
機器	按遞減結餘法 30%
傢俬、裝置及辦公室設備	按遞減結餘法 20%
電腦系統	按遞減結餘法 20%

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作出調整。

如資產賬面值高於其估計可收回金額，則其賬面值將即時撇減至其可收回金額。

出售損益按比較所得款項與賬面值而釐定，並於收益表內的其他收益－淨額內確認。

2. Summary of significant accounting policies

(Continued)

(f) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

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 income statement during the period in which they are incurred.

Changes in fair values are recognised in the income statement as part of the other gains – net.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

2. 重大會計政策概要 (續)

(f) 投資物業

為獲得長期租金收益或資本增值或為兩者兼備而持有且並非由本集團成員公司佔用的物業，均列作投資物業。

投資物業包括以經營租賃持有的土地及以融資租賃持有的樓宇。

根據經營租賃持有的土地如能符合投資物業所有餘下定義，均按投資物業分類並記賬。經營租賃亦作為融資租賃處理。

投資物業初步以成本（包括相關交易成本）計量。經初步確認後，投資物業按公平值入賬。公平值乃按活躍市價計算，並於必要時就特定資產的性質、地點或狀況的任何差異作出調整。投資物業的公平值應反映（其中包括）當前租賃所得租金收入及根據當前市況對未來租賃所得租金收入作出的假設。

其後開支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計量時，才計入資產的賬面值中。所有其他維修及保養成本在產生的財政期間於收益表支銷。

公平值的任何變動於收益表內確認為其他益－淨額的部份。

如投資物業轉作自用，該物業將重新分類為物業、廠房及設備，而其於重新分類當日的公平值就會計目的而言將變為成本。建設中或發展中以供日後用作投資物業的物業乃列作物業、廠房及設備，並按成本列賬，直至完成興建或發展為止，屆時有關物業將重新分類為投資物業，並其後按投資物業記賬。

2. Summary of significant accounting policies*(Continued)***(g) Impairment of investment in a subsidiary and non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(i) Investments in financial derivatives

Investments in financial derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in fair value are recognised immediately in the income statement.

2. 重大會計政策概要 (續)**(g) 於附屬公司的投資及非金融資產減值**

具有無限期使用年期的資產毋需攤銷，但須每年進行減值測試，及倘出現顯示賬面值可能不能收回之事件或環境變動時須就減值進行審閱。減值虧損按資產的賬面金額超出其可收回金額的部分確認。可收回金額為資產的公平值減出售成本，以及使用價值兩者中之較高者。就評估減值而言，資產乃於現金流可分開辨識（現金產生單位）之最基本層分類。出現減值的資產（商譽除外）於各報告日就可能撥回的減值進行審閱。

(h) 存貨

存貨屬製成品，按成本與可變現淨值兩者的較低者入賬。成本以先入先出法計算。可變現淨值指在日常業務過程中的估計售價，減適用的變動銷售開支。

(i) 於金融衍生工具的投資

於金融衍生工具的投資於衍生工具合約訂立當日按公平值初步確認，其後則按其公平值重新計量。公平值的任何變動即時於收益表內確認。

2. Summary of significant accounting policies

(Continued)

(j) Trade and other receivables

Trade and other 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 and other 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 the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. 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 original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

(k) Assets held for sale and liabilities associated with assets held for sale

Disposal groups are classified as assets held for sale and liabilities associated with assets held for sale and stated at the lower of carrying amount and fair values less costs to sell if their carrying amounts are recovered principally through a sale transaction rather than through continuing use. The carrying amounts of the reclassified assets and liabilities are determined based on the same applicable accounting policies prior to the reclassification, except for leasehold land and property, plant and equipment. No amortisation and depreciation have been provided subsequent to the reclassification.

2. 重大會計政策概要 (續)

(j) 應收貨款及其他應收款項

應收貨款及其他應收款項初步按公平價值確認，其後以實際利息法按攤銷成本扣除減值撥備計量。當有客觀證據顯示本集團將不能根據應收款項的原訂條款收回所有到期款項，則會就應收貨款及其他應收款項計提減值撥備。債務人出現嚴重財政困難、債務人可能會破產或進行財務重組，以及拖欠或未能償還借款，均被視為應收貨款出現減值的跡象。撥備金額為資產賬面值與預期未來現金流量的現值兩者的差額，並按實際利率折現。撥備金額乃於收益表內確認。資產的賬面值可透過使用備抵賬目沖減，虧損金額在收益表內的行政開支內確認。倘未能收回應收貨款，則有關應收貨款須於應收貨款的備抵內撇銷。之前撇銷金額於其後收回的金額計入收益表內的行政開支內。

(k) 持有作出售之資產及與持有作出售之資產有關的負債

如被出售集團的賬面值乃主要透過一項出售交易（而非持續使用）收回，則分類為持有作出售之資產及與持有作出售之資產有關的負債，並以賬面值與公平價值減銷售成本兩者的較低者列賬。除租賃土地及物業、廠房及設備外，經重新分類的資產及負債的賬面值乃根據進行重新分類前的相同適用會計政策釐定。於重新分類後並無就攤銷及折舊計提撥備。

2. Summary of significant accounting policies*(Continued)***(l) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(m) Deferred income tax

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 financial statements. 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.

2. 重大會計政策概要 (續)**(l) 借貸**

借貸初步按公平值扣除所產生的交易成本後確認。借貸其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值間的任何差額於借貸期間以實際利息法在收益表內確認。

除非本集團擁有無條件權利遞延償還負債至結算日後最少12個月，否則借貸將分類為流動負債。

(m) 遞延所得稅

遞延所得稅採用負債法就資產及負債的稅基與其在賬目內的賬面值間的暫時差額作全數撥備。然而，倘遞延所得稅因初次確認業務合併以外交易的資產或負債而產生，而交易於當時並無影響計處理或應課稅損益，則不會將遞延所得稅入賬。遞延所得稅按於結算日前已頒佈或實質頒佈，並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率（及法例）計算。

遞延所得稅資產乃就有可能有未來應課稅溢利而可用作抵銷的暫時差額該而確認。

遞延所得稅就投資附屬公司時所產生的暫時差額作出撥備，惟假若本集團可以控制暫時差額的回撥，並有可能在可預見將來不會回撥除外。

2. Summary of significant accounting policies

(Continued)

(n) Employee benefits

(i) Pension obligation

The Group participates in a mandatory provident fund scheme (“MPF Scheme”) for all employees pursuant to the Mandatory Fund Schemes Ordinance. The contributions to the MPF Scheme are based on a minimum statutory contribution requirement of 5% of eligible employees’ relevant aggregate income. The assets of the MPF Scheme are held in separate trustee-administered funds.

The Group’s contributions to the MPF Scheme are expensed as incurred.

The employees of a subsidiary of the Group’s jointly controlled entity which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiary of the Group’s jointly controlled entity is required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are expensed in the income statement as they become payable in accordance with the rules of the central pension scheme.

(ii) 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 annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

2. 重大會計政策概要 (續)

(n) 僱員福利

(i) 退休金承擔

本集團根據強制性公積金計劃條例為其全體僱員參與強制性公積金計劃(「強積金計劃」)。向強積金計劃供款是根據合資格僱員相關收入總額5%的最低法定供款規定而作出。強積金計劃的資產由受託人管理基金獨立持有。

本集團向強積金計劃作出的供款於其產生時支銷。

本集團共同控制實體於中國大陸經營的附屬公司的僱員須參與地方市政府運作的中央退休金計劃，本集團共同控制實體的附屬公司須向中央退休金計劃供款其薪金成本若干百分比，供款於根據中央退休金計劃規則成為應付時於收益表內支銷。

(ii) 僱員應有假期

僱員可享有的年假及長期服務假期乃於應計予僱員時確認。本集團須就僱員於截至結算日止就提供服務可享有的年假及長期服務假期的估計負債計提撥備。

2. Summary of significant accounting policies*(Continued)***(n) Employee benefits** *(Continued)**(iii) Bonus plan*

The expected cost of bonus payments 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 of the bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(iv) Share-based compensation

The Group operates two equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2. 重大會計政策概要 (續)**(n) 僱員福利 (續)***(iii) 花紅計劃*

花紅計劃的預計成本，乃於因僱員提供服務而使本集團產生現有法定或推定責任，並能夠靠估計時確認為負債。花紅計劃的負債預期將於十二個月內償付，並按付款時預期須予支付的金額計算。

(iv) 以股份支付款項

本集團設有兩個以股權交收的以股份支付款項計劃。就換取授出購股權而獲得的僱員服務公平值乃確認為開支。於歸屬期內支銷的總額乃參考所授出購股權的公平值而釐定，當中不包括任何非市場歸屬條件（如盈利能力及銷售增長目標）的影響。非市場歸屬條件納入預期可歸屬的購股權數目假設內。於各結算日，實體修訂預期可歸屬購股權的估計數目，並於收益表內確認修訂原來估計數目的影響（如有），且就權益進行相關調整。

當購股權獲行使時，所收取的款項（扣除任何直接相關的交易成本）均計入股本（面值）及股份溢價中。

2. Summary of significant accounting policies

(Continued)

(o) 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 the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount 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.

(p) Revenue and income recognition

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.

Operating lease rental income is recognised on a straight-line basis over the lease periods.

Interest income is recognised on a time-proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Management fee and commission income are recognised when services are rendered.

2. 重大會計政策概要 (續)

(o) 撥備

當本集團因過往事件而導致法定或推定責任，並較可能有資源流出以償付責任，且已可就相關金額作出可靠估計，則會確認撥備。未來經營虧損不會被確認為撥備。

當有多項類似責任，則須考慮責任類別的整體以衡量是否需有資源流出履行有關責任的可能性。即使同一類別責任的任何一個項目資源流出的可能性極低，亦須確認撥備。

撥備以為履行義務所預計需要產生之支出之現值計量，計算此等現值使用之稅前折現率能夠反映當前市場之貨幣時間價值及該負債特有之風險。時間流逝導致撥備金額之增加，確認為利息開支。

(p) 收益及收入確認

貨品銷售收益在擁有權的風險及回報轉移時確認，一般為於貨品交付予客戶及所有權轉移之時。

經營租賃租金收入按直線法於租賃期間確認。

利息收入按尚未償還本金金額及適用利率，以時間比例基準確認。

管理費及佣金收入乃於提供服務時確認。

2. Summary of significant accounting policies*(Continued)***(q) 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 expensed in the income statement on a straight-line basis over the period of the lease.

(r) Borrowing costs

All borrowing costs are charged to the income statement in the years in which they are incurred.

(s) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of the obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2. 重大會計政策概要 (續)**(q) 租賃**

凡擁有權的大部分風險及回報均由出租人保留的租賃，均歸類為經營租賃。根據經營租賃作出的付款經扣除出租人給予的任何優惠後，在租賃期內以直線法於損益表支銷。

(r) 借貸成本

所有借貸成本均在產生期間自收益表扣除。

(s) 或然負債及或然資產

或然負債指因過往事件而可能引起的責任，而此等責任需視乎日後一宗或多宗不確定事件會否發生方能確實，且有關事件會否發生並非本集團所能完全控制。或然負債亦包括因過往事件而產生的現有責任，但由於未必需要經濟資源流出，或責任金額未能可靠地計量而不予確認。

或然負債不予確認，惟會於財務報表附註披露。如資源流出的可能性出現變數以致可能出現資源流出，則會確認為撥備。

或然資產指因過往事件而可能出現的資產，而此等資產需視乎日後一宗或多宗不確定事件會否發生方能確認，且有關事件會否發生並非本集團所能完全控制。

或然資產不予確認，惟當有可能有經濟資源流入時會於財務報表附註披露。如經濟資源流入有相當把握，則會確認為資產。

2. Summary of significant accounting policies

(Continued)

(t) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those segments operating in other economic environments.

(u) Dividend distribution

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

3 Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks. 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.

(i) Foreign exchange risk

The Group purchases almost all of its products from overseas suppliers. Payments are primarily made in United States dollars ("US dollars"). Sales of the Group are primarily denominated in US dollars and HK dollars. The Group does not consider there is a high exchange risk between HK dollars and US dollars.

(ii) Credit risk

Credit risk arises from deposits with banks as well as credit exposures to customers, including outstanding receivables and committed transactions. Deposits are placed in banks with appropriate credit ratings. For credit exposures to customers, the Group has no significant concentrations of credit risk. It has policies in place to ensure that credit sales are made to customers with an appropriate credit history. Sales to new customers or to those without an appropriate credit history are traded on letter of credit, cash on delivery or delivery against payment.

2. 重大會計政策概要 (續)

(t) 分部報告

業務分部指從事提供產品或服務的一組資產及業務，而該風險及回報有別於其他業務分部。地區分部指在某一特定經濟環境從事提供產品或服務，而該分部的風險及回報乃有別於在其他經濟環境經營的分部。

(u) 股息分派

分派予本公司股東的股息於本公司股東批准股息的期間內於本集團的財務報表內確認為負債。

3. 財務風險管理

(a) 財務風險素

本集團業務須承受多種財務風險。本集團的整體風險管理計劃專注於金融市場無法預測的特性，以及致力將對本集團財務表現的可能不利影響減至最少。

(i) 外匯風險

本集團購入的產品幾乎全部來自海外供應商，主要以美元（「美元」）付款。本集團的銷售主要以美元及港元列值。本集團並不認為港元與美元間有高外匯風險。

(ii) 信貸風險

信貸風險來自銀行存款及有關客戶的信貸風險（包括未償付的應收貨款及已承諾交易）。存款已存入具備適當信貸評級的銀行，至於有關客戶的信貸風險，本集團並無重大集中的信貸風險。本集團備有政策確保僅向擁有合適信貸記錄的客戶進行信貸銷售。向新客戶或欠缺合適信貸記錄客戶進行的銷售乃以信用狀、貨到付款或付款後交貨的方式進行。

3. Financial risk management (Continued)**(a) Financial risk factors (Continued)***(iii) Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

(iv) Interest rate risk

As the Group has no significant interest-bearing assets the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group aims to minimise long term bank borrowings which exposes the Group to high interest rate risk. The floating rate short term bank borrowings of the Group, which have maturities of less than 120 days, do not expose the Group to high interest rate risk owing to their short maturities.

(b) Fair value estimation

The carrying amounts of the Group's financial assets including bank balances and cash, trade and other receivables; and financial liabilities including trade and other payables, and short term bank borrowings approximate their fair values due to their short maturities.

4. Critical accounting estimates and judgements

Estimates and judgements 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 accounting estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

3. 財務風險管理 (續)**(a) 財務風險因素 (續)***(iii) 流動資金風險*

奉行審慎的流動資金風險管理，即意味著透過金額充裕的已承諾信貸融資維持足夠現金及可供動用資金。本集團致力保持可供動用的已承諾信貸，使資金供應靈活。

(iv) 利率風險

由於本集團並無任何重大計息資產，本集團的收入及經營現金流量實際上並不受市場利率變動所影響。本集團旨在把利率風險高企的長期銀行借貸減至最少。本集團所借入120日內到期的浮息短期銀行借貸由於還款期較短，故未為本集團帶來高利率風險。

(b) 公平值估計

本集團的金融資產（包括現金及現金等值項目、應收貨款及其他應收款項）及金融負債（包括應付貨款及其他應付款項以及短期借貸）由於還款期較短，故其賬面值與其公平值相若。

4. 重要會計估算及判斷

各項估計及判斷乃根據過往經驗及其他因素（包括在相關情況下對未來事件的合理預期）作持續評估。

本集團對未來作出各項估計及假設，所得出的會計估計按定義甚少與相關實際結果相同。具有對資產及負債賬面值構成重大影響的會計估計及假設詳列如下。

4. Critical accounting estimates and judgements

(Continued)

(a) Net realisable value of inventories

Net realisable value is the estimated selling price in the ordinary course of business, less estimated direct selling expenses. These estimates are based on current market conditions and historical experience of selling goods of a similar nature. It could change as a result of changes in market conditions. Management reassesses the estimations at each balance sheet date.

(b) Impairment of trade receivables

Management determines the provision for impairment of trade receivables. This estimate is based on the credit history of its customers and current market conditions. It could change as a result of change in the financial positions of customers. Management reassesses the provision at each balance sheet date.

5. Revenue and other income

The Group is principally engaged in trading of zinc, zinc alloy, nickel, nickel-related products, aluminium, aluminium alloy and other electroplating chemical products in Hong Kong which accounts for more than 90 percent of the Group's revenue and trading results and more than 90 percent of the Group's total assets are in Hong Kong. Accordingly, no analysis by business and geographical segments has been prepared. Revenue, which also represents the Group's turnover, and other income recognised during the year are as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Revenue	收益		
Sales of goods	貨品銷售	5,522,422	3,143,009
Other income	其他收入		
Interest income	利息收入	16,278	558
Gross rental income from investment properties	投資物業的租金總收入	691	2,103
Management fee, net of withholding tax	管理費(扣除預繳稅)	70	260
Commission income	佣金收入	–	20
Others	其他	497	630
		17,536	3,571

4. 重要會計估計及判斷 (續)

(a) 存貨的可變現淨值

存貨的可變現淨值為其於日常業務過程中的估計售價，扣除估計銷售開支。有關估計乃根據當時市況及過往出售類似產品的經驗而作出，卻可能因市況轉變而出現變動。管理層將於結算日前重新評估該等估計。

(b) 應收貨款的減值

管理層就應收貨款減值計提撥備。此項估計乃按其客戶的信貸記錄及當時市況而作出，並可能因客戶的財務狀況有變而出現變動。管理層將於結算日重估有關撥備。

5. 收益及其他收入

本集團主要業務為於香港買賣鋅、鋅合金、鎳、鎳相關產品、鋁、鋁合金及其他電鍍化工產品，有關業務佔本集團收益及貿易業績逾90%，而本集團逾90%的總資產均在香港，故此未有按業務及地區分部進行分析。以下為於年內確認的收益（亦代表本集團之營業額）及其他收入：

6. Expenses by nature

Expenses included in cost of sales, distribution and selling expenses and administrative expenses are analysed as follows:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Auditors' remuneration	核數師酬金	1,125	500
Depreciation	折舊	3,129	1,939
Amortisation of leasehold land	租賃土地攤銷	128	381
Staff costs (note 9)	員工成本(附註9)	33,954	20,081
Operating lease rental for land and buildings	土地及樓宇的經營租賃租金	3,414	3,045
Cost of inventories sold	已售存貨成本	4,979,678	2,854,108
Outgoings in respect of investment properties	投資物業各項支出	17	81
Impairment provision for doubtful debts	呆賬減值撥備	2,062	-
Other receivable written off	其他應收款項撇銷	-	33

6. 按性質分類的開支

列入銷售成本、分銷及銷售開支以及行政開支項目的開支分析如下：

7. Other gains – net

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Fair value gains on investment properties, including those reclassified to assets held for sale	投資物業的公平值收益，包括重新分類為持有作出售之資產的投資物業	3,800	9,840
Losses on metal future trading contracts	金屬期貨買賣合約的虧損	(786)	(595)
Gains on disposal of property, plant and equipment	出售物業、廠房及設備的收益	266	204
Net exchange gain	滙兌收益淨額	6,015	3,024
Loss on disposal of subsidiaries (notes 23 and 32(c))	出售附屬公司的虧損(附註23及32(c))	(82)	-
Excess of the Group's interest in the net fair value of the identifiable net assets of the jointly controlled entity over cost of acquisition (note 32(b))	本集團於共同控制實體可識別資產淨值的公平淨值中所佔權益較收購成本超出部份(附註32(b))	1,084	-
		10,297	12,473

7. 其他收益—淨額

8. Finance costs

8. 融資成本

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Interest on	於以下項目的利息		
Bank overdrafts	銀行透支	1	3
Loans against trust receipts	信託收據貸款	11,706	7,903
		11,707	7,906

9. Staff costs (including directors' emoluments)

9. 員工成本 (包括董事酬金)

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Wages, salaries and allowances	工資、薪金及津貼	28,593	19,561
Pension costs – defined contribution	退休金成本—界定供款	613	520
Share-based payment	以股份支付款項	4,748	–
		33,954	20,081

10. Directors' and senior management's emoluments

(a) Directors' emoluments

Name of directors 董事姓名	Fees 袍金	Salaries and other allowances 薪金及其他津貼	Bonuses 花紅	Pension 退休金	Share-based payment 以股份支付款項	Total 總計	
							HK\$'000 千港元
2006		二零零六年					
Mr Chan Pak Chung	陳伯中先生	–	1,809	880	12	1,017	3,718
Ms Chan Yuen Shan, Clara	陳婉珊女士	–	992	1,700	12	594	3,298
Ms Ma Siu Tao	馬笑桃女士	–	758	880	12	835	2,485
Mr Ng Tze For*	吳子科先生*	–	594	150	6	42	792
Mr William Tasman Wise*	William Tasman Wise先生*	45	–	–	–	–	45
Mr Chung Wai Kwok, Jimmy*	鍾維國先生*	45	–	–	–	–	45
Mr Yan Cheuk Yam#	甄焯欽先生#	45	–	–	–	–	45
Mr Leung Kwok Keung*	梁覺強先生*	45	–	–	–	–	45
		180	4,153	3,610	42	2,488	10,473
2005		二零零五年					
Mr Chan Pak Chung	陳伯中先生	–	865	72	12	–	949
Ms Chan Yuen Shan, Clara	陳婉珊女士	–	420	1,035	12	–	1,467
Ms Ma Siu Tao	馬笑桃女士	–	259	1,122	12	–	1,393
		–	1,544	2,229	36	–	3,809

*: Joined in 2006.

#: Joined in 2006 and resigned as an independent non-executive director effective on 28th February 2007.

No directors waived or agreed to waive any emoluments during the year (2005: Nil). No payment for joining the Group or compensation for loss of office was paid or payable to any directors during the year (2005: Nil).

10. 董事及高級管理人員酬金

(a) 董事酬金

Name of directors 董事姓名	Fees 袍金	Salaries and other allowances 薪金及其他津貼	Bonuses 花紅	Pension 退休金	Share-based payment 以股份支付款項	Total 總計	
							HK\$'000 千港元
2006		二零零六年					
Mr Chan Pak Chung	陳伯中先生	–	1,809	880	12	1,017	3,718
Ms Chan Yuen Shan, Clara	陳婉珊女士	–	992	1,700	12	594	3,298
Ms Ma Siu Tao	馬笑桃女士	–	758	880	12	835	2,485
Mr Ng Tze For*	吳子科先生*	–	594	150	6	42	792
Mr William Tasman Wise*	William Tasman Wise先生*	45	–	–	–	–	45
Mr Chung Wai Kwok, Jimmy*	鍾維國先生*	45	–	–	–	–	45
Mr Yan Cheuk Yam#	甄焯欽先生#	45	–	–	–	–	45
Mr Leung Kwok Keung*	梁覺強先生*	45	–	–	–	–	45
		180	4,153	3,610	42	2,488	10,473
2005		二零零五年					
Mr Chan Pak Chung	陳伯中先生	–	865	72	12	–	949
Ms Chan Yuen Shan, Clara	陳婉珊女士	–	420	1,035	12	–	1,467
Ms Ma Siu Tao	馬笑桃女士	–	259	1,122	12	–	1,393
		–	1,544	2,229	36	–	3,809

*: 於二零零六年加盟。

#: 於二零零六年加盟並於二零零七年二月二十八日起辭任獨立非執行董事。

年內，並無董事放棄或同意放棄任何酬金（二零零五年：無）。年內概無支付或應付任何酬金予任何董事作為加盟本集團的報酬或作為離職的補償（二零零五年：無）。

10. Directors' and senior management's emoluments (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the year include three (2005: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2005: two) of the five highest paid individuals during the year are as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Salaries and other allowances	薪金及其他津貼	1,235	1,712
Bonuses	花紅	1,366	260
Pension	退休金	24	24
Share-based payment	以股份支付款項	806	-
		3,431	1,996

The emoluments payable to these individuals during the year fell within the following emolument bands:

		Number of individuals 人數	
		2006	2005
HK\$Nil to HK\$1,000,000	零港元至1,000,000港元	-	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	-
		2	2

10. 董事及高級管理人員酬金 (續)

(b) 五名最高薪酬人士

年內，本集團五名最高薪人士包括三名（二零零五年：三名）董事的薪酬已於上文呈列的分析內反映。年內應付五名最高薪酬人士之中其餘兩名（二零零五年：兩名）人士的酬金如下：

年內應付該等人士的酬金介乎以下範圍內：

11. Income tax expense

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 profits arising from operations in Mainland China has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the Mainland China.

11. 所得稅開支

香港利得稅按照年內的估計應課稅溢利以稅率17.5% (二零零五年: 17.5%) 計算撥備。來自中國大陸業務之溢利的稅項已按中國大陸的稅率就年內估計應課稅溢利計算。

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Current income tax	即期所得稅		
– Hong Kong profits tax	– 香港利得稅	80,957	40,962
– Mainland China enterprise income tax	– 中國企業所得稅	459	–
Deferred income tax relating to the origination and reversal of temporary differences, including for the disposal group reclassified to liabilities associated with assets held for sale	與暫時差額的產生及轉回有關的遞延稅項，包括重新分類為與持有作出售之資產有關的負債的被出售集團	1,043	1,384
Overprovision in prior year	上年度超額撥備	(28)	(186)
Income tax expense	所得稅開支	82,431	42,160

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

本集團就除所得稅前溢利的稅項與應用香港利得稅稅率計算的理論稅額的差額如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	470,994	244,540
Calculated at an income tax rate of 17.5% (2005: 17.5%)	按所得稅率17.5% (二零零五年: 17.5%) 計算	82,424	42,795
Effect of different tax rates in other country	其他國家不同稅率的影響	(151)	–
Income not subject to income tax	毋須繳納所得稅的收入	(3,002)	(567)
Expenses not deductible for income tax purpose	不可扣除所得稅的開支	3,188	118
Overprovision in prior year	上年度超額撥備	(28)	(186)
Income tax expense	所得稅開支	82,431	42,160

12. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The weighted average number of ordinary shares for 2005 is based on the assumption that the Reorganisation had been completed on 1st January 2005.

12. 每股盈利

(a) 基本

每股基本盈利乃按本公司股權持有人應佔溢利除以年內已發行普通股的加權平均數計算。二零零五年的普通股加權平均數假設重組已於二零零五年一月一日完成計算。

		2006	2005
Profit attributable to equity holders of the Company (HK\$'000)	本公司股權持有人應佔溢利 (千港元)	388,563	202,380
Weighted average number of ordinary shares in issue ('000)	已發行普通股加權平均數 (以千計)	654,767	600,000
Basic earnings per share (Hong Kong cents per share)	每股基本盈利 (以每股港仙計)	59.34	33.73

12. Earnings per share (Continued)**(b) Diluted**

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary share which is the share options granted to the directors of the Company and the employees of the Group under the Pre-IPO Share Option Scheme. For the share options, a calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

12. 每股盈利 (續)**(b) 攤薄**

每股攤薄盈利的計算方式為假設轉換所有具潛在攤薄效應的普通股以調整已發行普通股的加權平均數。本公司發行一類具潛在攤薄效應的普通股，即根據首次公開招股前購股權計劃授予本公司董事及本集團僱員的購股權。就購股權而言，為釐定可按公平值（按本公司股份的平均年度市價釐定）購入的股份數目，已根據已授出購股權所附帶的認購權的貨幣價值作出計算。上述計算所得的股份數目與假設行使購股權而已發行的股份數目進行比較。

		2006
Profit attributable to equity holders of the Company (HK\$'000)	本公司股權持有人應佔溢利 (千港元)	388,563
Weighted average number of ordinary shares in issue ('000)	已發行普通股加權平均數 (以千計)	654,767
Adjustments for share options ('000)	就購股權作出的調整(以千計)	5,562
Weighted average number of ordinary shares for diluted earnings per share ('000)	計算每股攤薄盈利的普通股 加權平均數(以千計)	660,329
Diluted earnings per share (Hong Kong cents per share)	每股攤薄盈利 (以每股港仙計)	58.84

As there were no dilutive potential ordinary shares outstanding in 2005, the diluted earnings per share for the year ended 31st December 2005 is the same as the basic earnings per share of HK33.73 cents.

由於二零零五年並無具潛在攤薄效應的普通股，故截至二零零五年十二月三十一日止年度的每股攤薄盈利與每股基本盈利之33.73港仙相同。

13. Profit attributable to equity holders

Profit attributable to equity holders is dealt with in the financial statements of the Company to the extent of approximately HK\$99,053,000 (For the period from 11th November 2005 (date of incorporation) to 31st December 2005: loss of HK\$14,000).

13. 股權持有人應佔溢利

於本公司財務報表之股權持有人應佔溢利約為99,053,000港元(由公司成立日二零零五年十一月十一日至二零零五年十二月三十一日期間:虧損14,000港元)。

14. Dividends

14. 股息

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Dividend declared to the then shareholder of a subsidiary (note (a))	向當時一間附屬公司的股東宣派股息(附註(a))	—	85,000
Proposed special dividend of HK10 cents per ordinary share (note (b))	擬派特別股息每股普通股10港仙(附註(b))	83,000	—
Proposed final dividend of HK1.93 cents per ordinary share (note (c))	擬派末期股息每股普通股1.93港仙(附註(c))	16,019	—
		99,019	85,000

Notes:

- (a) A dividend of HK\$85,000,000 was declared by Lee Kee Group, a subsidiary of the Company, to its then shareholder prior to the Reorganisation.
- (b) A special dividend in respect of 2006 of HK10 cents per share, amounting to a total dividend of HK\$83,000,000 is to be proposed at the annual general meeting on 31st May 2007. These financial statements do not reflect this dividend payable.
- (c) A final dividend in respect of 2006 of HK1.93 cents per share, amounting to a total dividend of HK\$16,019,000 is to be proposed at the annual general meeting on 31st May 2007. These financial statements do not reflect this dividend payable.

附註:

- (a) 本公司附屬公司利記集團於重組前向其當時的股東宣派股息85,000,000港元。
- (b) 於二零零七年五月三十一日舉行的股東週年大會上將建議就二零零六年宣派特別股息每股10港仙,合共股息83,000,000港元。財務報表並無反映該等應付股息。
- (c) 於二零零七年五月三十一日舉行的股東週年大會上將建議就二零零六年宣派末期股息每股1.93港仙,合共股息16,019,000港元。財務報表並無反映該等應付股息。

15. Investment properties

15. 投資物業

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
At 1st January	於一月一日	-	36,980
Fair value gains	公平值收益	-	9,840
Reclassified to assets held for sale (note 23)	重新分類為持有作出售之資產 (附註23)	-	(46,820)
At 31st December	於十二月三十一日	-	-

The Group's interests in investment properties, including those reclassified to assets held for sale as at 31st December 2005 (note 23), at their carrying values are analysed as follows:

本集團於投資物業(包括於二零零五年十二月三十一日重新分類為持有作出售之資產的投資物業)(附註23)的權益按其賬面值分析如下:

		HK\$'000 千港元
In Hong Kong, held on:	於香港·以下列年期的租賃持有:	
Lease of over 50 years	超過50年的租賃	38,020
Leases of between 10 and 50 years	介乎10年至50年的租賃	8,800
		46,820

Investment properties as at 31st December 2005 were revalued by Chesterton Petty Limited, independent, professionally qualified valuers. Valuations were based on current prices in an active market.

於二零零五年十二月三十一日的投資物業由獨立專業估值師卓德測計師行有限公司進行重估。重估乃基於活躍市場的市價。

16. Leasehold land

16. 租賃土地

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
At 1st January	於一月一日	5,156	16,218
Acquisition of a jointly controlled entity (note 32(b))	收購一間共同控制實體 (附註32(b))	492	-
Amortisation	攤銷	(128)	(381)
Reclassification to assets held for sale (note 23)	重新分類為持有作出售之資產 (附註23)	-	(10,681)
Exchange difference	滙兌差異	12	-
At 31st December	於十二月三十一日	5,532	5,156

The Group's interests in leasehold land, including those reclassified to assets held for sale at 31st December 2005 (note 23), represent prepaid operating lease payments and their net book values are analysed as follows:

本集團於租賃土地(包括於二零零五年十二月三十一日重新分類為持有作出售資產的租賃土地(附註23))的權益,為預付經營租賃款項,其賬面淨值分析如下:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Held on leases of between 10 and 50 years	介乎10年至50年年期的租賃		
In Hong Kong	於香港	5,032	15,837
Outside Hong Kong	香港以外	500	-
		5,532	15,837

At 31st December 2005, certain leasehold land with an aggregate net book value of HK\$5,156,000 was pledged as security for the Group's banking facilities. The security was released in 2006.

於二零零五年十二月三十一日,若干總賬面淨值為5,156,000港元的租賃土地已被抵押,作為銀行向本集團提供信貸的擔保。此擔保於二零零六年內解除。

17. Property, plant and equipment

17. 物業、廠房及設備

		Leasehold improve- ments		Motor vehicles	Machinery	Furniture, fixtures and office equipment	Computer system	Total
		Buildings	租賃物業 裝修			傢俬、裝置及 辦公室設備		
		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
Cost	成本							
At 1st January 2006	於二零零六年一月一日	3,400	2,917	9,186	1,060	2,311	3,599	22,473
Additions	添置	32	284	5,099	13	45	552	6,025
Acquisition of a jointly controlled entity (note 32(b))	收購一間共同控制實體 (附註32(b))	1,688	-	8	1,594	47	-	3,337
Disposals	出售	-	-	(1,601)	-	-	-	(1,601)
Exchange difference	滙兌差異	12	-	1	35	1	-	49
At 31st December 2006	於二零零六年 十二月三十一日	5,132	3,201	12,693	2,702	2,404	4,151	30,283
Accumulated depreciation	累計折舊							
At 1st January 2006	於二零零六年一月一日	372	2,131	6,868	1,022	1,649	2,136	14,178
Charge for the year	年內折舊	82	220	2,179	95	127	426	3,129
Disposals	出售	-	-	(1,418)	-	-	-	(1,418)
Exchange difference	滙兌差異	-	-	1	2	-	-	3
At 31st December 2006	於二零零六年 十二月三十一日	454	2,351	7,630	1,119	1,776	2,562	15,892
Net book value at 31st December 2006	於二零零六年 十二月三十一日 的賬面淨值	4,678	850	5,063	1,583	628	1,589	14,391

17. Property, plant and equipment (Continued)

17. 物業、廠房及設備 (續)

		Buildings	Leasehold improve- ments	Motor vehicles	Machinery	Furniture, fixtures and office equipment	Computer system	Total
		樓宇	租賃物業 裝修	汽車	機器	傢俬、裝置及 辦公室設備	電腦系統	總計
		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
Cost	成本							
At 1st January 2005	於二零零五年一月一日	7,465	2,606	8,801	1,060	2,114	3,248	25,294
Additions	添置	-	401	1,141	-	210	351	2,103
Disposals	出售	-	-	(756)	-	(13)	-	(769)
Reclassified to assets held for sale (note 23)	重新分類為持有作出售之 資產(附註23)	(4,065)	(90)	-	-	-	-	(4,155)
At 31st December 2005	於二零零五年 十二月三十一日	3,400	2,917	9,186	1,060	2,311	3,599	22,473
Accumulated depreciation	累計折舊							
At 1st January 2005	於二零零五年一月一日	996	1,950	6,399	1,005	1,523	1,742	13,615
Charge for the year	年內折舊	145	217	1,029	17	137	394	1,939
Disposals	出售	-	-	(560)	-	(11)	-	(571)
Reclassified to assets held for sale (note 23)	重新分類為持有作出售之 資產(附註23)	(769)	(36)	-	-	-	-	(805)
At 31st December 2005	於二零零五年 十二月三十一日	372	2,131	6,868	1,022	1,649	2,136	14,178
Net book value at 31st December 2005	於二零零五年 十二月三十一日 的賬面淨值	3,028	786	2,318	38	662	1,463	8,295

All the Group's buildings are situated on the Group's leasehold land. At 31st December 2005, certain buildings with an aggregate net book value of HK\$3,028,000 were pledged as security for the Group's banking facilities. The security was released in 2006.

本集團所有樓宇均位於本集團的租賃土地上。於二零零五年十二月三十一日，若干總賬面淨值為3,028,000港元的樓宇已被抵押，作為銀行向本集團提供信貸的擔保。此擔保於二零零六年內解除。

18. Inventories**18. 存貨**

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials, at cost	原材料·按成本	12,551	–
Finished goods, at cost	製成品·按成本	746,519	351,270
		759,070	351,270

19. Trade and other receivables**19. 應收貨款及其他應收款項**

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables, net of provision	扣減撥備之應收貨款	191,308	127,086
Prepayments to suppliers	向供應商支付的預付款項	39,009	55,512
Deposits	按金	9,976	2,683
Other receivables	其他應收款項	4,353	2,764
		244,646	188,045

19. Trade and other receivables (Continued)

The Group offers credit terms to its customers ranging from cash on delivery to 30 days. Ageing analysis of trade receivables is as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
0 to 30 days	0至30日	173,667	108,347
31 to 60 days	31至60日	16,100	17,172
61 to 90 days	61至90日	1,388	1,489
Over 90 days	90日以上	153	78
		191,308	127,086

The carrying amounts of the trade receivables are denominated in the following currencies:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
HK dollars	港元	55,778	68,333
US dollars	美元	118,090	58,753
Renminbi	人民幣	17,440	–
		191,308	127,086

19. 應收貨款及其他應收款項 (續)

本集團給予其客戶的信貸期由貨到付款至30日不等。應收貨款的賬齡分析如下：

應收貨款的賬面值以下列貨幣計值：

20. Amounts due from/to related companies

20. 應收／應付關連公司款項

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Amount due from:	應收以下公司款項:		
Other receivables	其他應收款項		
Genesis Alloys (Ningbo) Limited ("Genesis Ningbo")	金利合金製造工業(寧波) 有限公司(「寧波金利」)	–	140
Amounts due to:	應付以下公司款項:		
Trade payable	應付貨款		
Genesis Alloys Limited ("Genesis Alloys")	金利合金有限公司 (「金利合金」)	–	14
Other payable	其他應付款項		
Modern Wealth Limited	利成有限公司	146	–
		146	14

During the year ended 31st December 2005 and up to 14th September 2006, Mr Chan Pak Chung had joint control over Genesis Ningbo and Genesis Alloys. On 15th September 2006, the Group acquired 50% interests in Genesis Recycling Technology (BVI) Limited ("GRTL"), which is the holding company of both Genesis Alloys and Genesis Ningbo.

Modern Wealth Limited was a wholly owned subsidiary of the Group until its entire issued share capital was sold to Mr Chan Pak Chung in April 2006.

The amounts receivable and payable are denominated in Hong Kong dollars, unsecured, interest free and have no fixed terms of repayment.

於截至二零零五年十二月三十一日止年度及直至二零零六年九月十四日止，陳伯中先生一直擁有寧波金利及金利合金的共同控制權。於二零零六年九月十五日，本集團收購金利合金及寧波金利的控股公司，德榮（英屬維京群島）有限公司（「GRTL」）的50%股權。

利成有限公司乃本公司的全資附屬公司，直至二零零六年四月，其全部已發行股本出售予陳伯中先生為止。

應收及應付款項均為以港元計值、無抵押、免息及並固定還款期。

21. Restricted bank balances

The restricted bank balances as at 31st December 2005 were pledged as security for the banking facilities of the Group. The security was released in 2006.

21. 受限制銀行結餘

於二零零五年十二月三十一日，受限制銀行結餘已被抵押，作為銀行向本集團提供信貸的擔保。此擔保於二零零六年內解除。

22. Bank balances and cash – unrestricted

The carrying amounts of unrestricted bank balances and cash are denominated in the following currencies:

		Group 本集團		Company 本公司	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
HK dollars	港元	85,471	24,580	19,936	–
US dollars	美元	636,655	46,364	556,402	–
Others	其他	5,428	51	–	–
		727,554	70,995	576,338	–

22. 銀行結餘及現金— 不受限制

不受限制銀行結餘及現金的賬面值以下列貨幣計值：

23. Assets held for sale and liabilities associated with assets held for sale

On 31st December 2005, the directors decided to dispose of the Group's entire interest in Modern Wealth Limited and Wah San Diecasting Company Limited, the then wholly owned subsidiaries of the Group to Mr Chan Pak Chung at a consideration to be determined with reference to the net asset value of the two subsidiaries. Prior to the disposal, Modern Wealth Limited held all the investment properties of the Group, which was not a core business of the Group and certain other leasehold land and property, plant and equipment of the Group and Wah San Diecasting Company Limited remained inactive. The two subsidiaries were disposed of in April 2006 at an aggregate final consideration of approximately HK\$59,488,000, resulting in a loss on disposal of subsidiaries of approximately HK\$82,000 (notes 7 and 32(c)). Accordingly, the assets and liabilities of Modern Wealth Limited and Wah San Diecasting Company Limited are presented as a disposal group held for sale as at 31st December 2005.

23. 持有作出售之資產及與持有作出售之資產有關的負債

於二零零五年十二月三十一日，董事決定向陳伯中先生出售本集團於利成有限公司及樺新金屬壓鑄廠有限公司（當時兩家均為本集團的全資附屬公司）的全部權益，代價的釐定將參考兩家附屬公司的資產淨值。於有關出售前，利成有限公司一直持有本集團的所有投資物業（並非本集團的核心業務）以及本集團若干其他租賃土地及物業、廠房及設備，而樺新金屬壓鑄廠有限公司則並無業務。該兩家附屬公司已於二零零六年四月出售，最終總代價約為59,488,000港元，並導致出售附屬公司虧損約82,000港元（附註7及32(c)）。因此，於二零零五年十二月三十一日，利成有限公司及樺新金屬壓鑄廠有限公司的資產及負債呈列為持有作出售的被出售集團。

23. Assets held for sale and liabilities associated with assets held for sale (Continued)

The carrying amounts of major classes of assets and liabilities classified as disposal group held for sale as at 31st December 2005 are analysed as follows:

23. 持有作出售之資產及與持有作出售之資產有關的負債 (續)

於二零零五年十二月三十一日分類為被出售集團的資產及負債的主要類別的賬面值分析如下:

		2005 HK\$'000 千港元
<hr/>		
Assets	資產	
Investment properties	投資物業	46,820
Leasehold land	租賃土地	10,681
Property, plant and equipment	物業、廠房及設備	3,350
Trade and other receivables	應收貨款及其他應收款項	250
Bank balances and cash – unrestricted	銀行結餘及現金 – 不受限制	340
		<hr/>
		61,441
<hr/>		
Liabilities	負債	
Trade and other payables	應付貨款及其他應付款項	507
Tax payable	應繳稅項	47
Deferred tax liabilities	遞延稅項負債	4,112
		<hr/>
		4,666
<hr/>		

An analysis of the results of operations of the disposal group is as follows:

被出售集團的經營業績分析如下:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
<hr/>			
Income	收入	691	2,103
Fair value gains on investment properties	投資物業的公平值收益	3,800	9,840
Expenses	開支	(58)	(517)
<hr/>			
Profit before income tax	除所得稅前溢利	4,433	11,426
Income tax expense	所得稅開支	(803)	(1,625)
<hr/>			
Profit for the year	年內溢利	3,630	9,801
<hr/>			

23. Assets held for sale and liabilities associated with assets held for sale (Continued)

The net cash flows attributable to the operating and investing activities of the disposal group are set out below:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Net cash from operating activities	經營活動所得的現金淨額	733	1,795
Net cash used in investing activities	投資活動所用的現金淨額	-	(15)

23. 持有作出售之資產及與持有作出售資產有關的負債 (續)

被出售集團的經營及投資活動所佔的現金流量淨額載列如下：

24. Share capital

(a) Authorised and issued capital

24. 股本

(a) 法定及已發行股本

		Number of shares 股份數目	Approximate amount 概約金額 HK\$'000 千港元
Authorised:	法定：		
Upon incorporation on 11th November 2005 (note (i))	於二零零五年十一月十一日 註冊成立時 (附註(i))	3,800,000	380
At 31st December 2005 and 1st January 2006	於二零零五年十二月三十一日 及二零零六年一月一日	3,800,000	380
Increase in authorised share capital (note (ii))	法定股本增加 (附註(ii))	7,996,200,000	799,620
At 31st December 2006	於二零零六年十二月三十一日	8,000,000,000	800,000
Issued and fully paid:	已發行及繳足：		
Upon incorporation on 11th November 2005 (note (i))	於二零零五年十一月十一日 註冊成立時 (附註(i))	1	-
At 31st December 2005 and 1st January 2006	於二零零五年十二月三十一日 及二零零六年一月一日	1	-
Capitalisation of share premium upon issue of shares (note (iii))	股份發行時將股份溢價資本化 (附註(iii))	599,999,999	60,000
Issue of shares for global offering (note (iv))	就全球發售而發行股份 (附註(iv))	200,000,000	20,000
Issue of shares on the exercise of over-allotment option (note (v))	就行使超額配股權而發行股份 (附註(v))	30,000,000	3,000
At 31st December 2006	於二零零六年十二月三十一日	830,000,000	83,000

24. Share capital (Continued)**(a) Authorised and issued capital (Continued)**

Notes:

- (i) The Company was incorporated in the Cayman Islands on 11th November 2005 with an authorised share capital of HK\$380,000 divided into 3,800,000 shares of HK\$0.10 each. On the same date, one share of HK\$0.10 was issued at par.
- (ii) On 15th September 2006, the Company increased its authorised share capital from HK\$380,000 to HK\$800,000,000 by the creation of an additional 7,996,200,000 shares of HK\$0.10 each ranking pari passu in all respects with the then existing issued shares.
- (iii) In preparation for the listing of the Company's shares on the Stock Exchange, on 13th September 2006, the entire issued share capital of the Company became wholly owned by Gold Alliance Global Services Limited ("Gold Alliance"), a wholly-owned subsidiary of Gold Alliance International Management Limited, by way of a deed of gift entered into between Mr Chan Pak Chung and Gold Alliance.
- On 15th September 2006, a written resolution was passed by Gold Alliance, the then sole shareholder of the Company pursuant to which, 599,999,999 shares of HK\$0.10 each were allotted and issued to Gold Alliance, credited as fully paid at par, by way of the capitalisation of the sum of HK\$59,999,999.90 standing to the credit of the share premium account of the Company, subject to the share premium account of the Company being credited by an amount not less than HK\$59,999,999.90 as a result of the issue of the shares pursuant to the global offering as detailed in (iv) below.
- (iv) On 4th October 2006, the Company completed a global offering of 200,000,000 shares with a par value of HK\$0.10 each at a price of HK\$2.67 per share in cash for an aggregate consideration of HK\$534 million. The shares commenced trading on the Stock Exchange on 4th October 2006. All these shares rank pari passu in all respects with the then existing shares. The listing proceeds of the aforementioned shares, net of direct issuance expenses amounted to approximately HK\$503 million. The resulting share premium amounted to approximately HK\$483 million.

24. 股本 (續)**(a) 法定及已發行股本 (續)**

附註:

- (i) 本公司於二零零五年十一月十一日於開曼群島註冊成立，法定股本為380,000港元，分為3,800,000股每股0.10港元的股份。同日，一股面值0.10港元按面值發行。
- (ii) 於二零零六年九月十五日，通過增設7,996,200,000股每股面值0.10港元的股份，將本公司的法定股本由380,000港元增至800,000,000港元。該等股份在各方面均與當時現有已發行股份享有同等權利。
- (iii) 為籌備本公司股份於聯交所上市，於二零零六年九月十三日，通過陳伯中先生與Gold Alliance International Management Limited 全資附屬公司Gold Alliance Global Services Limited (「Gold Alliance」) 訂立饋贈契據的方式，本公司全部已發行股本成為由Gold Alliance全資擁有。
- 於二零零六年九月十五日，本公司當時的唯一股東Gold Alliance 通過書面決議案，據此，待本公司的股份溢價賬因根據下文(iv)所述全球發售發行股份而進賬不少於59,999,999.90港元後，通過將計入本公司股份溢價賬的59,999,999.90港元撥充資本的方式，向Gold Alliance 配發及發行合共599,999,999股每股面值0.10港元的按面值入賬列為繳足股份。
- (iv) 於二零零六年十月四日，本公司已完成以現金按每股2.67港元的價格全球發售200,000,000股每股面值0.10港元的股份，總代價為534,000,000港元。股份於二零零六年十月四日於聯交所開始買賣，所有該等股份在各方面均與當時現有股份享有同等權利。於扣除直接發行開支後，上述股份的上市所得款項約為503,000,000港元，令股份溢價達到約483,000,000港元。

24. Share capital (Continued)

(a) Authorised and issued capital (Continued)

- (v) On 20th October 2006, upon the exercise of the over-allotment option by the placing underwriters under the underwriting agreements entered into between the Company and the placing underwriters, 30,000,000 shares with a par value of HK\$0.10 each were allotted and issued at a price of HK\$2.67 per share in cash for an aggregate consideration of approximately HK\$80 million to the placing underwriters. The proceeds of the aforementioned shares, net of direct issuance expenses amounted to approximately HK\$77 million. The resulting share premium amounted to approximately HK\$74 million.

(b) Share option schemes

Pursuant to the written resolutions passed by the then sole shareholder of the Company on 15th September 2006, two share option schemes, namely, Pre-IPO Share Option Scheme and Share Option Scheme were approved and adopted by the Company.

24. 股本 (續)

(a) 法定及已發行股本 (續)

- (v) 於二零零六年十月二十日，於配售包銷商根據本公司與配售包銷商訂立的包銷協議行使超額配股權後，本公司以現金按每股2.67港元的價格向配售包銷商配發及發行30,000,000股每股面值0.10港元的股份，總代價約80,000,000港元。扣除直接發行開支後，上述股份的所得款項約為77,000,000港元，令股份溢價達到約74,000,000港元。

(b) 購股權

根據本公司當時唯一股東於二零零六年九月十五日通過的書面決議案，本公司批准及採納兩股購股權計劃，分別為首次公開發售前購股權計劃及購股權計劃。

24. Share capital (Continued)

(b) Share option schemes (Continued)

(i) *Pre-IPO Share Option Scheme*

During the year, the Company granted options under the Pre-IPO Share Option Scheme to certain directors of the Company and employees of the Group, which entitle them to subscribe for a total of 21,960,180 shares at a subscription price of HK\$2.136 per share and are exercisable in the following manners:

Maximum percentage of option exercisable
可行使購股權的最高百分比

33% of the total number of the options granted to any grantee

任何承授人獲授的購股權總數的33%

33% of the total number of the options granted to any grantee

任何承授人獲授的購股權總數的33%

34% of the total number of the options granted to any grantee

任何承授人獲授的購股權總數的34%

None of the options granted under the Pre-IPO Share Option Scheme are exercisable within the first twelve months after the Listing Date.

24. 股本 (續)

(b) 購股權 (續)

(i) *首次公開發售前購股權計劃*

年內，本公司根據首次公開發售前購股權計劃向本公司若干董事及本集團僱員授出購股權，賦予彼等權利按認購價每股2.136港元認購合共21,960,180股股份。購股權可按以下方式行使：

Period for exercise of the relevant percentage of the option
行使購股權有關百分比的期間

From the expiry of the first anniversary of the listing date on 4th October 2006 ("Listing Date") to the last day of the fourth anniversary of the Listing Date (both days inclusive)
 可由上市日期二零零六年十月四日（「上市日期」）起計首周年屆滿直至上市日期第四周年的最後一日（包括首尾兩日）

From the expiry of the second anniversary of the Listing Date to the last day of the fifth anniversary of the Listing Date (both days inclusive)
 可由上市日期起計第二周年屆滿直至上市日期第五周年的最後一日（包括首尾兩日）

From the expiry of the third anniversary of the Listing Date to the last day of the sixth anniversary of the Listing Date (both days inclusive)
 可由上市日期起計第三周年屆滿直至上市日期第六周年的最後一日（包括首尾兩日）

概無根據首次公開發售前購股權計劃授出的購股權可於上市日期後首十二個月內行使。

24. Share capital (Continued)

(b) Share option schemes (Continued)

(i) Pre-IPO Share Option Scheme (Continued)

Details of the options granted under the Pre-IPO Share Option Scheme outstanding as at 31st December 2006 are as follows:

	Date of grant 授出日期	Exercise price in HK\$ per share 每股行使價 (港元)	Number of shares subject to the options 涉及購股權 的股份數目
Directors 董事	15 September 2006 二零零六年九月十五日	2.136	11,509,740
Senior management 高級管理層	15 September 2006 二零零六年九月十五日	2.136	5,862,570
Other employees 其他僱員	15 September 2006 二零零六年九月十五日	2.136	4,587,870
			21,960,180

No share options granted under the Pre-IPO Share Option Scheme were exercised, cancelled or lapsed during the year.

The fair value of options granted during the year determined using the binomial option pricing model was approximately HK\$31 million. The significant inputs into the model were share price of HK\$2.67 per share as at the grant date, exercise price as shown above, volatility of the share of 65%, expected life of options of three years, expected dividend yield of 4.48% and annual risk-free interest rate of 3.97%. The volatility measured at the standard deviation of expected share price returns is based on the 5-year historical volatility of price return of companies engaged in the industry of metal trading and listed on the Stock Exchange.

(ii) Share Option Scheme

No option was granted under the Share Option Scheme during the year.

24. 股本 (續)

(b) 購股權 (續)

(i) 首次公開發售前購股權計劃 (續)

於二零零六年十二月三十一日尚
未行使的購股權詳情如下:

	Exercise price in HK\$ per share 每股行使價 (港元)	Number of shares subject to the options 涉及購股權 的股份數目
Directors 董事	2.136	11,509,740
Senior management 高級管理層	2.136	5,862,570
Other employees 其他僱員	2.136	4,587,870
		21,960,180

年內概無根據首次公開發售前購股權計劃授出的購股權獲行使、註銷或失效。

年內授出的購股權公平值採用二項式購股權定價模型釐定約為31,000,000港元。模型所用的主要參數為於授出日股價每股2.67港元、上述行使價、股份波幅65%、預期購股權年期3年、預期股息回報率4.48%及每年零風險利率3.97%。預期股價回報標準差的波幅乃按於聯交所上市及從事金屬貿易業務的公司過去五年的股價回報波幅記錄計算。

(ii) 購股權計劃

年內概無根據購股權計劃授出購股權。

25. Share premium and other reserves Group

25. 股份溢價及其他儲備 本集團

		Other reserves 其他儲備							Total
		Share premium	Merger reserve	Reserve funds (note (b)) 儲備基金 (附註(b))	Share-based compensation reserve 以股份為基礎 的薪酬儲備	Exchange reserve 滙兌儲備	Retained earnings 保留盈利	Other reserves 其他儲備總額	Total
		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
At 1st January 2005	於二零零五年一月一日	-	10,000	-	-	-	223,841	233,841	233,841
Profit for the year	年內溢利	-	-	-	-	-	202,380	202,380	202,380
Dividend declared to the then shareholder of a subsidiary (note 14)	向一間附屬公司當時的股東宣派股息 (附註14)	-	-	-	-	-	(85,000)	(85,000)	(85,000)
At 31st December 2005 and 1st January 2006	於二零零五年十二月三十一日及二零零六年一月一日	-	10,000	-	-	-	341,221	351,221	351,221
Repurchase of shares of a subsidiary from the then shareholder of the subsidiary	向附屬公司當時股東購回附屬公司股份	-	(10,000)	-	-	-	-	(10,000)	(10,000)
Issue of shares in connection with listing (note 24(a)(iv) and (v))	有關上市所發行股份 (附註24(a)(iv)及(v))	591,100	-	-	-	-	-	-	591,100
Share issuance expenses (note 24(a)(iv) and (v))	股份發行開支 (附註24(a)(iv)及(v))	(34,526)	-	-	-	-	-	-	(34,526)
Capitalisation of share premium (note 24(a)(iii))	股份溢價資本化 (附註24(a)(iii))	(60,000)	-	-	-	-	-	-	(60,000)
Transfer to reserve funds	轉撥至儲備基金	-	-	313	-	-	(313)	-	-
Pre-IPO Share Option Scheme – value of employee services (note (a))	首次公開發售前購股權計劃—僱員服務的價值 (附註(a))	-	-	-	4,748	-	-	4,748	4,748
Profit for the year	年內溢利	-	-	-	-	-	388,563	388,563	388,563
Exchange difference	滙兌差異	-	-	-	-	258	-	258	258
At 31st December 2006	於二零零六年十二月三十一日	496,574	-	313	4,748	258	729,471	734,790	1,231,364
Balance after 2006 final dividend proposed	扣除二零零六年撥派末期股息後的結餘	496,574	-	313	4,748	258	630,452	635,771	1,132,345
2006 final dividend proposed	二零零六年撥派末期股息	-	-	-	-	-	99,019	99,019	99,019
		496,574	-	313	4,748	258	729,471	734,790	1,231,364

25. Share premium and other reserves (Continued)

Notes:

- (a) Share-based compensation reserve represents an entry corresponding to employee share option expense charged to the income statement.
- (b) In accordance with the regulations of Mainland China, a subsidiary of the jointly controlled entity registered in the Mainland China is required to transfer part of its profit after income tax to reserve funds. The transfer is also subject to the approval of the board of directors of the jointly controlled entity's subsidiary, in accordance with its articles of association.

25. 股份溢價及其他儲備 (續)

附註:

- (a) 以股份為基礎的薪酬儲備指就收益表內扣除僱員購股權開支的項目。
- (b) 根據中國大陸的規例，於中國大陸註冊的共同控制實體的附屬公司須將其扣除所得稅後的部份溢利轉撥至儲備基金。轉撥須待共同控制實體的附屬公司的董事會批准，方可按其組織章程細則進行。

Company

本公司

Other reserves

其他儲備

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Share-based compensation reserve 以股份為基礎的薪酬儲備 HK\$'000 千港元	Retained earnings/ (accumulated losses) 保留盈利 / (累計虧損) HK\$'000 千港元	Total other reserves 其他儲備總額 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 11th November 2005 (date of incorporation)	於二零零五年十一月十一日 (註冊成立日期)	-	-	-	-	-	-
Loss for the period	期內虧損	-	-	-	(14)	(14)	(14)
At 31st December 2005 and 1st January 2006	於二零零五年十二月三十一日 及二零零六年一月一日	-	-	-	(14)	(14)	(14)
Effect of Reorganisation	重組的影響	-	640,631	-	-	640,631	640,631
Issue of shares in connection with listing (note 24(a)(iv) and (v))	有關上市所發行股份 (附註24(a)(iv)及(v))	591,100	-	-	-	-	591,100
Share issuance expenses (note 24(a)(iv) and (v))	股份發行開支 (附註24(a)(iv)及(v))	(34,526)	-	-	-	-	(34,526)
Capitalisation of share premium (note 24(a)(iii))	股份溢價資本化 (附註24(a)(iii))	(60,000)	-	-	-	-	(60,000)
Pre-IPO Share Option Scheme - value of employee services (note (a))	首次公開發售前購股權 計劃一僱員服務的價值 (附註(a))	-	-	4,748	-	4,748	4,748
Profit for the year	年內溢利	-	-	-	99,053	99,053	99,053
At 31st December 2006	於二零零六年十二月三十一日	496,574	640,631	4,748	99,039	744,418	1,240,992
Balance after 2006 final dividend proposed	扣除二零零六年擬派末期 股息後的結餘	496,574	640,631	4,748	20	645,399	1,141,973
2006 final dividend proposed	二零零六年擬派末期股息	-	-	-	99,019	99,019	99,019
		496,574	640,631	4,748	99,039	744,418	1,240,992

26. Trade and other payables

26. 應付貨款及其他應付款項

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Trade payables	應付貨款	77,664	19,131
Deposits received	已收按金	35,851	8,005
Accrued expenses	應計款項	12,354	9,792
		125,869	36,928

Ageing analysis of trade payables is as follows:

應付貨款的賬齡分析如下:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
0 to 30 days	0至30日	74,785	15,825
31 to 60 days	31至60日	1	595
61 to 90 days	61至90日	-	-
Over 90 days	90日以上	2,878	2,711
		77,664	19,131

The carrying amounts of trade payables are denominated in the following currencies:

應付貨款的賬面值以下列貨幣計值:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
HK dollars	港元	1,320	1,461
US dollars	美元	51,906	17,670
Renminbi	人民幣	24,365	-
Others	其他	73	-
		77,664	19,131

27. Bank borrowings

27. 銀行借貸

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Loans against trust receipts – secured	信託收據貸款—有抵押	–	110,387
Loans against trust receipts – unsecured	信託收據貸款—無抵押	268,214	76,520
		268,214	186,907

All the bank borrowings at 31st December 2005 were guaranteed by certain directors of the Company and/or a director of certain subsidiaries. In addition, the above secured bank borrowings at 31st December 2005 were secured by certain investment properties, leasehold land, properties and bank balances of the Group (notes 15, 16, 17 and 21).

於二零零五年十二月三十一日所有銀行借貸均由本公司若干董事及／或若干附屬公司的一名董事擔保。此外，以上於二零零五年十二月三十一日的有抵押銀行借貸以本集團若干投資物業、租賃土地、物業及銀行結餘作抵押（附註15、16、17及21）。

The carrying amounts of the bank borrowings are denominated in the following currencies:

銀行借貸的賬面值以下列貨幣計值：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
US dollars	美元	267,911	186,701
Others	其他	303	206
		268,214	186,907

27. Bank borrowings (Continued)

The effective interest rates at the balance sheet dates were as follows:

		2006	2005
Loans against trust receipts	信託收據貸款	5.97% to 6.86%	1.34% to 6.14%

The bank borrowings are all subject to contractual interest repricing dates within six months from the relevant balance sheet dates. The carrying amounts of the bank borrowings approximate their fair values.

27. 銀行借貸 (續)

於各結算日的實際利率如下：

全部銀行借貸之合約利息重新計價日均為有關結算日後六個月內。銀行借貸的賬面值與其公平值相若。

28. Deferred income tax

Deferred income tax is calculated in full on temporary differences under the liability method using a principal income tax rate of 17.5% (2005: 17.5%).

The gross movement on the deferred tax account is as follows:

28. 遞延所得稅

遞延所得稅以負債法就臨時差額按主要所得稅稅率17.5% (二零零五年: 17.5%) 作全數撥備。

遞延稅項賬目的總變動如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
At 1st January	於一月一日	1,554	4,282
Charged to income statement	自收益表扣除	342	1,384
Reclassified to liabilities associated with assets held for sale (note 23)	重新分類為與持有作出售之資產有關的負債 (附註23)	-	(4,112)
At 31st December	於十二月三十一日	1,896	1,554

28. Deferred income tax (Continued)

The movement in deferred tax assets/(liabilities) during the year is as follows:

		Deferred tax assets 遞延稅項資產		Deferred tax liabilities 遞延稅項負債		Fair value gains on investment properties 投資物業的 公平值收益		Total 總計	
		Accelerated accounting depreciation 加速會計折舊		Accelerated tax depreciation 加速稅項折舊					
		2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
At 1st January	於一月一日	72	38	(1,626)	(2,012)	-	(2,308)	(1,626)	(4,320)
Deferred income tax credited/ (charged) to income statement	自收益表扣除/(計入) 收益表遞延所得稅	47	34	(389)	(224)	-	(1,194)	(389)	(1,418)
Reclassified to liabilities associated with assets held for sale	重新分類為與 持有作出售之資產 有關的負債	-	-	-	610	-	3,502	-	4,112
At 31st December	於十二月三十一日	119	72	(2,015)	(1,626)	-	-	(2,015)	(1,626)

28. 遞延所得稅 (續)

遞延稅項資產/(負債)於年內的變動如下:

29. Amount due to a director of subsidiaries

As at 31st December 2005, the amount due to a director of subsidiaries was due to Mr Chan Shu Cheung, who is the father of Mr Chan Pak Chung. The amount was denominated in Hong Kong dollars, unsecured and interest free. The amount as at 31st December 2005 was settled during the year.

29. 應付一名附屬公司董事款項

於二零零五年十二月三十一日，應付一名附屬公司董事款項為欠負陳樹昌先生(陳伯仲先生的父親)。金額均以港元列值，且為無抵押及免息。於二零零五年十二月三十一日尚未償還的金額已於年內償還。

30. Investment in a subsidiary and amounts due from/(to) subsidiaries

		Company 本公司	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Unlisted shares, at cost	非上市股份·按成本計	640,631	-

30. 於附屬公司的投資及應收/(付)附屬公司款項

30. Investment in a subsidiary and amounts due from/(to) subsidiaries (Continued)

All balances with subsidiaries are denominated in Hong Kong dollars, unsecured, interest free and have no fixed terms of repayment.

The following is a list of subsidiaries at 31st December 2006:

30. 於附屬公司的投資及應收／(付)附屬公司款項 (續)

與附屬公司的所有結餘均以港元列值，為無抵押及免息且無固定還款期。

下表載列二零零六年十二月三十一日的附屬公司：

Company name 公司名稱	Place of incorporation 註冊成立地點	Issued capital 已發行資本	Percentage of equity interest attributable to the Company 本公司所佔股權百分比	Principal activities 主要業務
Lee City Asia Company Limited 利城亞洲有限公司	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值1港元的股份	100%	Property holding 物業持有
Lee Fung Metal Company Limited 利豐五金有限公司	Hong Kong 香港	100,000 shares of HK\$1 each 100,000股每股面值1港元的股份	100%	Trading of non-ferrous metal 買賣有色金属
Lee Fung Metal Company (BVI) Limited	British Virgin Islands 英屬處女群島	2 shares of HK\$1 each 2股每股面值1港元的股份	100%	Investment holding 投資控股
Lee Kee Group Limited 利記集團有限公司	Hong Kong 香港	1,000 shares of HK\$1 each 1,000股每股面值1港元的股份	100%	Investment holding 投資控股
Lee Kee Group (BVI) Limited [#]	British Virgin Islands 英屬處女群島	2 shares of HK\$1 each 2股每股面值1港元的股份	100%	Investment holding 投資控股
Lee Kee Metal Company Limited 利記五金有限公司	Hong Kong 香港	500,000 shares of HK\$10 each 500,000股每股面值10港元的股份	100%	Trading of zinc alloy and zinc 買賣鋅合金及鋅

30. Investment in a subsidiary and amounts due from/(to) subsidiaries (Continued)

30. 於附屬公司的投資及應收／(付)附屬公司款項 (續)

Company name 公司名稱	Place of incorporation 註冊成立地點	Issued capital 已發行資本	Percentage of equity interest attributable to the Company 本公司所佔 股權百分比	Principal activities 主要業務
Lee Kee Metal Company (BVI) Limited	British Virgin Islands 英屬處女群島	2 shares of HK\$1 each 2股每股面值1港元的股份	100%	Investment holding 投資控股
Lee Sing Materials Company Limited 利昇五金有限公司	Hong Kong 香港	100,000 shares of HK\$1 each 100,000股每股面值1港元的股份	100%	Trading of chemical products 買賣化學產品
Lee Sing Materials Company (BVI) Limited	British Virgin Islands 英屬處女群島	2 shares of HK\$1 each 2股每股面值1港元的股份	100%	Investment holding 投資控股
Lee Tai Precious Metal Company Limited 利泰(貴金屬)有限公司	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值1港元的股份	100%	Trading of precious metals chemicals 買賣貴金屬化工原料
Lee Tai Precious Metal Company (BVI) Limited	British Virgin Islands 英屬處女群島	2 shares of HK\$1 each 2股每股面值1港元的股份	100%	Investment holding 投資控股
Standard Glory Management Limited 德榮管理有限公司	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值1港元的股份	100%	Provision of management services 提供管理服務
Success City Asia Company Limited 成城亞洲有限公司	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值1港元的股份	100%	Inactive 暫無業務
Success In Asia Company Limited 成晉亞洲有限公司	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值1港元的股份	100%	Inactive 暫無業務

30. Investment in a subsidiary and amounts due from/(to) subsidiaries (Continued)

Company name 公司名稱	Place of incorporation 註冊成立地點	Issued capital 已發行資本	Percentage of equity interest attributable to the Company 本公司所佔股權百分比	Principal activities 主要業務
Toba Company Limited	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值 1港元的股份	100%	Property holding 物業持有
Toba Company (BVI) Limited	British Virgin Islands 英屬處女群島	2 shares of HK\$1 each 2股每股面值1港元的股份	100%	Investment holding 投資控股

#: Directly held by the Company

#: 本公司直接持有

31. Investment in a jointly controlled entity

The Group has a 50% interest in a jointly controlled entity, GRTL. GRTL together with its wholly owned subsidiaries, Genesis Alloys and Genesis Ningbo (collectively referred to as the "Genesis Group") are engaged in the manufacturing and trading of alloy products in the Mainland China. The following are the particulars of the jointly controlled entity at 31st December 2006:

31. 於共同控制實體的投資

本集團於共同控制實體GRTL擁有50%權益。GRTL連同其全資附屬公司金利合金及寧波金利(統稱為「Genesis Group」)在中國大陸從事製造及買賣合金產品業務。以下為共同控制實體於二零零六年十二月三十一日的詳情:

Company name 公司名稱	Place of incorporation 註冊成立地點	Issued capital 已發行資本	Percentage of equity interest attributable to the Company 本公司所佔股權百分比	Principal activities 主要業務
Genesis Recycling Technology (BVI) Limited 德榮(英屬維爾京群島)有限公司	British Virgin Islands 英屬處女群島	2,100,000 shares of US\$1 each 2,100,000股每股面值 1美元的股份	50%	Investment holding 投資控股

31. Investment in a jointly controlled entity

(Continued)

The following amounts represent the Group's 50% share of the consolidated assets and liabilities of Genesis Group as at 31st December 2006, and consolidated revenue and results of Genesis Group for the period from the date of acquisition of GRTL to 31st December 2006. They are included in the consolidated balance sheet and consolidated income statement of the Group:

31. 於共同控制實體的投資 (續)

下列金額相當於本集團所佔50%的Genesis Group於二零零六年十二月三十一日的綜合資產及負債，以及自收購GRTL日期起計至二零零六年十二月三十一日止期間Genesis Group的綜合收益及業績。以上各項已計入本集團綜合資產負債表及綜合收益表：

		2006 HK\$'000 千港元
Leasehold land	租賃土地	501
Property, plant and equipment	物業、廠房及設備	3,319
Inventories	存貨	13,279
Trade and other receivables	應收貨款及其他應收款項	23,337
Bank balances and cash – unrestricted	銀行結餘及現金 – 不受限制	8,444
Trade and other payables	應付貨款及其他應付款項	(33,114)
Tax payable	應繳稅項	(360)
Amount due to a related company, Modern Wealth Limited	應付關連公司利成有限公司 款項	(146)
Amount due to a joint venturer of a jointly controlled entity	應付共同控制實體合營夥伴 的款項	(274)
Amount due to the Group		14,986 (1,836)
Net assets	資產淨值	13,150
Revenue	收益	83,331
Cost of sales	銷售成本	(78,535)
Gross profit	毛利	4,796
Other income	其他收入	17
Distribution and selling expenses	分銷及銷售開支	(239)
Administrative expenses	行政開支	(890)
Profit before income tax	扣除所得稅前溢利	3,684
Income tax expense	所得稅開支	(574)
Profit after income tax	扣除所得稅後溢利	3,110

The amount due to a joint venturer of a jointly controlled entity is denominated in US dollars, unsecured, interest free and has no fixed terms of repayment.

應付共同控制實體合營夥伴的款項以美元列值，為無抵押及免息且無固定還款期。

32. Notes to consolidated cash flow statement

(a) Reconciliation of profit before income tax to net cash generated from operations

32. 綜合現金流量表附註

(a) 扣除所得稅前溢利與營運所得的現金淨額的對賬

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Profit before income tax	扣除所得稅前溢利	470,994	244,540
Fair value gains on investment properties	投資物業的公平值收益	(3,800)	(9,840)
Depreciation	折舊	3,129	1,939
Amortisation of leasehold land	租賃土地攤銷	128	381
Interest income	利息收入	(16,278)	(558)
Interest expense	利息開支	11,707	7,906
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	(266)	(204)
Loss on disposal of subsidiaries	出售附屬公司的虧損	82	-
Impairment provision for doubtful debts	呆賬減值撥備	2,062	-
Excess of the Group's interest in the net fair value of the identifiable net assets of the jointly controlled entity over cost of acquisition	本集團於共同控制實體可辨別資產淨值的公平淨值中所佔權益較收購成本超出部份	(1,084)	-
Pre-IPO Share Option Scheme – value of employee services	首次公開發售前購股權計劃－僱員服務的價值	4,748	-
Operating cash inflow before working capital changes	未計營運資金變動前的經營現金流入	471,422	244,164
Increase in inventories	存貨增加	(399,598)	(76,040)
Increase in trade and other receivables	應收貨款及其他應收款項增加	(48,109)	(36,853)
Increase in trade and other payables	應付貨款及其他應付款項增加	70,779	2,133
Movement in balances with related companies	關連公司結餘變動	223	(6,036)
Movement in balance with a joint venturer of a jointly controlled entity	共同控制實體的合營夥伴結餘變動	(124)	-
Repayment of amount due to a director by a jointly controlled entity	由共同控制實體償還應付一名董事的款項	(839)	-
Net cash generated from operations	營運所得的現金淨額	93,754	127,368

32. Notes to consolidated cash flow statement

(Continued)

(b) Acquisition of 50% interest in a jointly controlled entity

32. 綜合現金流量表附註 (續)

(b) 收購共同控制實體50%權益

		At the date of acquisition 於收購日期 HK\$'000 千港元
Leasehold land	租賃土地	985
Property, plant and equipment	物業、廠房及設備	6,674
Inventories	存貨	16,403
Trade and other receivables	應收貨款及其他應收款項	20,915
Bank balances and cash – unrestricted	銀行結餘及現金 – 不受限制	12,771
Trade and other payables	應付貨款及其他應付款項	(32,730)
Tax payable	應繳稅項	(195)
Amount due to a related company, Modern Wealth Limited	應付關連公司利成有限公司款項	(97)
Amount due to a director of a jointly controlled entity	應付共同控制實體一名董事款項	(1,677)
Amount due to the Group	應付本集團款項	(1,916)
Amount due to a joint venturer of a jointly controlled entity	應付共同控制實體合營夥伴的款項	(2,712)
Net assets	資產淨值	18,421
Net assets acquired (50%)	收購資產淨值(50%)	9,210
Cash consideration for acquisition (Note)	現金收購代價(附註)	(8,126)
Excess of the Group's interest in the net fair value of the identifiable net assets of the jointly controlled entity over cost of acquisition (note 7)	本集團於共同控制實體可辨別資產淨值的公平淨值中所佔權益較收購成本超出部份(附註7)	1,084
An analysis of the net cash outflow of cash and cash equivalents in respect of the acquisition of a jointly controlled entity is as follows:	有關收購共同控制實體的現金及現金等值項目流出淨額的分析如下:	
Cash consideration	現金代價	(8,126)
Bank balances and cash acquired	已收購銀行結餘及現金	6,386
		(1,740)

Note:

Total cash consideration of approximately HK\$8,126,000 includes the consideration of 50% interest in a jointly controlled entity of approximately HK\$7,593,000 (note 35(a)(ix)) and advanced contribution by the Group to the jointly controlled entity of approximately HK\$533,000.

附註:

現金總代價約8,126,000港元包括於共同控制實體50%權益所支付的代價約7,593,000港元(附註35(a)(ix))及本集團向共同控制實體提前出資約533,000港元。

32. Notes to consolidated cash flow statement*(Continued)***(c) Disposal of subsidiaries****32. 綜合現金流量表附註 (續)****(c) 出售附屬公司**

		As at date of disposal 於出售日期 HK\$'000 千港元
Net assets disposed of:	已出售資產淨值：	
Investment properties	投資物業	50,620
Leasehold land	租賃土地	10,596
Property, plant and equipment	物業、廠房及設備	3,317
Trade and other receivables	應收貨款及其他應收款項	153
Bank balances and cash – unrestricted	銀行結餘及現金 – 不受限制	351
Trade and other payables	應付貨款及其他應付款項	(507)
Tax payable	應繳稅項	(147)
Deferred tax liabilities	遞延稅項負債	(4,813)
		59,570
Loss on disposal of subsidiaries (notes 7 and 23)	出售附屬公司的虧損 (附註7及23)	(82)
Sale consideration	出售代價	59,488
Satisfied by set off of dividend payable	以抵銷應付股息的方式償付	59,488
An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:	有關出售附屬公司的現金及現金等值項目流出淨額的分析如下：	
Bank balances and cash disposed of	已出售銀行結餘及現金	(351)

33. Contingent liabilities

At 31st December 2006, the Company had contingent liabilities in respect of corporate guarantees for credit facilities for certain subsidiaries amounting to approximately HK\$680 million (2005: Nil), of which approximately HK\$268 million (2005: Nil) was utilised.

33. 或然負債

於二零零六年十二月三十一日，本公司就若干附屬公司信貸額度作出公司擔保有關的或然負債約達680,000,000港元（二零零五年：零），其中約268,000,000港元（二零零五年：零）已被動用。

34. Commitments – Group

(a) Operating lease commitments – as a lessee

The Group's future aggregate minimum rental expense in respect of land and buildings under non-cancellable operating leases is payable as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Within one year	一年內	2,044	3,352
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	–	2,652
		2,044	6,004

As at 31st December 2006, an amount of approximately HK\$737,000 related to an operating lease commitment with Modern Wealth Limited.

(b) Operating lease commitments – as a lessor

Prior to the disposal of Modern Wealth Limited, the Group leased out properties under operating leases, which generally ran for an initial period of two to five years, with an option to renew the lease after that date at which time all terms would be renegotiated.

The Group's total future minimum rental income under non-cancellable operating leases was receivable as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Within one year	一年內	–	2,013
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	–	716
		–	2,729

All the amounts receivable as at 31st December 2005 were for investment properties included in assets held for sale.

34. 承擔 – 本集團

(a) 經營租賃承擔 – 作為承租人

本集團根據不可撤銷經營租賃，就土地及樓宇未來應付的最低租金開支總額如下：

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Within one year	2,044	3,352
In the second to fifth years inclusive	–	2,652
	2,044	6,004

於二零零六年十二月三十一日，約737,000港元的金額與利成有限公司訂立的經營租賃承擔有關。

(b) 經營租賃承擔 – 作為出租人

於出售利成有限公司之前，本集團根據經營租賃出租物業，租期起初一般為兩年至五年，並有權選擇在租期屆滿後續租，屆時所有租賃條款均可重新協定。

本集團根據不可撤銷經營租賃未來應收的最低租金收入總額如下：

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Within one year	–	2,013
In the second to fifth years inclusive	–	716
	–	2,729

所有於二零零五年十二月三十一日應收的款項均來自持有作出售之資產的投資物業。

34. Commitments – Group (Continued)**(c) Capital commitments**

The Group's capital expenditure at the balance sheet date but not yet incurred is as follows:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Leasehold land and property, plant and equipment	租賃土地及物業、廠房及設備		
Contracted but not provided for	已訂約但未撥備	20,423	–

34. 承擔 – 本集團**(c) 資本承擔**

本集團於結算日未產生的資本承擔如下：

35. Related party transactions**(a) Transactions with related parties**

Other than as disclosed in notes 23 and 24, other significant related party transactions carried out during the year are as follows:

		Note	2006	2005
		附註	HK\$'000	HK\$'000
			千港元	千港元
Income	收入			
Rental received from Lee Yip Metal Company Limited	已收利業五金有限公司的租金	(i)	–	106
Management fee received from Lee Yip Metal Company Limited	已收以下公司的管理費 利業五金有限公司	(ii)	–	120
Genesis Alloys (Ningbo) Limited*	金利合金製造工業 (寧波)有限公司*	(ii)	130	156
Commission income received from Genesis Alloys Limited*	已收金利合金有限公司的佣金收入*	(iii)	–	20
Sales of metal to a director	向一名董事出售金屬	(iv)	10,290	–

35. 關連方交易**(a) 與關連方進行交易**

除附註23及24所披露者外，年內所進行的重大關連方交易如下：

35. Related party transactions (Continued)

(a) Transactions with related parties (Continued)

		Note	2006	2005
		附註	HK\$'000	HK\$'000
			千港元	千港元
Expense	開支			
Purchase of goods from Genesis Alloys Limited	向金利合金有限公司 購入貨品	(v)	–	4,537
Rental paid to directors	已向董事支付的租金	(vi)	–	220
Rental paid to Regal China Properties Limited	已向利華置業有限公司 支付的租金	(vii)	9	120
Rental paid to Lee Kee Far East Company Limited	已向利記遠東有限公司 支付的租金	(vii)	720	360
Rental paid to Modern Wealth Limited*	已向利成有限公司 支付的租金*	(viii)	536	–
Others	其他			
Acquisition of 50% interest in GRTL from Metallic Scope Holding Company Limited (“Metallic Scope”)	向利富控股有限公司 （「Metallic Scope」） 收購GRTL 50%權益	(ix)	9,348	–

*: These transactions continue after the listing of the Company.

(i) The Group received rental from Lee Yip Metal Company Limited, in which Mr Chan Pak Chung had significant influence before 24 May 2005 and had controlling interests thereafter, at a fixed sum as agreed by both parties.

(ii) The Group received management fees from Lee Yip Metal Company Limited and Genesis Alloys (Ningbo) Limited pursuant to the terms of management services agreements entered into with these related companies for the provision of operating support services at fixed monthly service fees.

(iii) The Group received commission income from Genesis Alloys Limited calculated at a fixed rate as agreed by both parties for the relevant unit of products sold by Genesis Alloys Limited.

(iv) The Group sold gold to Mr Chan Pak Chung at the prevailing market value on the date of the transaction.

35. 關連方交易 (續)

(a) 與關連方進行交易 (續)

		Note	2006	2005
		附註	HK\$'000	HK\$'000
			千港元	千港元
Expense	開支			
Purchase of goods from Genesis Alloys Limited	向金利合金有限公司 購入貨品	(v)	–	4,537
Rental paid to directors	已向董事支付的租金	(vi)	–	220
Rental paid to Regal China Properties Limited	已向利華置業有限公司 支付的租金	(vii)	9	120
Rental paid to Lee Kee Far East Company Limited	已向利記遠東有限公司 支付的租金	(vii)	720	360
Rental paid to Modern Wealth Limited*	已向利成有限公司 支付的租金*	(viii)	536	–
Others	其他			
Acquisition of 50% interest in GRTL from Metallic Scope Holding Company Limited (“Metallic Scope”)	向利富控股有限公司 （「Metallic Scope」） 收購GRTL 50%權益	(ix)	9,348	–

*: 有關交易於本公司上市後繼續進行。

(i) 本集團按雙方協定的固定金額向利業五金有限公司（陳伯中先生於二零零五年五月二十四日前對此有重大影響力，及於該日後擁有對此控股權益）收取租金。

(ii) 本集團向利業五金有限公司及金利合金製造工業（寧波）有限公司收取管理費；該筆費用乃本集團根據與該等關連公司訂立的管理服務協議的條款，就本集團所提供的營運支援服務釐定的固定服務月費。

(iii) 本集團向金利合金有限公司收取佣金收入；該筆收入乃按雙方協定之固定收費率及就金利合金有限公司售出有關產品的單位計算。

(iv) 本集團按交易當日的現行市值向陳伯中先生出售黃金。

35. Related party transactions (Continued)**(a) Transactions with related parties (Continued)**

- (v) The Group purchased goods from Genesis Alloys Limited at prices as agreed by both parties for each transaction.
- (vi) The Group paid rental for staff quarters of which Mr Chan Pak Chung and Ms Ma Siu Tao are owners at fixed sums as agreed by the parties involved.
- (vii) The Group paid rental for staff and directors' quarters to Regal China Properties Limited and Lee Kee Far East Company Limited, of which Mr Chan Pak Chung and Ms Ma Siu Tao are directors, at fixed sums as agreed by both parties.
- (viii) The Group paid rental for warehouse and car parking spaces to Modern Wealth Limited of which Mr Chan Pak Chung is a director, at fixed sums as agreed by both parties.
- (ix) The Group acquired 1,050,000 ordinary shares of US\$1.00 each of GRTL, which represents 50% of its issued share capital together with a loan due to Metallic Scope of approximately HK\$1,755,000, from Metallic Scope, a company wholly owned by Mr Chan Pak Chung for cash consideration of approximately HK\$7,593,000 (note 32(b)) and HK\$1,755,000 respectively.

(b) Call option deed to acquire Lee Yip Metal Products Company Limited

On 15th September 2006, the Company entered into a call option deed with Mr Chan Pak Chung whereby the Company has a right to acquire up to all equity interest held by Mr Chan Pak Chung at the time of exercise of the call option in Lee Yip Metal Products Company Limited, a company engaged in stainless steel processing business at a price to be determined based on the higher of the original investment costs of Mr Chan Pak Chung plus interest at no more than 1.25% above HIBOR accruing from the period commencing on the respective dates of payment of such investment or the net asset value of shares in Lee Yip Metal Products Company Limited and all indebtedness owed by Lee Yip Metal Products Company Limited to Mr Chan Pak Chung within one year from the date of the listing of the Company on 4th October 2006. The Company has not yet exercised the call option.

35. 關連方交易 (續)**(a) 與關連方進行交易 (續)**

- (v) 本集團向金利合金有限公司購買貨品，所付價格乃雙方按每單交易協定。
- (vi) 本集團已就員工宿舍向該等宿舍的擁有人陳伯中先生及馬笑桃女士支付雙方所協定的定額租金。
- (vii) 本集團已就員工及董事宿舍向利華置業有限公司及利記遠東有限公司(陳伯中先生及馬笑桃女士為其董事)支付雙方所協定的定額租金。
- (viii) 本集團已就倉庫及停車位向利成有限公司(陳伯中先生為其董事)支付雙方所協定的定額租金。
- (ix) 本集團向Metallic Scope(為陳伯中先生全資擁有的公司)收購於GRTL的1,050,000股每股面值1.00美元的普通股，佔其已發行股本50%，連同欠負Metallic Scope的貸款約1,755,000港元，現金代價分別約為7,593,000港元(附註32(b))及1,755,000港元。

(b) 收購利業金屬有限公司的認股期權契據

於二零零六年九月十五日，本公司與陳伯中先生訂立認購期權契據，據此，本公司有權於本公司上市日期二零零六年十月四日後一年內，收購最多為於行使認購期權時陳伯中先生所持有的利業金屬有限公司(一家從事不銹鋼加工業務的公司)的全部股權，價格為以下的較高者：陳伯中先生的原投資成本，另加支付該筆投資的各個日期起計期間內以香港銀行同業拆息加1.25厘的利息，或利業金屬有限公司有關股份的資產淨值及利業金屬有限公司欠負陳伯中先生的全部債務。本公司尚未行使認股期權。

35. Related party transactions (Continued)

(c) Personal guarantee given by Mr Chan Pak Chung

Banking facilities of HK\$15,000,000 were granted to a subsidiary of the jointly controlled entity which were guaranteed by a personal guarantee of HK\$15,000,000 given by Mr Chan Pak Chung since 2004. The guarantee was released on 22nd December 2006.

(d) Key management compensation

Salaries and other short term employee benefits	薪金及其他短期僱員福利
Post employment benefits – pension	退休福利 – 退休金
Share-based payment	以股份支付款項

(e) Balances with related parties

Other than as disclosed in notes 20 and 29, the Group had no material balances with related parties.

36. Ultimate and immediate holding companies

The directors regard Gold Alliance International and Gold Alliance, companies incorporated in the British Virgin Islands, as being the ultimate and immediate holding companies of the Group, respectively.

35. 關連方交易 (續)

(c) 陳伯中先生作出的個人擔保

共同控制實體的一家附屬公司獲授15,000,000港元的銀行信貸，乃從二零零四起由陳伯中先生作出15,000,000港元的個人擔保。有關擔保已於二零零六年十二月二十二日解除。

(d) 高級管理人員酬金

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Salaries and other short term employee benefits	14,694	9,378
Post employment benefits – pension	151	151
Share-based payment	3,756	–
	18,601	9,529

(e) 關連方結餘

除附註20及29所披露者外，本集團與其關連方並無重大結餘。

36. 最終及直接控股公司

董事視Gold Alliance International及Gold Alliance (均於英屬處女群島註冊成立的公司) 分別為本集團的最終及直接控股公司。